

SYNGENTA AG
Form 20-F
February 13, 2014

As filed with the Securities and Exchange Commission on February 13, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 1-15152

SYNGENTA AG
(Exact name of Registrant as specified in its charter)

Switzerland
(Jurisdiction of incorporation or organization)

Schwarzwaldallee 215, 4058 Basel, Switzerland
(Address of principal executive offices)

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P.O. Box
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

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American Depositary Shares, each representing
one-fifth of a common share of Syngenta AG,
nominal value CHF 0.10

New York Stock Exchange

Registered or to be registered pursuant to Section 12(g) of the Act: None

Which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 1,000,000 common shares, nominal value CHF 0.10 each

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Introduction

NATURE OF OPERATIONS

Syngenta AG (“Syngenta” or the “Company”) is a world leading agribusiness operating in the Crop Protection and Seeds business, which is involved in the discovery, development, manufacture and marketing of a range of products designed to improve crop yields and food quality, and in the Lawn and Garden business, which provides professional growers and consumers with flowers, turf and landscape products.

Syngenta is headquartered in Basel, Switzerland and was formed by Novartis AG (“Novartis”) and AstraZeneca PLC (“AstraZeneca”) in November 2000 through an agreement to spin off and merge the Novartis crop protection and seeds businesses with the Zeneca agrochemicals business to create a dedicated agribusiness company whose shares were then the subject of a global offering (the “Transactions”). The Transactions were completed on November 13, 2000.

FORWARD-LOOKING STATEMENTS

The statements contained in this annual report that are not historical facts, including, without limitation, statements regarding management’s expectations, targets or intentions, including for sales, earnings and earnings per share, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and are based on the current expectations and estimates of Syngenta’s management. Investors are cautioned that such forward-looking statements involve risks and uncertainties, and that actual results may differ materially.

Syngenta identifies the forward-looking statements in this annual report by using the words “expect”, “would”, “will”, “potential”, “plans”, “prospects”, “anticipates”, “estimated”, “believes”, “intends”, “aiming”, “on track”, or similar expressions negative of these expressions. Syngenta cannot guarantee that any of the events or trends anticipated by the forward-looking statements will actually occur. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things:

- the risk that research and development will not yield new products that achieve commercial success;
- the risks associated with increasing competition in the industry;
- the risk that economic and/or financial market weakness may have a material adverse effect on Syngenta’s results and financial position;
- the risk that customers will be unable to pay their debts to Syngenta due to economic conditions;
- the risk that Syngenta will not be able to obtain or maintain the necessary regulatory approvals for its business;
- the risks associated with potential changes in policies of governments and international organizations;
- the risks associated with exposure to liabilities resulting from environmental and health and safety laws;
- the risk that important patents and other intellectual property rights may be challenged or used by other parties;
- the risk that Syngenta may encounter problems when implementing significant organizational changes;

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- the risk that the value of Syngenta's intangible assets may become impaired;
- the risk of substantial product liability or personal injury claims;
- the risk that consumer resistance to genetically modified crops and organisms may negatively impact sales;
- the risk that resistance to the use of products derived through biotechnology could decrease which could adversely affect sales of products used for crop protection;
- the risks associated with climatic variations;
- the risks associated with exposure to fluctuations in foreign currency exchange rates;

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- the risks associated with entering into single-source supply arrangements;
- the risks associated with conducting operations in certain territories that have been identified by the US government as state sponsors of terrorism;
- the risks associated with natural disasters;
- the risk that Syngenta's effective tax rate may increase;
- the risk of significant breaches of data security or disruptions of information technology systems;
- the risks that Syngenta now considers immaterial, but that in the future prove to become material; and
- other risks and uncertainties that are not known to Syngenta or are difficult to predict.

Some of these factors are discussed in more detail herein, including under Item 3 "Key Information", Item 4 "Information on the Company", and Item 5 "Operating and Financial Review and Prospects". Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Syngenta does not intend or assume any obligation to update these forward-looking statements.

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PART I

ITEM 1 — IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2 — OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 — KEY INFORMATION

Financial Highlights

Syngenta has prepared the consolidated financial statements in US dollars (\$) and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Financial figures are presented in millions of dollars (\$m) except where otherwise stated. The basis of preparation of the consolidated financial statements and the key accounting policies are discussed in Note 1 and in Notes 2 and 30, respectively, to the consolidated financial statements in Item 18.

The selected financial highlights information in accordance with IFRS presented below has been extracted from the consolidated financial statements of Syngenta. Investors should read the entire consolidated financial statements and not rely on the summarized information. The information includes the results of operations and the net assets of Circle One Global Inc. from May 15, 2009, Goldsmith Seeds Europe B.V. from September 23, 2009, Pybas Vegetable Seed Co., Inc. from December 16, 2009, Synergene Seed & Technology, Inc. from December 23, 2009, Maribo Seed International ApS from September 30, 2010, Greenleaf Genetics LLC from November 8, 2010, Agrosan S.A. from March 9, 2011, Pasteuria Bioscience Inc. from November 8, 2012, Sunfield Seeds Inc. from November 29, 2012, Devgen N.V. from December 12, 2012 and MRI Seed Zambia Ltd and MRI Agro Zambia Ltd from October 31, 2013. For further information about these and other acquisitions, see Note 3 to the consolidated financial statements in Item 18.

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Financial highlights

| (\$m, except where otherwise stated) Amounts in accordance with IFRS | Year ended December 31, | | | | |
|---|-------------------------|------------|------------|------------|------------|
| | 2013 | 2012 | 1 2011 | 1 2010 | 1 2009 |
| Income statement data: | | | | | |
| Sales | 14,688 | 14,202 | 13,268 | 11,641 | 10,992 |
| Cost of goods sold | (7,986) | (7,223) | (6,790) | (5,904) | (5,573) |
| Gross profit | 6,702 | 6,979 | 6,478 | 5,737 | 5,419 |
| Operating expenses | (4,616) | (4,723) | (4,469) | (3,978) | (3,619) |
| Operating income | 2,086 | 2,256 | 2,009 | 1,759 | 1,800 |
| Income before taxes | 1,934 | 2,116 | 1,859 | 1,643 | 1,675 |
| Net income | 1,649 | 1,850 | 1,570 | 1,378 | 1,397 |
| Net income attributable to Syngenta AG shareholders | | | | | |
| | 1,644 | 1,847 | 1,569 | 1,373 | 1,394 |
| Number of shares – basic | 91,952,222 | 91,644,190 | 91,892,275 | 92,687,903 | 93,154,537 |
| Number of shares – diluted | 92,459,306 | 92,132,922 | 92,383,611 | 93,225,303 | 93,760,196 |
| Basic earnings per share (\$) | 17.88 | 20.16 | 17.07 | 14.81 | 14.96 |
| Diluted earnings per share (\$) | 17.78 | 20.05 | 16.98 | 14.73 | 14.86 |
| Cash dividends declared: | | | | | |
| Swiss franc (“CHF”) per share | 9.50 | 8.00 | 7.00 | 6.00 | 6.00 |
| \$ per share equivalent | 10.01 | 8.82 | 7.64 | 5.61 | 5.27 |
| Cash flow data: | | | | | |
| Cash flow from operating activities | 1,214 | 1,359 | 1,871 | 1,707 | 1,419 |
| Cash flow used for investing activities | (772) | (1,218) | (472) | (450) | (880) |
| Cash flow from (used for) financing activities | (1,114) | (232) | (1,684) | (844) | 170 |
| Capital expenditure on tangible fixed assets | (625) | (508) | (479) | (396) | (652) |
| Balance sheet data: | | | | | |
| Current assets less current liabilities | 3,990 | 4,537 | 4,107 | 4,363 | 4,583 |
| Total assets | 20,216 | 19,438 | 17,241 | 17,285 | 16,162 |
| Total non-current liabilities | (3,356) | (4,226) | (4,063) | (4,483) | (5,339) |
| Total liabilities | (10,712) | (10,653) | (9,706) | (9,836) | (9,650) |
| Share capital | (6) | (6) | (6) | (6) | (6) |
| Total shareholders’ equity | (9,491) | (8,774) | (7,526) | (7,439) | (6,498) |
| Other supplementary income data: | | | | | |
| Diluted earnings per share from continuing operations, excluding restructuring and impairment (\$) ² | 19.30 | 22.03 | 19.03 | 16.18 | 16.00 |

All activities were in respect of continuing operations.

Notes

¹ In the consolidated financial statements in Item 18, Syngenta has adopted IAS 19 “Employee Benefits” (revised June 2011). Syngenta has also early adopted “Defined Benefit Plans: Employee Contributions”, Amendments to IAS 19,

issued in November 2013. Comparative amounts for the years 2009, 2010, 2011 and 2012 have been restated to reflect the revised IAS 19. The main changes that the revised IAS 19 introduces and the effect of the adoption on each financial statement line for the years ended 2012 and 2011 are detailed in Note 2 to the consolidated financial statements in Item 18. The effect of the adoption on the years ended 2010 and 2009 are as follows:

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| (\$m, except per share amounts) | 2010 | | | 2009 | | |
|---|-------------|--------------------|--------------------------|-------------|--------------------|--------------------------|
| | As reported | Adoption of IAS 19 | After adoption of IAS 19 | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
| Cost of goods sold | (5,900) | (4) | (5,904) | (5,572) | (1) | (5,573) |
| Gross profit | 5,741 | (4) | (5,737) | 5,420 | (1) | 5,419 |
| Operating expenses | (3,948) | (30) | (3,978) | (3,601) | (18) | (3,619) |
| Operating income | 1,793 | (34) | 1,759 | 1,819 | (19) | 1,800 |
| Income before taxes | 1,677 | (34) | 1,643 | 1,694 | (19) | 1,675 |
| Net income | 1,402 | (24) | 1,378 | 1,411 | (14) | 1,397 |
| Net income attributable to Syngenta AG shareholders | 1,397 | (24) | 1,373 | 1,408 | (14) | 1,394 |
| Basic earnings per share (\$) | 15.07 | (0.26) | 14.81 | 15.11 | (0.15) | 14.96 |
| Diluted earnings per share (\$) | 14.99 | (0.26) | 14.73 | 15.01 | (0.15) | 14.86 |
| Current assets less current liabilities | 4,363 | - | 4,363 | 4,583 | - | 4,583 |
| Total assets | 17,285 | - | 17,285 | 16,129 | 33 | 16,162 |
| Total non-current liabilities | (4,483) | - | (4,483) | (5,331) | (8) | (5,339) |
| Total liabilities | (9,836) | - | (9,836) | (9,642) | (8) | (9,650) |
| Total shareholders' equity | (7,439) | - | (7,439) | (6,473) | (25) | (6,498) |
| Diluted earnings per share from continuing operations, excluding restructuring and impairment (\$) ² | 16.44 | (0.26) | 16.18 | 16.15 | (0.15) | 16.00 |

²Diluted earnings per share from continuing operations, excluding restructuring and impairment is a non-GAAP measure.

A non-GAAP measure is a numerical measure of financial performance, financial position or cash flow that either:

includes, or is subject to adjustments that have the effect of including, amounts that are excluded in the most directly comparable measure calculated and presented under IFRS as issued by the IASB, or

excludes, or is subject to adjustments that have the effect of excluding, amounts that are included in the most directly comparable measure calculated and presented under IFRS as issued by the IASB.

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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 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.

Further discussion on the reason for including disclosure of this and other non-GAAP measures is included in Appendix A at the end of the Operating and Financial Review and Prospects in Item 5.

Restructuring and impairment charges for 2013, 2012 and 2011 are analyzed in Note 6 to the consolidated financial statements in Item 18. Restructuring for 2010 and 2009 mainly related to the Operational Efficiency program announced in 2004 representing the costs of closure of certain manufacturing and research and development sites and refocusing of other continuing sites and also to the further phase of the Operational Efficiency program announced in 2007 to drive cost savings to offset increased expenditure in research and technology, marketing and product development in the growth areas of Seeds, professional products and emerging country markets.

A detailed reconciliation of net income and earnings per share before restructuring and impairment to net income and earnings per share according to IFRS is presented in Appendix A at the end of the Operating and Financial Review and Prospects in Item 5.

Risk Factors

Syngenta's business, financial condition, results of operations or cash flows could suffer material adverse effects due to any of the following risks. Risks that are considered to be material are described below.

The resources Syngenta devotes to research and development may not result in commercially viable products

Syngenta's success depends in part on its ability to develop new products. Research and development in the agribusiness industry is expensive and prolonged, and entails considerable uncertainty. The process of developing a novel crop protection product, plant variety or trait typically takes about six to ten years from discovery through testing and registration to initial product launch, but this period varies considerably from product to product and country to country. Because of the complexities and uncertainties associated with chemical and biotechnological research, compounds or biotechnological products currently under development may neither survive the development process nor ultimately receive the requisite regulatory approvals needed to market such products. Even when such approvals are obtained, there can be no assurance that a new product will be commercially successful. In addition, research undertaken by competitors may lead to the launch of competing or improved products which may affect sales of Syngenta's new products.

Syngenta faces increasing competition in its industry

Syngenta currently faces significant competition in the markets in which it operates. In most segments of the market, the number of products available to the grower is steadily increasing as new products are introduced, although this trend can be partly offset by the withdrawal of some products because they are not re-registered or are subject to

voluntary range reduction programs to reduce the range of products offered. At the same time, an increasing number of products are coming off patent and are thus available to generic manufacturers for production. As a result, Syngenta anticipates that it will continue to face significant competitive challenges.

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Economic and/or financial market weakness may have a material adverse effect on Syngenta's results and financial position

Commodity crop prices have historically been volatile and downturns in prices can indirectly affect Syngenta's results by adversely affecting the income and financial position of Syngenta's customers and of the users of Syngenta's products. This may result in reduced sales, competitive price pressure in Syngenta's markets and in slower collection of accounts receivable. A low availability of credit may also limit the amount of business Syngenta's customers and suppliers can transact with Syngenta, including customers and suppliers in parts of the Eurozone, which continue to experience economic problems. These occurrences may negatively impact Syngenta's business, results of operations or cash flows. Because of the high proportion of costs which are fixed in nature, Syngenta may not be able to compensate fully for these effects in the short term through measures such as reducing expenses.

While Syngenta views its current credit facilities and ability to access capital markets as adequate for its needs, difficulties in the banking sector in the future or illiquidity in the credit or capital markets may restrict Syngenta's ability to raise additional funds or increase the cost of such funding.

Significant declines in asset prices or changes to long-term assumptions may cause funding levels in Syngenta's externally funded defined benefit pension plans to fall below stipulated regulatory levels. This may require Syngenta to pay additional contributions to restore funding to required levels. Please see Notes 2 and 22 to the consolidated financial statements in Item 18 for further information about Syngenta's defined benefit pension plans and the assumptions used to measure the related pension liabilities.

Syngenta's customers may be unable to pay their debts to Syngenta due to economic conditions

Normally Syngenta delivers its products against future payment. Syngenta's credit terms vary according to local market practice, with credit terms for customers typically ranging from 30 to 180 days, except for customers in some emerging markets, where credit terms may range from cash on delivery to, in certain cases, 360 days. Syngenta's customers, particularly in developing economies and in economies experiencing an economic downturn, such as parts of the Eurozone, may be exposed to business, political or financial conditions impacting their ability to pay their debts, which could adversely affect Syngenta's results. See Item 5 for information regarding the amount of receivables Syngenta has with customers in the five main distressed Eurozone countries (Greece, Italy, Ireland, Spain and Portugal) and in Argentina. While Syngenta uses barter and other security arrangements to reduce customer credit exposure in some emerging markets, it may still be exposed to risk of material losses from its credit exposure in these markets.

Syngenta may not be able to obtain or maintain the necessary regulatory approvals for some of its products, which could restrict its ability to sell those products in some markets

Syngenta's products must receive regulatory approval before they can be marketed, but Syngenta may not be able to obtain such approvals. In most markets, including the United States and the European Union, crop protection products must be registered after being tested for safety, efficacy and environmental impact. In most of Syngenta's principal markets, after a period of time, Syngenta must also re-register its crop protection products and show that they meet all current standards, which may have become more stringent since the prior registration. For seeds products, in the European Union, a new plant variety will be registered only after it has been shown that it is distinct, uniform, stable, and better than existing varieties. Delays in obtaining regulatory approvals to import crops grown from seed containing certain traits may influence the rate of adoption of new genetically modified products in globally traded crops.

Regulatory standards and trial procedures are continuously changing. Responding to these changes and meeting existing and new requirements may be costly and burdensome. In addition, changing regulatory standards may affect Syngenta's ability to maintain its products on the market. A current example is the European Commission's two year restriction on the use of neonicotinoid insecticides on certain crops due to the alleged impact of these products on bee populations. For further information regarding this restriction, see Item 4 – Business Overview – Key Marketed Products – Crop Protection.

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Changes in the agricultural and certain other policies of governments and international organizations may prove unfavorable

In subsidized markets such as the United States, the European Union and certain markets in Asia including Japan, reduction of subsidies to growers may inhibit the growth of markets for products used in agriculture. In each of these areas there are various pressures to reduce subsidies. In addition, changes in governmental policies that impact agriculture, for example the US government policy on renewable fuels, may similarly inhibit the growth of markets for products used in agriculture. However, it is difficult to predict accurately whether, and if so when, such changes will occur. Syngenta expects that the policies of governments and international organizations will continue to affect the income available to growers to purchase products used in agriculture and, accordingly, the operating results of the agribusiness industry.

Syngenta is subject to stringent environmental, health and safety laws, regulations and standards, which can result in compliance costs and remediation efforts that may adversely affect its operational and financial position

Syngenta is subject to a broad range of increasingly stringent laws, regulations and standards in all of its operational jurisdictions. This results in significant compliance costs and can expose Syngenta to legal liability. These requirements are comprehensive and cover many activities including: air emissions, waste water discharges, the use and handling of hazardous materials, waste disposal practices, the clean-up of existing environmental contamination and the use of chemicals and genetically modified seeds by growers.

Environmental and health and safety laws, regulations and standards expose Syngenta to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued. In addition, many of Syngenta's manufacturing sites have a long history of industrial use. As is typical for businesses like Syngenta's, soil and groundwater contamination has occurred in the past at some sites, and may be identified at other sites in the future. Disposal of waste from its business at off-site locations also exposes Syngenta to potential remediation costs. Consistent with past practice, Syngenta is continuing to investigate and remediate, or monitor soil and groundwater contamination at a number of these sites. Despite its efforts to comply with environmental laws, Syngenta may face remediation liabilities and legal proceedings concerning environmental matters.

Based on information presently available, Syngenta has budgeted expenditures for environmental improvement projects and has established provisions for known environmental remediation liabilities that are probable and capable of estimation. However, it cannot predict environmental matters with certainty, and the budgeted amounts and established provisions may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances, changes in law or conditions, including future decisions to close plants which may trigger remediation liabilities, could result in increased costs and liabilities or prevent or restrict some of Syngenta's operations.

Efforts by Syngenta to protect its intellectual property rights or defend against claims asserting that Syngenta has infringed the intellectual property rights of others may be unsuccessful

Scientific and technological innovation is critical to the long-term success of Syngenta's businesses. However, third parties may challenge the measures that Syngenta takes to protect processes, compounds, organisms and methods of use through patents and other intellectual property rights and, as a result, Syngenta's products may not always have the full benefit of intellectual property rights. In addition, while Syngenta takes steps to prevent unauthorized access to and distribution of its intellectual property, it cannot assure that unauthorized parties do not obtain access to and use

such property.

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Third parties may also claim that Syngenta's products violate their intellectual property rights. Defending such claims, even those without merit, could be time-consuming and expensive. In addition, any such claim could also result in Syngenta having to enter into license arrangements, develop non-infringing products or engage in litigation that could be costly.

Legislation and jurisprudence on patent protection in major markets such as the United States and the European Union is evolving and changes in laws could affect Syngenta's ability to obtain or maintain patent protection for its products.

Problems encountered by Syngenta when implementing significant organizational changes could adversely affect the future performance of the Company

Syngenta expects to continue to engage in restructuring activities to reduce operating costs, increase sales, or both. In addition, Syngenta may acquire or dispose of significant businesses, which would necessitate restructuring its operations. Syngenta may fail to adequately implement such restructuring activities in the manner contemplated, which could cause the restructuring activities to fail to achieve the desired results. Even if Syngenta does implement the restructuring activities in the manner contemplated, they may not produce the desired results. Accordingly, such restructuring activities may not reduce operating costs or increase sales. Failure to adequately implement significant restructuring activities could have a material adverse effect on Syngenta's business and consequently impact its financial position, results of operations and cash flows.

The value of Syngenta's intangible assets, including goodwill arising from acquisitions, may become impaired

Syngenta has a significant amount of intangible assets, including goodwill, on its consolidated balance sheet and, if it continues to acquire businesses in the future, may record significant additional intangible assets and goodwill. As described in Note 2 and 30 to the consolidated financial statements in Item 18, Syngenta regularly tests its intangible assets for impairment. Upon completing its testing for 2013, which included subjecting the assumptions used in the testing to a sensitivity analysis, Syngenta recorded impairments of intangible assets totaling \$23 million. Otherwise, Syngenta has concluded that no material intangible assets are impaired at December 31, 2013. However, unforeseen events that occur in the future may result in actual future cash flows for Syngenta's businesses being different from those forecasted. As a consequence, Syngenta's intangible assets could become impaired and the resulting impairment losses could have a material adverse impact on Syngenta's financial position and results of operations.

Syngenta may be required to pay substantial damages as a result of product liability or personal injury claims for which insurance coverage is not available

Product liability and personal injury claims are a commercial risk for Syngenta, particularly as it is involved in the supply of chemical products which can be harmful to humans and the environment. Courts have levied substantial damages in the United States and elsewhere against a number of companies in the agribusiness industry in past years based upon claims for injuries allegedly caused by the use of their products. While a global insurance program is in place, a substantial product liability or personal injury claim that is not covered fully or at all by insurance could have a material adverse effect on Syngenta's operating results or financial condition.

Consumer and government resistance to genetically modified organisms may negatively affect Syngenta's public image and reduce sales

Syngenta is active in the field of genetically modified organisms in the seeds area and in biotechnology research and development in seeds and crop protection. However, the high public profile of biotechnology and lack of consumer acceptance of products to which Syngenta has devoted substantial resources could negatively affect its public image

and results. The current resistance from consumer groups, particularly in Europe, to products based on genetically modified organisms, because of concerns over their effects on food safety and the environment, may spread to and influence the acceptance of products developed through biotechnology in other regions of the world, which could limit the commercial opportunities to exploit biotechnology. Actions by these groups may also disrupt research and development or production of genetically modified seeds. In addition, some government authorities have enacted, and others in the future might enact, regulations regarding genetically modified organisms which may delay and limit or even prohibit the development and sale of such products.

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Resistance to the use of products derived through biotechnology could decrease which could adversely affect sales of products used for crop protection

Resistance to allowing the use of genetically modified seeds in certain parts of the world, including the European Union, could decrease resulting in growers there replacing crop protection technology with biotechnology, which would adversely impact Syngenta's sales of products used for crop protection. This impact may not be offset, in whole or in part, by the opportunity for Syngenta to increase its sales of seeds having traits developed through biotechnology. Sales of products used for crop protection accounted for approximately 77 percent of Syngenta's total sales in 2013, whereas seeds accounted for approximately 23 percent of such sales.

Syngenta's results may be affected by climatic variations

The agribusiness industry is subject to seasonal and weather factors, which make its operations relatively unpredictable from period to period. The weather can affect the presence of disease and pests in the short term on a regional basis and, accordingly, can affect the demand for crop protection products and the mix of products used (positively or negatively). The weather also can affect the quality, volume and costs of seeds produced for sale. Seed yields can be higher or lower than planned and significantly higher yields could lead to Syngenta purchasing more seeds from contract growers than can be sold during the limited product life of the seeds, which could lead to inventory provisions and write-offs.

Currency fluctuations may have a harmful impact on Syngenta's financial results or may increase its liabilities

Syngenta reports its results in US dollars; however a substantial portion of sales and costs are denominated in currencies other than the US dollar. Fluctuations in the values of these currencies, especially in the US dollar against the Swiss franc, British pound, Euro and Brazilian real, can have a material impact on Syngenta's financial results. Also, an increasing amount of Syngenta's sales are in emerging markets, where currency exchange rates can be volatile and where hedging products are expensive or of limited availability. Fluctuations in these emerging market countries' exchange rates against the US dollar may adversely impact Syngenta's results through recognition of currency losses. In addition, several countries in the Eurozone have been experiencing financial difficulties. If a member state of the Eurozone were to decide to abandon the Euro as its lawful currency and introduce a new national currency, Syngenta could incur losses upon the lawful conversion to the new national currency of amounts receivable from customers in the member state that were originally denominated in Euros.

Syngenta maintains a single supplier for some raw materials, which may affect its ability to obtain sufficient amounts of those materials

While Syngenta generally maintains multiple sources of supply and obtains supplies of raw materials from a number of countries, there are a limited number of instances where Syngenta has entered into single-source supply contracts or where Syngenta routinely makes spot purchases from a single supplier in respect of active ingredients, intermediates or raw materials for certain important products. These instances occur where there is sufficient commercial benefit and security of supply can be assured, or where there is no viable alternative source of supply. Such single supplier arrangements accounted for approximately 16 percent of Syngenta's purchases in 2013 of active ingredients, intermediates and raw materials used in Crop Protection products, as determined by cost. Syngenta's ability to obtain sufficient amounts of those materials may be adversely affected by the unforeseen loss of a supplier or from a supplier's inability to meet its supply obligations. The percentage of single supplier arrangements could increase in the future if consolidation were to occur among multiple supply sources.

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Syngenta also has contracts with a number of suppliers for services, including information technology, telecommunications and finance transaction processing. The sudden failure by one of these service providers to meet its obligations could prove disruptive to normal operations for a protracted period and adversely impact Syngenta's financial results. To mitigate this risk, Syngenta limits major contracts only to large global suppliers providing such services as part of their core business and having a significant portfolio of clients receiving similar services. Syngenta continuously monitors these companies both on their performance with Syngenta and their overall health and market performance.

Syngenta conducts business in most countries of the world, including in certain high-risk countries, some of which have been identified by the US government as state sponsors of terrorism

Syngenta conducts business in most countries of the world, some of which are subject to a high level of political or economic instability that could impact Syngenta's ability to continue to operate there. Acts of terror or war may impede Syngenta's ability to operate in particular countries or regions, and may impede the flow of goods and services between countries. In addition, Syngenta has minor operations in Cuba, Iran and the Sudan, which have been identified by the US government as state sponsors of terrorism. Syngenta's operations in these countries are quantitatively immaterial, and it is Syngenta's belief that supporting agriculture in these countries is beneficial to their wider population, for whom food is often in short supply. However, certain investors may choose not to hold investments in companies that have operations of any size in these countries and several US states have enacted, and others may in the future enact, legislation requiring public entities with investments in companies with operations in these countries to disclose this fact or in some cases to divest these investments. Any such divestment is not currently expected to have a material impact on the value of Syngenta shares.

Natural disasters could adversely affect Syngenta's business

Natural disasters could affect Syngenta's or its suppliers' manufacturing and production facilities, which could affect Syngenta's costs or ability to meet supply requirements. Natural disasters could also affect Syngenta's customers, which could affect Syngenta's sales or its ability to collect receivables due from customers. Syngenta's corporate headquarters and other facilities are located near an earthquake fault line in Basel, Switzerland. Additionally, some of Syngenta's other significant facilities are located in areas where earthquakes, hurricanes or flooding are possible. The occurrence of a major earthquake, hurricane or flood at a Syngenta facility could result in loss of life, destruction of facilities and/or business interruption, which could have a material adverse effect on Syngenta's business.

An increase in Syngenta's group tax rate could occur, which would adversely affect its financial results

The effective tax rate on Syngenta's earnings depends largely on the mix of business activities and consequent taxable profit in countries in which Syngenta operates. Syngenta benefits from the fact that a portion of its earnings is taxed at more favorable rates in some jurisdictions outside Switzerland. Future changes in the mix of business activities, or in tax laws or their application with respect to matters such as transfer pricing, intra-group dividends, controlled companies or a restriction in tax relief allowed on the interest on intra-group debt, could increase Syngenta's effective tax rate and adversely affect its financial results. Syngenta has several open tax years in many jurisdictions, where tax calculations may be subject to adjustment. These matters are discussed in Notes 2 and 25 to the consolidated financial statements in Item 18.

Significant breaches of data security or disruptions of information technology systems could adversely affect Syngenta's business

Syngenta's business is increasingly dependent on critical, complex and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of Syngenta's computer systems make them potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. Such data security breaches could lead to the loss of trade secrets or other intellectual property. In addition, Syngenta's systems are potentially vulnerable to breakdown, malicious intrusion and computer viruses, which could disrupt production, order processing and shipping, cash receipts and disbursement processes, accounting and reporting processes, or other key business processes. A loss of trade secrets or other intellectual property, or systems-related disruption could have a material adverse effect on Syngenta's business, financial position, results of operations or cash flows.

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Syngenta's share price may be volatile and subject to sudden and significant drops

The trading price of Syngenta shares and ADSs has been, and could in the future continue to be, subject to significant fluctuations in response to variations in Syngenta's financial performance, regulatory and business conditions in its industry, general economic trends and other factors, some of which are unrelated to the operating performance of Syngenta.

If you hold Syngenta ADSs it may be more difficult for you to exercise your rights

The rights of holders of Syngenta ADSs are governed by the deposit agreement between Syngenta and The Bank of New York Mellon. These rights are different from those of holders of Syngenta shares in several respects, including the receipt of information, the receipt of dividends or other distributions, the exercise of voting rights and attendance at shareholders' meetings. As a result, it may be more difficult for a holder of Syngenta ADSs to exercise those rights.

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ITEM 4 — INFORMATION ON THE COMPANY

History and Development of the Company

The Company

Syngenta AG, a Swiss “Aktiengesellschaft”, was formed on November 12, 1999 under the laws of Switzerland. Syngenta’s business operations were created in 2000 by Novartis and AstraZeneca through an agreement to spin off and merge the Novartis agribusiness and the Zeneca agrochemicals business to create a dedicated agribusiness company whose shares were then the subject of a global offering. Both the Novartis and AstraZeneca agribusinesses had existed since the 1930’s through a variety of legacy companies.

Syngenta is domiciled in and governed by the laws of Switzerland. It has its registered office and principal business office at Schwarzwaldallee 215, 4058 Basel, Switzerland. The telephone number of Syngenta is +41-61-323-1111.

Syngenta became a publicly listed company in 2000. At December 31, 2013, the company was listed on the SIX Swiss Exchange under the symbol SYNN and the New York Stock Exchange under the symbol SYT.

Investments and Divestments

Information on acquisitions, divestments and other significant transactions completed by Syngenta during each of the years ended December 31, 2013, 2012 and 2011 is included in Item 5 and in Note 3 to the consolidated financial statements in Item 18.

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Business Overview

Industry Overview

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 products.

Syngenta's Business

Syngenta's business is divided into five reporting segments: the four geographic regions, Europe, Africa and Middle East, North America, Latin America and Asia Pacific, comprising the integrated Crop Protection and Seeds business; and the global Lawn and Garden business. These segments reflect the organizational and management structure that was implemented in connection with Syngenta's strategy, announced in 2011, to integrate its commercial operations across Crop Protection and Seeds using a new business model with a strategic crop focus. The commercial integration was completed in 2012 and Syngenta adopted in 2012 the new segment reporting of sales and profitability. These segments are described in greater detail below.

The following information, which appears in other parts of this Form 20-F, is incorporated herein by reference:

• Item 5 – Operating and Financial Review and Prospects – Results of Operations, the tabular information regarding:

o sales and operating income for the integrated Crop Protection and Seeds business and for each of the four geographic segments therein;

o sales by product line for the integrated Crop Protection and Seeds business; and

o sales and operating income for the global Lawn and Garden business.

Sales and operating income for the segments, as presented in Item 5 of this report, are seasonal. Results for the Europe, Africa and Middle East, North America and global Lawn and Garden segments are weighted towards the first half of the calendar year, which largely reflects the northern hemisphere planting and growing cycle. Results for the Latin America segment are weighted towards the second half of the calendar year, which largely reflects the southern hemisphere planting and growing cycle. Results for the Asia Pacific segment are weighted slightly towards the first half of the calendar year.

References in this document to Syngenta's competitive position, identified by terms such as "world-leading", "leader", "leading", "largest", "broadest", or similar expressions are based where possible on global agrochemical and biotechnology industry information provided by a third party or on information published by major competitors and are supplemented by Syngenta internal estimates.

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Integrated Business

Based on the combined strength of its Crop Protection and Seeds businesses, Syngenta regards itself as uniquely positioned to address the increasingly complex challenges facing farmers, through the development of fully integrated offers on a crop basis. The integrated business is structured into 19 territories grouped under the four geographic regions (Europe, Africa and Middle East, North America, Latin America and Asia Pacific). Under this integrated business, Syngenta is developing an expanded crop-based product pipeline and increasing its reach into new markets with new products, solutions and local go-to-market strategies.

Crop teams for each of eight strategic global crops work alongside territory and regional management to develop and maximize integrated product and service offers. The eight global crops comprise cereals (wheat, barley), corn, field crops (sunflower, oilseed rape, sugar beet), rice, soybean, specialty crops (e.g. fruits, trees, nuts, vines, potatoes, cotton, plantations), sugar cane and vegetables.

Estimated sales by crop for the years ended December 31, 2013 and 2012 are as follows:

| Estimated sales (\$m) | 2013 | 2012 | Change | |
|-----------------------|--------|--------|----------|--------|
| | | | Actual % | CER %* |
| Cereals | 1,772 | 1,599 | 11 | 12 |
| Corn | 3,560 | 3,612 | -1 | - |
| Field crops | 1,428 | 1,299 | 10 | 11 |
| Rice | 653 | 590 | 11 | 16 |
| Soybean | 2,577 | 2,341 | 10 | 11 |
| Specialty crops | 2,004 | 2,051 | -2 | -1 |
| Sugar cane | 290 | 259 | 12 | 15 |
| Vegetables | 1,701 | 1,670 | 2 | 4 |
| Other** | 12 | 24 | n/a | n/a |
| Total | 13,997 | 13,445 | 4 | 6 |

Precise sales by crop cannot be determined because many of Syngenta's Crop Protection products can be used on multiple crops. Estimated sales by crop for the year ended December 31, 2011 are not presented because reliable estimates were not available prior to the implementation in 2012 of the integrated business strategy.

* Change percentage at constant exchange rates ("CER"). For the definition of constant exchange rates, see Appendix A in Item 5.

** Sales of Materials Protection products.

Description of Products

Integrated Business

The development of integrated offers involves combining Syngenta's Crop Protection and Seeds products, and in some instances combining Syngenta's products with third party products and services, to provide growers with innovative

ways to improve crop yields and quality. These offers include integrated crop management programs using existing and newly developed crop protection solutions, genetics, innovative genetically modified and native trait packages, and growing protocols.

Crop Protection

Syngenta is active in herbicides, especially for corn, cereals, soybean and rice; fungicides mainly for corn, cereals, fruits, grapes, rice, soybean and vegetables; insecticides for fruits, vegetables and field crops; and seed care, primarily in corn, soybean, cereals and cotton. Herbicides are products that prevent or reduce weeds that

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compete with the crop for nutrients, light and water. Herbicides can be subdivided into (i) selective herbicides, which are crop-specific and control weeds without harming the crop and (ii) non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact. Fungicides are products that prevent and cure fungal plant diseases that affect crop yield and quality. Insecticides are products that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. Seed care products are insecticides and fungicides used to protect growth during the early stages. Syngenta is also investing in bio pesticide solutions, which complement traditional Crop Protection chemistry.

Syngenta has a broad range of Crop Protection products, making it number one or two in all of its target sectors, underpinned by strong worldwide market coverage. Approximately 95 percent of Syngenta's annual sales of Crop Protection products come from products marketed in all four region segments.

Seeds

Syngenta produces and markets seeds and plants that have been developed using advanced genetics and related technologies. Syngenta sells seed products in all geographic territories.

Syngenta's seed portfolio is one of the broadest in the industry, offering over 200 product lines and over 6,800 varieties of Syngenta's own proprietary genetics. Syngenta divides its seeds products into field crops, such as corn, soybean, rice, cereals, oilseeds and sugar beet, and vegetables. Syngenta has a significant market share in vegetables, corn, soybean, cereals, sugar beet and sunflower. Seed products are derived from a germplasm pool and trait portfolio and developed further utilizing sophisticated plant-breeding methods. In addition to income from development and commercialization of transgenic products, income is generated from licensing arrangements.

Key Marketed Products and Services

Integrated Business

- NUCOFFEE® is Syngenta's innovative business model operating in Brazil that brings together growers, cooperatives and roasters. Built around Syngenta's crop protection, quality and barter programs, the NUCOFFEE® platform helps Brazilian coffee farmers increase their profitability, with higher yields and higher prices for their coffee crop.
- PLENUS® is a ready-to-plant soybean seed in Latin America combining high quality germplasm and novel professional seed treatment containing a long life inoculant, offering simplicity and crop safety to the grower.

Crop Protection

Selective herbicides

Syngenta has a broad range of Selective herbicides that control grasses and broad-leaved weeds and are applicable to most crops, with a special emphasis on corn and cereals.

- Atrazine (AATREX®/GESAPRIM®) acts mainly against broad-leaved weeds. Although Atrazine was introduced in 1957 and has been off patent for a number of years, it remains an important product for broad-leaved weed control in corn. Atrazine is marketed in North America, Latin America, Asia Pacific and in Africa and the Middle East.
- Clodinafop (TOPIK®/HORIZON®/ CELIO®/ DISCOVER®) is a grass herbicide which provides a broad spectrum of annual grass control in wheat. To further increase crop safety in cereals the active substance Clodinafop is mixed

with the safener Cloquintocet, which selectively enhances the degradation of Clodinafop in wheat but not in the grass weeds. Clodinafop is marketed in all regions.

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- Fluazifop-P-Butyl (FUSILADE®) is one of the leading products for post-emergence control of grass weed. It is registered for use in over 60 crops with major outlets in cotton and soybeans in the United States and sugar beet and oilseed rape in Europe. The selective action of FUSILADE® allows growers to target applications when grass weeds appear, allowing cost-effective weed control. Fluazifop-P-Butyl is marketed in all regions.
- Fomesafen (FLEX®) provides post-emergence control and quick eradication of a wide range of broadleaf weeds to protect yields in soybeans, dry beans and other legume crops. Fomesafen is marketed in all regions.
- Mesotrione (CALLISTO® family) is a pre- and post-emergent herbicide with a very broad spectrum against key broad-leaved weeds in corn and sugar cane. Mesotrione is marketed in all regions.
- Pinoxaden (AXIAL®) is an innovative post-emergent selective grassweed herbicide, for use in both wheat and barley. It offers the grower efficacy, selectivity and flexibility. Pinoxaden is marketed in all regions.
- S-metolachlor (DUAL GOLD®/ DUAL MAGNUM®) is a lower dose rate replacement for metolachlor for grass weeds control. Its use has not only reduced the amount of product sprayed on fields, thus responding to the pesticide reduction goals established by many countries, but has also decreased the energy required to produce, transport and store the product, as well as decreasing total packaging material. S-metolachlor is well tolerated and can be safely used on more than 70 different crops. It manages difficult to control glyphosate-resistant weeds and is a key component in Syngenta's Early Season Weed Management portfolio. S-metolachlor is marketed in all regions.

Non-selective herbicides

Syngenta has a series of Non-selective herbicides, which reduce or halt the growth of all vegetation with which they come in contact.

- Diquat (REGLONE®), a non-selective contact herbicide, is mainly used as a desiccant to allow easier harvesting and reduce drying costs. Diquat is marketed in all regions.
- Glyphosate (TOUCHDOWN® /TRAXION® /ZAPP®), a non-selective herbicide with systemic activity, is Syngenta's offer in the market for glyphosate-based products. Glyphosate is registered in over 90 countries, including for use on herbicide tolerant corn and soybeans in the United States and Brazil. Glyphosate is marketed in all regions.
- Paraquat (GRAMOXONE®) is a non-selective contact herbicide first introduced in 1962. Paraquat is one of the world's largest selling herbicides. It has been a vital product in the development of minimum tillage cropping systems, the adoption of which continues to increase because of benefits such as the reduction of soil erosion. Paraquat is marketed in all regions.

Fungicides

Syngenta has a broad range of Fungicides that prevent and cure fungal plant diseases that affect crop yield and quality.

- Azoxystrobin (AMISTAR® Technology), a strobilurin fungicide, is the world's best-selling proprietary fungicide and Syngenta's largest selling product. It is registered for use in approximately 100 countries and for approximately 120 crops. In Brazil, it is used to control Asian rust in soybeans in a mixture branded as PRIORI® XTRA®. Mixtures of AMISTAR® Technology with triazoles (cyproconazole or propiconazole) or chlorothalonil have been developed to combat diseases in cereal crops, primarily in Europe. Mixtures are also used in corn (QUILT®), rice, vegetables and

specialty crops (AMISTAR® TOP®, AMISTAR® XTRA®). AMISTAR® Technology is marketed in all regions.

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- Chlorothalonil (BRAVO®) is a world-leading fungicide. With its multi-site mode of action, it is a good partner for most fungicides such as AMISTAR® Technology or izopyraxam, mefenoxam, and mandipropamid and is increasingly being integrated into disease control programs using multiple products. Chlorothalonil is used in all major crops and in lawn and garden, and is marketed in all regions.
- Cyproconazole (ALTO®) is a systemic fungicide with broad-spectrum activity, especially against rust and leaf spot in cereals, soybean, sugar beet and coffee. Syngenta mainly sells cyproconazole in mixtures with other fungicides principally in Latin America and Europe, Africa and Middle East. Cyproconazole is marketed in all regions.
- Cyprodinil (UNIX®/STEREO®1/SWITCH®/CHORUS®) is a powerful fungicide for use on cereals. It is used to control eyespot, powdery mildew and leaf spot diseases. Because it has a specific mode of action, it is a particularly effective solution where resistance to other fungicides has developed. CHORUS® and SWITCH® are cyprodinil-based formulations which are used on pome fruit such as apples and pears or on grapes and vegetables. Cyprodinil is marketed in all regions.
- Difenoconazole (SCORE®) is a systemic triazole fungicide with broad-spectrum activity against plant diseases, particularly leaf spots of pome fruit, vegetables, soybeans, rice and plantation crops. Long-lasting protective and strong curative activity make it well suited for threshold based plant disease management whereby the plant is treated only when the development of the disease has passed a certain point. Target crop pathogens include cercospora, alternaria, septoria and other leaf spots, powdery mildews and scabs as well as seed-borne diseases. Difenoconazole is marketed in all regions.
- Fluazinam² (SHIRLAN®) is a fungicide for control of potato blight. Fluazinam is marketed in Europe, Africa and Middle East, North America and Latin America.
- Mandipropamid (REVUS®) is currently registered in 62 countries and is used on fruits and vegetables to combat late blight and downy mildew. Mandipropamid is marketed in all regions.
- MEFENOXAM^{TM3} (RIDOMIL GOLD®/FOLIO GOLD®/SUBDUE®) is used for the control of air-borne, seeds and soil-borne diseases caused by fungi such as pythium damping-off, late blight, pink rot and downy mildews. It is used on a wide variety of crops, including field, vegetable, oil and fiber crops. MEFENOXAMTM is marketed in all regions.
- Propiconazole⁴ (TILT®/BANNER®) is a foliar fungicide for broad spectrum disease control in cereals, bananas, rice, corn, peanuts, sugar beet, turf and other food and non-food crops. Propiconazole is systemic and provides a strong curative and protective activity against a wide range of plant pathogens including powdery mildews, rusts and other leaf spot pathogens. Propiconazole is marketed in all regions.
- Trinexapac-ethyl (MODDUS®) is a plant growth regulator. In cereals it reduces growth so that treated plants stay shorter and have stronger stems, enhancing their ability to withstand storms and remain upright until harvest. In sugar cane it is a yield enhancer and harvest management tool. Trinexapac-ethyl is marketed in all regions.

1 Pursuant to commitments given to the European Commission, Syngenta granted an exclusive right to Makhteshim Agan Industries Ltd. to use and sell STEREO® formulation for use on cereals for the duration of its registration in Denmark, Finland and Sweden.

2 Fluazinam is distributed, but not manufactured, by Syngenta.

3 Mefenoxam is a generic expression in the United States whereas in other countries MEFENOXAM™ is a trademark of Syngenta Participations AG to denominate the active ingredient Metalaxyl-M (ISO name).

4 Pursuant to commitments given to the European Commission, Syngenta granted an exclusive right to Makhteshim Agan Industries Ltd. to use and sell its TILT® 250EC and TILT® 6.25GL formulations for use on cereals in Denmark, Finland and Sweden for the duration of their registrations.

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Insecticides

Syngenta has a broad range of Insecticides that control chewing pests such as caterpillars and sucking pests such as aphids, which reduce crop yields and quality. These products can be either applied to the soil or sprayed onto the foliage.

- Abamectin (VERTIMEC® or AGRIMEC®/AGRI-MEK®) is produced by fermentation. This potent insecticide and acaricide is used at very low dose rates against mites, leafminers, nematodes and some other insects in fruits, vegetables, cotton and ornamentals. Abamectin rapidly penetrates the plants and is a useful product for integrated pest management. Abamectin is marketed in all regions.
- Chlorantraniliprole mixtures (DURIVO®/AMPLIGO®/VIRTAKO®/VOLIAM FLEXI®/VOLIAM TARGO®). Chlorantraniliprole, licensed from E.I. DuPont de Nemours and Co (“DuPont”) for sale in mixtures with Syngenta active ingredients, is a chemical of the diamide class characterized by unique systemic properties and outstanding activity on all major lepidoptera pests. Chlorantraniliprole mixtures are marketed in all regions.
- Emamectin Benzoate (PROCLAIM® or AFFIRM®) provides control of caterpillars on vegetables, cotton and fruits, combining a unique mode of action with extremely low use rates and is compatible with integrated pest management. It has been launched in major markets such as Japan, Korea, the United States, Mexico, Australia and India and is under registration in a number of other countries. Emamectin Benzoate is marketed in all regions.
- Lambda-cyhalothrin (KARATE®/ICON®) is one of the world’s leading agricultural pyrethroid brands and one of Syngenta’s largest selling insecticides. Lambda-cyhalothrin is marketed in all regions.
- Lufenuron (MATCH®) is an insect growth regulator that controls caterpillars in corn, potatoes, cotton, vegetables and fruits. It is a leading insecticide in terms of sales in its chemical class. Lufenuron is marketed in Europe, Africa and Middle East, Latin America and Asia Pacific.
- Thiamethoxam (ACTARA®/ENGEEO®) is highly active at low use rates against a broad spectrum of soil and sucking insects. It is highly systemic and well suited for application as a foliar spray, drench or drip irrigation. It is fast acting, works equally well under dry and wet conditions and has a favorable safety and environmental profile. Its mode of action differs from that of older products, which makes it effective against insect strains that have developed resistance to those products. It has been developed on a broad range of crops, including vegetables, potatoes, cotton, soybeans, rice, pome fruits and stone fruits (such as peaches or plums). Thiamethoxam is marketed in all regions.
- Tefluthrin (FORCE®) is a premium corn granular insecticide that provides broad-spectrum soil insect control and residue activity. Tefluthrin is marketed in all regions.

Seed care

The use of Seed care products is an effective, efficient, and targeted method to protect seedlings and young plants against diseases and insects during the period when they are most vulnerable. Syngenta’s broad range of fungicides, insecticides and nematicides allows it to provide a modern portfolio of safe and highly effective products. As seeds increase in value, seed protection becomes more important.

5 The European Commission suspended effective December 1, 2013 the use of neonicotinoid insecticides on bee attractive crops before and during flowering due to the alleged impact of these products on bee populations. The suspension impacts sales of Syngenta's thiamethoxam products in European Union markets, primarily the seed treatment CRUISER® in corn, sunflower and oilseed rape crops. Directly impacted sales of Syngenta's thiamethoxam products in European Union markets are less than \$100 million for 2014. On August 27, 2013, Syngenta submitted a legal challenge to the European Commission's decision to suspend the use of thiamethoxam on bee attractive crops. Thiamethoxam continues to be used in European Union markets[Agree] as CRUISER® in sugar beet, a non-bee attractive crop, and as ACTARA®/ENGEO® on all crops after flowering.

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- Abamectin (AVICTA®) is a seed treatment for the control of nematodes in cotton, corn and soybeans. Abamectin is currently marketed in North America, Latin America and South Africa.
- Difenconazole (DIVIDEND®) is active against a broad range of diseases including bunts, smut and damping-off on cereals and oilseed rape/canola. This product is highly systemic and provides a long lasting, high-level effect. It is safe for seeds and seedlings and provides for a faster germination than other products in the market. Difenconazole is marketed in all regions.
- Fludioxonil (MAXIM® or CELEST®) is a contact fungicide with residual activity. Derived from a natural compound, fludioxonil combines excellent crop tolerance with low use rates. Its spectrum of targets includes seed and soil-borne diseases like damping-off, bunt, smut, fusarium, snow mold and leaf stripe on cereals. Used alone or in mixtures with other active substances, it is also effective on corn, soybean, rice, cotton, potatoes, vegetables and peas. Fludioxonil is marketed in all regions.
- MEFENOXAM™³ (APRON® XL) is used for the control of seed and soil-borne diseases caused by fungi such as pythium, phytophthora and downy mildews. It is used worldwide on a wide variety of crops, including field crops, vegetables, oil and fiber crops. MEFENOXAM™ is also used as a mixing partner for seed protection at low use rates. MEFENOXAM™ is marketed in all regions.
- Thiamethoxam (CRUISER®) is an insecticide with systemic activity in a wide range of crops including cereals, cotton, soybeans, canola, sugar beet, corn, sunflower and rice. Its properties are such that it provides a consistent performance under a wide range of growing conditions. Thiamethoxam acts against a wide range of early season sucking and chewing, leaf feeding and soil-dwelling insects such as aphids, thrips, jassids, wireworms, flea beetles and leafminers. Thiamethoxam is marketed in all regions⁵.

Seeds

Field crops

- Cereals (NK®, AGRIPRO® COKER®, RESOURCE SEEDS INC., C.C. BENOIST®) wheat and barley varieties combine high yield, superior disease resistance and agronomic characteristics coupled with excellent grain quality for the milling, malting and animal feed industries. Cereals are sold mainly in Europe and North America.
- Corn (AGRISURE®, GOLDEN HARVEST®, NK®, INNOTECH™) hybrids are sold by Syngenta via established distribution channels covering a full range of countries and maturities. In addition, hybrids and inbred lines are licensed to other seed companies in the US via Greenleaf Genetics LLC. Syngenta hybrids are characterized by their high yield potential, stability of performance, uniformity and vigor. Many of Syngenta's elite hybrids are offered as AGRISURE® 3000GT and AGRISURE® VIPTERA® 3111 products which provide built-in insect protection against corn borers, corn rootworms and tolerance to glyphosate herbicide. Competitive hybrids in early maturities, some of them developed through marker assisted breeding, are sold for silage and grain markets. Different varieties of corn seeds are marketed in all regions.
- Oilseeds (SYNGENTA®, NK®, SPS®) include sunflowers and oilseed rape. Syngenta sunflower seed hybrids are bred for high yield as well as heat stress tolerance, disease resistance, herbicide tolerance and oil quality. Syngenta's oilseed varieties combine high yield genetic superiority and herbicide tolerance, which give growers flexibility in their weed control. The company's oilseed rape varieties and hybrids offer good oil production and plant health. Sunflowers are sold primarily in Russia, Ukraine and Argentina while the major markets for oilseed rape are Europe

and Canada.

- Rice (NK®, FRONTLINE®) In 2012, Syngenta acquired Devgen, which significantly broadened its rice portfolio with the addition of the FRONTLINE® brand. FRONTLINE® is a hybrid rice with improved yield, seed productivity, grain quality, and tolerance to biotic and abiotic stress factors. Rice is marketed in Asia Pacific.

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- Soybean (SYNGENTA®, NK®, SPS®) varieties combine high yield genetic superiority and herbicide tolerance⁶, which give growers flexibility in their weed control. The major markets for soybean are in North America and Latin America. Syngenta also licenses varieties of soybean to other seed companies in the USA via Greenleaf Genetics LLC.
- Sugar beet (SYNGENTA®, HILLESHÖG®, MARIBO®) seeds are bred to develop high yielding varieties with good stress and disease tolerance, high sugar content, low soil tare and improved juice purity. The major markets for sugar beet seeds are in Europe and North America.
- Sugar beet varieties with the Genuity® Roundup Ready®⁶ herbicide tolerance trait feature high sugar content and multiple disease resistances across a number of geographies. These sugar beet seeds are marketed in the USA and Canada.

Vegetables

- Vegetables brands include ROGERS®, S&G®, ZERAIM GEDERA® and DAEHNFELDT®. Syngenta offers a full range of vegetable seeds, including beans, broccoli, cabbage, carrots, cauliflower, cucumbers, lettuce, melons, onions, okra, peas, peppers, spinach, squash, sweet corn, tomatoes and watermelons. Syngenta breeds varieties with high-yield potential that can resist and tolerate pests and diseases. Syngenta develops genetics that address the needs of consumers as well as processors and commercial fresh market growers. In 2013 Syngenta acquired the breeding programs for cucumber, tomato and pepper for greenhouse production from MayAgro Seeds broadening its offer in Turkey and the Middle East. Different varieties of vegetable seeds are marketed in all regions.

Recently Launched Products and Services (last 3 years)

Integrated Business

- GROMORE™ is a holistic crop protection and agronomy protocol providing guidance to rice growers for crop protection, seed, nutrients and water optimization which helps them overcome challenges such as water scarcity, labor shortages and productivity. Growers can realize yield gains by being better able to choose the right input at the right dose and at the right time for each of the four key growth phases of the crop.
- PLENE® is a revolutionary solution for sugar cane in Brazil, combining chemistry, plant genetics and mechanical technology to provide an integrated cane planting solution. PLENE® EVOLVE™ is a young plant that can be mechanically transplanted and accelerates variety renewal through elite genetics. It can be multiplied directly by the customer resulting in increased genetic purity and high productivity. PLENE® PB is a pre-germinated seed cane with a simple planting process and offering a superior multiplication rate together with yield, vigor and quality.
- HYVIDO® comprises Hybrid Barley based solutions offering increases in yield, consistency of yield and improved resistance to abiotic stresses.
- TEGRA® is a service offer for rice growers in Asia comprising mechanically transplanted certified seedlings and agronomy support for the first 60 days, thereby reducing labor input and maximizing crop yield potential.

⁶ Genuity® Roundup Ready® and Genuity® Roundup Ready 2 Yield® herbicide tolerance traits are licensed from Monsanto Technology LLC. Genuity® Roundup Ready® and Roundup Ready 2 Yield® are registered trademarks of

Monsanto Technology LLC.

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Crop Protection

Fungicides

- Isopyrazam (BONTIMA®, SEGURIS®) is a new broad-spectrum fungicide for cereals, banana, pome fruit, oilseed rape and vegetables which complements Syngenta's existing product range and provides additional resistance management opportunities. Isopyrazam is marketed in Europe, Africa and Middle East, Latin America and Asia Pacific.
- Solatenol™ (ELATUS™) was recently introduced in Paraguay and Bolivia for soybean Asian Rust disease control.
- Syngenta has recently introduced a range of bio fungicides in its portfolio in different countries including the brands TAEGR0®7, SAKALIA®, AFLA-GUARD® and REMEDIER®8.

Seed care

- Pasteuria spp (CLARIVA™) is an endospore-forming bacterium that is a natural insecticide for nematodes offering immediate infection, which stops them from feeding and reproducing and ultimately kills them. CLARIVA™ is currently registered for sale and use in the USA for soybeans.
- Sedaxane (VIBRANCE®) is a new proprietary fungicide based on the SDHI mode of action combining excellent control against a broad range of seed- and soil-borne diseases with ideal mobility in the soil. This gives long-lasting protection for the entire root system, resulting in higher crop productivity on a broad range of crops including cereals, soybean, oilseed rape/canola, corn, rice, sugar beet, sunflower, cotton and potatoes. Sedaxane is marketed in all regions.

Seeds

Field crops

- In corn, Syngenta in 2011 received full cultivation approval in Argentina for AGRISURE VIPTERA® and for triple stack corn, combining herbicide tolerance and insect resistance.
- Through Syngenta's enhanced corn breeding and trait conversion capabilities, twenty new genetic chassis and fifty new corn hybrids were brought into North America production in 2013 for customer use in the 2014 crop year. Ten of these products contain genetics that are new to the market.
 - o Five new genetic chassis feature AGRISURE ARTESIAN® technology, a native trait developed using proprietary technology and containing multiple genes identified and selected from the corn genome itself, which helps plants use water more efficiently at every growth stage to provide season-long drought tolerance.
 - o Also introduced are hybrids containing the AGRISURE VIPTERA® 3220 E-Z REFUGE™ trait stack, which offers dual modes of action to control corn borer and above-ground lepidopteran pests, and the AGRISURE® 3122 E-Z REFUGE™ trait stack intended for use in areas where both corn rootworm and lepidopteran pest management are primary concerns. Both products received US Environmental Protection Agency ("EPA") registration in 2012.
 - o AGRISURE® DURACADE™ was launched in two new products AGRISURE® DURACADE™ 5122 and AGRISURE® DURACADE™ 5222. USDA cultivation approval was received in February 2013.

- ENOGEN® is a corn seed incorporating a corn amylase trait and is the first genetically modified output trait in corn for the US ethanol industry. By enabling expression of an optimized alpha-amylase enzyme directly in corn, dry grind ethanol production can be improved in a way that can be easily integrated into existing infrastructure.
- Syngenta continues to deliver a strong portfolio of soybean, with the launch of new varieties in North America and South America having improved diverse genetics bringing new levels of resistance to key diseases.

Additionally, in South America Syngenta introduced soybean varieties with herbicide tolerance and insect control⁹.

7 Taegro® is licensed from, and is a registered trademark of Novozymes A/S.

8 Remedier® is licensed from, and is a registered trademark of ISAGRO S.p.A.

9 Intacta RR2 PRO™ is licensed from Monsanto Technology LLC.

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- In wheat, a number of new products have been launched across the spring and winter wheat ranges with high yield, good disease tolerance and high bread making qualities. These new wheat seeds are marketed mainly in Europe and North America.
- In oilseeds, Syngenta has entered the canola seeds business in Canada in the 2013/2014 growing season by launching two high yielding hybrids with herbicide tolerance provided by the Genuity® Roundup Ready®6 trait. This new hybrid seed portfolio will be commercialized as part of an integrated cross-crop solution across the whole farm targeting canola, cereals and pulses.

Vegetables

In Vegetables, Syngenta continues to launch new and attractive consumer products in the United States, Europe and other parts of the world. Some examples of recently launched products include:

- In Melon, hoda, a yellow canary variety for cultivation in Africa and the Middle East.
- In Pepper, a new sweet, baby seedless pepper called ANGELLO® in Europe, and Caoba & Stephania, two new red and yellow blocky varieties for protected cultivation in Mexico.
- In Squash, new products Prometheus in Europe and Spineless Perfection in the USA, which offer growers excellent high yield with a broad-spectrum disease resistance.
- In Sweet Corn, GSS2259P/Shinerock® multi disease resistant processing sweet corn variety with high yield potential and a native herbicide tolerance, launched globally, and GSS1453 variety with enhanced disease resistance packaged with high yield potential and deep kernels for high recovery, launched in North America.
- In Tomato, a new mini-cluster cocktail variety for protected greenhouses in Europe and Canada, which offers consistent high flavor, and Valkirias, a cluster variety for protected greenhouses in South Europe and Africa and Middle East, which offers improved yield with high and consistent quality of clusters and fruits.
- In Watermelon, successful large fruit size seedless varieties such as Fascination in the USA and in northern Latin America, and Exclamation in the USA. In addition, El Ghali, a large fruit size seeded variety was launched in North Africa.

Products and Services in Late Stage Development

Integrated Business

Syngenta's integrated business offers in late stage development include:

- HIGH YIELD SOYBEAN solutions to unlock the full yield potential of soybeans through a complete technology offer coupled with agronomic advice and input price risk management, providing confidence and an excellent return on investment to the grower.
- MaxVeg is an integrated crop protection and agronomy offer for smallholder growers particularly in Asia matching crop protection and nutrients to crop growth stages of specific varieties in order to increase yield of produce.

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- TEGRA® NURSERY targets rice growers with mechanical transplant capabilities.
- Vegetables Sustainability & Productivity offers for sophisticated growers of greenhouse vegetables in Europe combining seed varieties, crop protection products and biologicals in order to increase crop yield, reduce input resources and ensure produce meeting stringent retailer demands.
- ‘Water+’ Intelligent Irrigated Platform designed to deliver improved revenue potential by conveniently integrating crop inputs, agronomic expertise and technology. ‘Water+’ is planned to be launched in 2014 in the USA.

Crop Protection

Syngenta’s pipeline of products under development includes the following Crop Protection products in late stage development:

Selective herbicides

- Bicyclopyrone is a new broad-spectrum selective herbicide for use in corn, sugar cane and cereals that complements Syngenta’s existing product range. US EPA registration is expected in 2014 for a 2015 commercial launch.

Fungicides

- Oxathiapiprolin is a new piperidinyl thiazole isoxazoline class of fungicides for which Syngenta obtained a global license from DuPont to develop own products. Under the license agreement, Syngenta received exclusive rights for foliar and soil uses on all crops in North America and for lawn and garden uses globally. Syngenta also secured usage rights on certain crops for seed treatment globally and for the development of foliar and soil uses on certain crops outside of North America.

Seed care

- Cyantraniliprole (FORTENZATM) Syngenta acquired from DuPont in 2008 the rights to use cyantraniliprole, which is a second generation diamide. This new seed treatment insecticide has a different mode of action acting as both a chemical and Bt trait resistance management tool. It delivers best-in-class early season insect protection both above and below ground and will be available for a wide range of crops including corn, soybeans, oilseed rape/canola, sunflower, potato and rice. FORTENZATM was granted registration in Canada and Argentina in 2013 and future seed treatment registrations are planned for the USA, Brazil, Mexico, and several countries in Europe, Latin America, Asia, Africa and Oceania. Commercial launch is planned in 2014.

Insecticides

- Cyantraniliprole mixtures (MINECTOTM) Syngenta also acquired from DuPont the exclusive right to use cyantraniliprole in mixtures with Syngenta insect control products. Cyantraniliprole, a new broad-spectrum insecticide that also controls sucking pests, is complementary to the chlorantraniliprole insect control product that Syngenta sells in mixtures with its own leading insect control products. Commercial launch is planned in 2014.

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Seeds

Syngenta seeks to produce improved hybrid and varietal seeds to meet the agronomical conditions and demands of its customers and to work towards further improvement of traits advantageous to the grower, i.e., input traits, such as resistance to diseases and insects, and greater yield. Syngenta is also concentrating on developing products that are advantageous to the food and feed industry and to the consumer, i.e., output traits such as improved digestibility and protein utilization for crops used for animal feed, oilseeds that produce higher quantities or healthier oils. In vegetable seeds, Syngenta develops new products to provide consumers with consistent high quality, improved appearance, taste and texture. Powerful analytical science has been expanding the knowledge of taste, flavor and post-harvest shelf life. Combined with advanced breeding technology, this is accelerating the introduction of novel varieties.

Below are examples of products in development:

Field crops

- In barley, next generation spring malting barley with improved enzyme characteristics and new winter barley hybrids combining high yield with improved production characteristics.
- Syngenta continues to work towards developing corn seeds across a variety of maturities with high yield, stress tolerance and improved agronomic characteristics, including developing the next generation corn rootworm control trait with a unique mode of action and high efficiency, and stacking multiple modes of action for the same target insects (trait pyramiding) to improve efficacy, combat insect resistance and provide refuge reduction in corn while increasing long-term product sustainability.
- High yield SAFECROSS® hybrids with improved disease resistance and stress tolerance in winter oilseed rape.
- In rice, Syngenta is developing an enhanced hybrid portfolio by combining its legacy breeding programs with those acquired in the Devgen acquisition.
- A wide range of soybean varieties in late stage development deliver expanded spectrum control of soybean cyst nematodes through utilization of alternate native trait sources of resistance and combines this tolerance with sudden death syndrome, iron deficiency chlorosis and phytophthora root rot. In South America the development of a full proprietary portfolio with herbicide tolerance and insect control varieties covering major maturity groups and market segments is well advanced.
- Sugar beet with second generation nematode tolerance for the European market and with broad-spectrum disease and virus resistance in combination with Genuity® Roundup Ready® herbicide tolerance trait for the North American market.
- Sunflowers with high stable yields, integrating broomrape, herbicide and disease resistance.
- Healthy oil varieties of high oleic sunflowers comprising higher heat stability of plant oils for frying.
- In wheat, Fusarium tolerance, high yield, improved and novel quality, new disease resistance and drought tolerance, “White” whole meal flour.

Vegetables

- Focus on increased agronomic quality, fruit quality and shelf life improvements and better plant performance in combination with virus, fungal and insect resistances to provide increased grower performance reliability.
- Advancing abiotic stress tolerant traits for rootstocks for the high value tomato and pepper markets.
- Developing new fruit sizes in melons and watermelons tailored to shrinking family sizes in North America and Europe.
- Bringing forward new consumer and value chain traits for textures that improve the quality of fresh cut fruit.
- Vegetable research and development is advancing convenience traits for consumers.

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Marketing and Distribution

Syngenta has marketing organizations in all its major markets with dedicated sales forces that provide customer and technical service, product promotion and market support. Products are sold to the end user through independent distributors and dealers, most of which also handle other manufacturers' products. Syngenta's products normally are sold through a two-step or three-step distribution chain. In the two-step chain Syngenta sells its products to cooperatives or independent distributors, which then sell to the grower as the end user. In the three-step system, Syngenta sells to distributors or cooperative unions which act as wholesalers and sell the product to independent dealers or primary cooperatives before on-selling to growers. Syngenta also sells directly to large growers in some countries. Syngenta's marketing network enables it to launch its products quickly and effectively and to exploit its range of existing products. Syngenta focuses on key crop opportunities in each territory. In those countries where Syngenta does not have its own marketing organization, it markets and distributes through other distribution channels. Generally, the marketing and distribution system in a country does not vary by product.

Syngenta's marketing activities are directed towards the distributors, agricultural consultants and growers. They consist of a broad range of advertising and promotional tools, such as meetings with growers and distributors, field demonstrations, advertisements in specialized publications, direct marketing activities, or information via the Internet. Syngenta is also in constant contact with the food and feed chain to evaluate current and future needs and expectations.

A key element of Syngenta's marketing is grower support and education. This is particularly important with respect to small growers in developing countries. For many years, Syngenta has held numerous courses around the world for growers as a result of which millions of farmers have been trained in the safe and sustainable use of crop protection products. Syngenta also trains agricultural extension workers and distributors so that they can further disseminate good practice and reach an even wider audience.

Products must obtain governmental regulatory approval prior to marketing. The regulatory framework for agribusiness products is designed to ensure the protection of the consumer, the grower and the environment.

Syngenta's products are marketed throughout the world through brands, many of which are well-known by growers and some of which have been established for many years. Brand names for Syngenta's key products are listed above in "Integrated Business – Key Marketed Products". Syngenta's sales force markets the majority of Syngenta's brands, either to customers directly, in partnership with distributors, or through a network of dealers.

Syngenta has developed and utilizes a number of innovative ways to attract and retain customers in different parts of the world. In an effort to manage some foreign exchange and commodity price volatility, Syngenta sells via barter in some countries such as Brazil and Argentina. In Brazil, a recognized agricultural barter trading method allows growers to pre-arrange sale of their soybean, cotton and cereals crops to commodity traders. Under such pre-arrangements, traders pay Syngenta for its crop protection products on growers' behalf when growers deliver crops to the traders. Syngenta does not take ownership or delivery of the crops or retain any commodity price risk. Syngenta also directly barter with Brazilian coffee farmers by accepting their crop as payment for its crop protection products. Syngenta has developed a coffee trading network which sells the coffee to roasters and cooperatives internationally. These barter programs also help Syngenta and its customers mitigate the cash flow and financing risks inherent in the Brazilian agricultural market. Approximately 30 percent of Syngenta's Brazilian sales are transacted under one of these barter programs.

Syngenta also operates non-barter commodity price mitigation programs in certain countries including South Africa, Germany, Poland, Hungary and the Czech Republic. Certain of these programs assist growers by allowing those who

purchase Syngenta products within the program to hedge, at no cost or risk to the grower, the price of an equivalent value of their crop via the commodity futures market. Participating growers are protected against crop price declines that may occur before harvest, which helps ensure their ability to pay Syngenta for its products, and retain their ability to profit from crop price increases. Syngenta does not retain any commodity price risk under these programs.

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Production and Supply

Syngenta's combined Crop Protection and Seeds Production and Supply function plays an integral role in delivering Syngenta's strategy in a sustainable manner by assuring product delivery, facilitating delivery of integrated crop solutions, supporting growth plans, reducing costs and promoting efficient use of capital. Through the effective procurement, production and distribution of products, the function ensures that Syngenta meets its commitments to customers around the world. Production and Supply supports Syngenta's growth plans (particularly in emerging markets) and accelerates the building of expertise for scalability and efficiency.

The manufacture of chemical crop protection products and the production of seeds for sale to growers involve different processes.

Active ingredients used for Crop Protection products are manufactured at a relatively limited number of sites located in Switzerland, the United States, the United Kingdom, China and India. Syngenta also operates a number of chemical formulation and packing sites strategically located close to the principal markets in which those products are sold. Syngenta operates major formulation and packing plants in Belgium, Brazil, China, France, India, South Korea, Switzerland, the United Kingdom and the United States.

Syngenta manages its Crop Protection supply chain globally and on a product-by-product basis, from raw materials through delivery to the customer, in order to maximize both cost and capital efficiency and responsiveness. Syngenta outsources the manufacture of a wide range of raw materials, from commodities through fine chemicals to dedicated intermediates and active ingredients. Sourcing decisions are based on a combination of logistical, geographical and commercial factors. Syngenta has a strategy of maintaining, when available, multiple sources of supply. Most purchases of supply chain materials are directly or indirectly influenced by commodity price volatility, due to price dependence on gas and oil. Total raw material spending was approximately 36 percent of Crop Protection sales in 2013.

Approximately 22 percent of Syngenta's raw material purchases for Crop Protection products are fine chemicals. Syngenta has entered into short- to medium-term contracts with many suppliers to provide consistent supply.

Eight percent of Syngenta's raw material purchases for Crop Protection products are readily available base chemicals that are subject to commodity chemical price volatility. Another nine percent of raw material purchases for crop protection products have an indirect exposure to commodity oil price volatility.

Approximately 8 percent of raw materials for crop protection products are sourced from China and India in local currencies and therefore are subject to cost fluctuations from movements in currency exchange rates. Exchange rate movements on Swiss Franc, Pound Sterling and Euro may also impact Syngenta's reported raw material costs because approximately 4 percent, 2 percent and 26 percent, respectively, of raw materials for crop protection products are purchased in those currencies. Syngenta engages in currency hedging activities to mitigate the impact of currency fluctuations on the cost of its raw material purchases.

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Seeds for sale by Syngenta to growers are grown (multiplied) and harvested by independent contract farmers throughout the world. After the harvest, the raw seed is cleaned, calibrated, treated and packaged in Syngenta or third party processing plants, which are located as close to the intended markets as possible so as to achieve cost effectiveness and match the seeds with the growing conditions that are optimal for the variety. This also eases logistics for seed products that require secure storage and timely delivery for the season. The largest facilities are located in Argentina, Brazil, France, Hungary, India, Morocco, the Netherlands, Spain, Denmark, Thailand and the United States.

Due to Syngenta's global presence, it can engage in seed production year-round and mitigate weather related seed production risk. In addition, because its facilities are located in both the northern and southern hemispheres, Syngenta can shorten the time required to multiply seeds from breeding to commercial production. This enables it to produce marketable quantities more quickly than if it was dependent on only one growing season.

Operating in the agribusiness sector, changes in commodity crop prices affect Syngenta's raw material costs for seed. The contracts with growers who multiply seed for Syngenta to sell as finished product typically contain terms allowing the multipliers to benefit from commodity seed price increases that may occur during the growing season and that the growers would have received had they been able to sell their crop in the market rather than to Syngenta as supply. Syngenta engages in hedging activities to mitigate the impact of this commodity price volatility on corn and soybean product costs.

Research and Development

Syngenta's Research and Development ("R&D") function works to develop quality Crop Protection and Seeds products, as well as crop-focused solutions which integrate Syngenta's technologies. R&D focuses on taking a more holistic approach to help customers grow their specific crop using the best technology to address their needs, be it a single technology, a combination of technologies or technologies and services.

An open and collaborative culture is essential to ensure the fostering of interaction and innovation, both within the R&D organization and across Syngenta, as well as with collaborators and partners. Underpinning Syngenta's core Seeds R&D and Crop Protection R&D structure are global competency platforms that include biotechnology, regulatory and product safety, as well as a global trialing capability. Through these platforms, Syngenta R&D can effectively and efficiently share knowledge, capabilities and resources to innovate across crops and regions, resulting in faster and more efficient development and registration of new products.

Syngenta performs an extensive investigation of all safety aspects relating to its products. The human safety assessments address potential risks to both the users of the product and the consumers of food and feed, while in environmental safety Syngenta seeks assurance that the product will not adversely affect soil, water, air, flora or fauna.

To complement in-house expertise and bring in novel technologies, Syngenta actively seeks value-adding partnerships and collaborations to bring exciting new offers to growers. It currently has over 400 R&D collaborations with universities, research institutes and commercial organizations around the world.

The total spent on research and development for the integrated Crop Protection and Seeds businesses was \$1,320 million in 2013, \$1,199 million in 2012 and \$1,138 million in 2011.

Crop Protection R&D

Crop Protection R&D provides Syngenta with innovative new chemical solutions and intellectual property with the potential to be combined with other technologies and create maximum business value and differentiation. New research areas are guided by the crop teams based on customer need, technology, regulatory requirements and socio-political trends.

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Syngenta has major Crop Protection research centers focused on identifying new active ingredients in Stein, Switzerland and Jealott's Hill, United Kingdom. Crop Protection R&D employees work on the research and development of a portfolio of herbicides, fungicides, insecticides and crop enhancing chemicals, with broad applicability as foliar, soil and seed treatments for agriculture and lawn and garden customers.

Syngenta is continuously improving its research process. State-of-the-art synthetic chemistry and high-speed automated synthesis are used in concert to effectively prepare the quantity and quality of compounds for both high throughput and highly targeted biological screening. A crucial feature is the structured design approach to chemistry, which ensures that the chemical entities possess properties most likely to relate to the desired product profile.

Once an active ingredient is ready for testing, the development team, supported by the global expertise of the trialing function, ensures that the work is efficiently and effectively completed to turn promising molecules into products that are safe to use, pass all registration requirements and meet customers' needs. Such development typically takes six to eight years. The active ingredient's efficacy and safety is assessed as early as possible in the development process and all data is compiled for registration and safe product use.

Syngenta tests compounds on target crops globally under different climatic conditions and in varying soils. In parallel, an industrial scale manufacturing process is identified and optimized, and appropriate formulations and packages are developed. In addition, Syngenta's current chemical products are improved by supporting the development of new mixtures, formulations and programs that bring new effects and opportunities to growers. Refreshing the existing product range is key to continued success in the face of competition, even after patent expiry.

Seeds R&D

Seeds R&D is dedicated to creating new varieties of major field crops having improved quality and productivity, either alone or in combination with other technologies. This includes improving tolerance to pests and other environmental stresses as well as quality characteristics such as nutritional composition, consumer appeal and shelf life.

Seeds R&D employees focus on advancing the performance, stability and quality of seed varieties, not only for the eight strategic crops, but also for over 50 food and feed crops in total.

Syngenta's biotechnology activities primarily take place at Research Triangle Park, NC, USA, for both research and development of key native and genetically modified traits and where in 2013 a \$72 million unique new glasshouse facility, the Advanced Crop Lab, was opened. Activities at this site are supported by smaller laboratories around the world. In addition, Syngenta operates approximately 100 breeding and germplasm enhancement centers strategically located around the world.

In 2013, Syngenta opened an international research facility focused on combating broomrape, a parasitic weed that has a devastating impact on sunflower. The Broomrape Center of Excellence will create solutions with multiple modes of action by bringing together the best seed and crop protection research capabilities at Syngenta's R&D facility in Stein, Switzerland.

Syngenta expects that end users such as livestock producers, grain processors, food processors and other partners in the food chain will continue to demand specific qualities in the crops they use as inputs. Syngenta has therefore built up and continues to develop one of the most extensive germplasm libraries in the world.

In addition to general research and development agreements with other companies and academic institutions around the world, Syngenta has entered into a number of targeted alliances with other enterprises in order to further broaden its germplasm and trait base with the goal of creating more valuable products.

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Syngenta develops plants with desirable characteristics using both native traits breeding approaches, resulting in either conventional inbred lines or hybrids, and genetic engineering.

Conventional plant breeding involves crossing carefully chosen parent plants, then selecting the best plants from the resulting offspring to be grown on for further selection. Once the best lines have been selected, they are purified to create 'inbred' lines, in which every plant has the same characteristics, and the process of multiplying seeds begins.

For many crop varieties, including corn, rice, barley, sunflowers, sugar beet, oilseed rape and many vegetables, Syngenta produces hybrid seeds, which means that the seed supplied to the grower is the result of the first cross between selected parents; these seeds are unique in expressing 'hybrid vigor', which enables improved yield, performance stability and better quality.

For certain crops, Syngenta also develops transgenic plants where one or more genes of interest have been introduced to a plant via recombinant DNA technology instead of the plant acquiring them through conventional breeding.

Modern technologies such as marker-assisted selection, production of doubled haploids (genetically pure plant lines that offer a quick route to new gene combinations for specific, desirable improvements) for accelerated breeding and crop modeling allow breeders to develop new varieties much more rapidly and accurately than in the past. However this is still a lengthy process; today it can take five to seven years from first cross to market, and even longer if there is the need for a government approved market authorization.

Biofuels are an important market for corn and sugar cane growers. Syngenta is involved in research and development on crops that make biofuel production more efficient and sustainable. In particular, Syngenta supports current biofuels development to get to the next phase of efficient transformation of plant material into transportation fuel.

Intellectual Property

Syngenta protects its investments in R&D, manufacturing and marketing through patents, design rights, trademarks, trade secrets, plant variety protection certificates, plant breeders' rights and contractual language placed on packaging. The level and type of protection varies from country to country according to local laws and international agreements. Syngenta has one of the broadest patent and trademark portfolios in the industry and enforces its intellectual property rights, including through litigation if necessary.

In addition to patent protection for a specific active substance or for seeds (inbreds and varieties) and genomic-related products, patent protection may be obtained for processes of manufacture, formulations, assays, mixtures, and intermediates. These patent applications may be filed to cover continuing research throughout the life of a product and may remain in force after the expiry of a product's per se patents in order to provide ongoing protection. The territorial coverage of patent filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

Patents relating to plant related inventions may cover (i) transgenic plants and seeds gene effects, (ii) genetic constructs and individual components thereof and enabling technology for producing transgenic plants and seeds, and (iii) new breeding technologies such as marker-assisted breeding and products obtained thereby. The territorial coverage of patent filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

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Trademark protection may be obtained to cover a trademark for a specific active substance or seed variety and there may be more than one trademark covering the same active substance or seed variety. Other trademarks may cover formulations, mixtures, intermediates and a variety of ancillary services. The trademarks may remain in force after the expiry of a product's patents in order to provide ongoing protection. The territorial cover of trademark filings and the scope of protection obtained vary depending on the circumstances and the country concerned.

Syngenta licenses certain of its intellectual property rights to third parties and also holds licenses from other parties relating to certain of Syngenta's products and processes. Syngenta respects the intellectual property rights of others.

Competitive Environment

Syngenta's key competitors are dedicated agribusinesses or large chemical companies based in Western Europe and North America and comprise BASF, Bayer, Dow, DuPont and its Pioneer subsidiary, and Monsanto. Syngenta and these top companies account for about 65 percent of the worldwide market for crop protection and seeds products.

Companies in the crop protection business compete on the basis of strength and breadth of product range, product development and differentiation, geographical coverage, price and customer service. Market pressures and the need to achieve a high level of research and development capability, particularly with the advent of biotechnology, have led to consolidation in the industry. In many countries, generic producers of off-patent crop protection compounds are additional competitors to the research-based companies in the commodity segment of the market.

The main competitive factor in the seeds industry remains the quality of genetics and the increasing importance of traits. Historically, competition in the seeds industry has been fragmented, with small producers competing in local markets. With the emergence of biotechnology, the seeds industry became research intensive. Technological advances requiring higher research and development spending have forced new alliances and led to industry consolidation creating greater competition in product development, marketing and pricing. The majority of the transgenic products commercialized to date are traits that improve performance and farming efficiency in major world crops such as corn, soybean, cotton and canola (input traits). As a result, companies having access to a broad genetic range of germplasm as a platform for trait commercialization have a key competitive advantage. In addition to Monsanto, Pioneer, Bayer and Dow, other significant competitors in the seeds business are: Vilmorin, KWS, and Takii.

In the future, Syngenta expects that increased emphasis will be placed on developing products that provide benefits to food and feed processors, fuel production, retail trade and consumers (output traits). One future competitive advantage is expected to be the ability to develop partnerships to allow delivery of biotechnology traits to the target market sectors.

Lawn and Garden

Lawn and Garden leverages Syngenta's agricultural technology into the adjacent markets of flowers, home and garden and turf, landscape and professional pest management. These markets are largely consumer-driven, and Syngenta estimates to have consistently gained share by offering innovative products and solutions. Syngenta Lawn and Garden is a global business and sells products within these markets in all major territories.

Flowers, home and garden products include both flower genetics and pesticides and are sold into three market segments: flowers, where Syngenta supplies seeds, cuttings and young plants to distributors, growers and retailers serving the pot and bedding plant category; ornamental controls (pesticides for cut flower production, bedding plants and bulbs), where sales are made primarily through distributors and directly to some large growers; and home and garden pesticides for use by consumers, mostly sold in bulk to wholesale companies for repackaging and sale to

retailers.

Syngenta Flowers, as an integral part of Flowers, home and garden, has a heritage dating back over 140 years. The combination of flowers genetic and chemical controls facilitates cross-category collaboration and innovation.

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As the global leader in seeds and cuttings, Syngenta Flowers offers the widest range of pot and bedding plant genetics in the industry. Syngenta combines its deep experience in top quality genetics and ornamental controls to support distributors, growers, retailers and consumers as a complete partner. Syngenta is furthermore a world leader in chemical and biological crop protection solutions for a broad range of ornamentals in pot and bedding plants, bulbs and cut flowers.

Turf, landscape and professional pest management provides pesticides products in four markets: turf (primarily golf courses), sold through specialized distributors, dealers and professional applicators; pest management, sold primarily through distributors and directly to some large customers; vector control (control of disease spreading insects and pests), where sales are made to governments or NGOs, with some sales through distributors; and vegetation management (trees, forestry and aquatics), where the primary customers are distributors or local governments.

In the turf market specifically, Syngenta provides disease, insect and weed control and turf grass growth regulators to clients including professional golf superintendents, green keepers, sports turf managers and professional lawn care operators working on recreational sites and residential and commercial landscapes.

Key Marketed Products

Lawn and Garden offers a range of specialized products for use in the flower genetics, ornamentals, consumer lawn and garden and turf and landscape markets.

Flower genetics brands include GOLDFISCH®, GOLDSMITH SEEDS, YODER® and SYNGENTA FLOWERS. Products include a full range of flower seeds, cuttings and young plants which it sells to professional flower growers. Syngenta focuses on breeding a full range of innovative flower varieties, including popular bedding plants such as viola, begonia, New Guinea impatiens, pelargonium and petunia; pot plants, such as cyclamen and poinsettia; cuttings for, amongst others, the growing market of hanging baskets, such as impatiens and verbena; and a wide range of attractive perennials.

Flower ornamental, home and garden and turf and landscape brands include:

- Abamectin (VERTIMEC®) is a leading ornamental insecticide.
- Azoxystrobin (HERITAGE®/ORTIVA®/AMISTAR®) is a leading fungicide for use on turf, primarily golf courses, and in ornamentals.
- Prodiamine (BARRICADE®) is a leading pre-emergence grass and broad-leaved weed herbicide in turf.
- SUNJET® Flora (isopyrazam and azoxystrobin) for foliar application and PLENTRIX® (azoxystrobin and mefenoxam) for soil drench are the first Lawn and Garden fungicide brands specifically for ornamentals.
- Thiamethoxam (ACTARA®) is an insecticide highly active at low use rates against a broad spectrum of soil and sucking insects. For more information on this product, see Key Marketed Products for Syngenta's Integrated Business above.
- Trinexapac-Ethyl (PRIMO MAXX®) is a herbicide on turf that prohibits vertical growth.

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Syngenta also offers products for use in controlling insect pests.

- Primiphos-methyl (ACTELLIC®) is an insecticide used for indoor residual spray programs to control the spread of malaria and other vector-borne diseases. Recently re-launched as an encapsulated formulation for longer residual activity, ACTELLIC® CS has gained World Health Organization approval and is increasingly used to eradicate mosquitoes which are resistant to the pyrethroid insecticide class.
- Brodifacoum (KLERAT®) is a rodenticide for consumer use in homes and gardens.
- Chlorantraniliprole (ALTRISSET®/ACELEPRYN®) is a new class of insecticide for the control of termites in building structures and also white grubs and other pests in turf.
- Indoxacarb (ADVION®/ARILON®) is an insecticide for application by professional pest control operators for the control of ants, cockroaches and other general insect pests.

Recently Launched Products

Syngenta introduces over 100 new and improved flower varieties and series every year. Some of the more unique introductions during the year were:

- ARABESQUE® – F1 Penstemon hartwegii – a high-performance bedding plant series offering the look of a perennial with the ease of an annual for premium programs.
- CALLIOPE® – new color additions which strengthen this geranium series with superior garden performance.
- DAMASK® – F1 Petunia multiflora – genetically compact multiflora series bred for the high density pack and small pot segment.
- FLORIFIC® – F1 Impatiens hawker – this New Guinea impatiens from seed offers faster crop times and better quality shade loving plants for high-density production and season-long landscape satisfaction.
- Grandalia – Landscape Dahlia series in eight brilliant colors bred for superior mildew tolerance and garden performance in combination with good uniformity.
- Sriracha – F1 Cuphea llavea – a new class for the seeds market used in premium spring and summer extender / heat-lover programs.
- Starcluster – vegetative Penta Hybrids – very large flowers and heat resistant.

Recently launched products for use in Ornamentals treatment are:

- BIOLINE® products – various predatory and beneficial insects supporting growers in North America to improve integrated production and in certification efforts.
- HICURETM – amino acids – a biostimulant used in cut flowers for mitigating climatic stress and enabling the rose plant to build a higher number of stems.
- NEMATHORIN® 150 EC – fosthiazate – controls soil nematodes in cut flower production.

Recently launched products for use in Turf and landscape treatment are:

- **BRISKWAY™** – Fungicide (azoxystrobin and difenoconazole) – broad-spectrum fungicide for prevention and control of certain diseases in golf course turf grasses.

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- CARAVAN™ G – Insecticide and fungicide (azoxystrobin and thiamethoxam) – systemic control of both insect pests and diseases with one product applied to turf grasses on residential lawns, commercial grounds (office and shopping complexes, airports), parks, playgrounds, golf courses, and athletic fields.
- QUALIBRA® – Wetting agent – combines the best attributes of both the traditional penetrant and polymer type products, into one easy-to-use solution.
- TALON® Soft – Rodenticide (brodifacoum) – palatable and easy to use paste bait single feed rodenticide.

Products in Late Stage Development

Syngenta Flowers has a rich pipeline of products under development, which extends beyond 2017 and involves projects covering all product lines.

Syngenta's pipeline of products under development that have potential application in Turf, landscape and professional pest management, Ornamentals and Home and garden also have application in its Integrated Business. For further information on this pipeline, see Products in Late Stage Development for Syngenta's Integrated Business above.

Production

Syngenta Flowers uses its own seed production facilities in Guatemala, Turkey and the Netherlands to produce, clean, pellet, coat and package seed. In addition, independent contract growers in Turkey, Indonesia and Chile are used to supplement capacity and capability.

Due to Syngenta's global presence, it can engage in seed production year-round and mitigate weather related seed production risk. In addition, because its facilities are located in both the northern and southern hemispheres, Syngenta can shorten the time required to multiply seeds from breeding to commercial production. This enables it to produce marketable quantities more quickly than if it was dependent on only one growing season.

Syngenta Flowers sources vegetative cuttings from its own cutting production facilities in Kenya, Ethiopia and Guatemala, and from contract growers, notably in Mexico.

Syngenta's crop protection production process and facilities are leveraged to produce and source the range of Turf, landscape and professional pest management, Ornamentals and Home and garden chemical products marketed by Lawn and Garden. For a description of the manufacturing process for these products, see Production for Syngenta's Integrated Business above.

Marketing and Distribution

Syngenta Flowers seed and vegetative products are marketed throughout the world through well-known brands, some of which have been established for over 100 years. In 2008, the Syngenta Flowers brand was introduced as an umbrella brand representing the entirety of Syngenta's offer in flower seeds, cuttings and young plants. Syngenta Flowers uses the GOLDFISCH® brand and the GOLDSMITH and YODER® brands as portfolio brands. Syngenta's sales force markets the majority of Syngenta's brands, either to customers directly, in partnership with distributors, or through a network of dealers. In addition, Syngenta Flowers distributes and brokers its products and product forms through FLORIPRO SERVICES® in Europe. The product range of Flower seeds covers 200 seeds series in 70 classes, while the vegetative range covers 120 series in 81 crops.

Lawn and Garden has marketing organizations in all its major markets with dedicated sales forces that provide customer and technical service, product promotion and market support. This dedicated sales force, marketing and distribution organization generates approximately 70 percent of Lawn and Garden's annual revenue from sales of the chemical product lines. In addition, in markets where the crop protection market is not segmented into professional turf, landscape and professional pest management, ornamental or home and garden markets, the Syngenta integrated business organization is used to market Lawn and Garden products to customers.

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The Turf, landscape and professional pest management business of Syngenta operates a business-to-business model supplying chemical controls to professional customers. Products are sold to the end user through independent distributors and dealers, most of which also handle other manufacturers' products. Syngenta's products normally are sold through a two-step or three-step distribution chain as described in Marketing and Distribution for Syngenta's Integrated Business above.

Syngenta's marketing activities are directed towards distributors, consultants and growers. They consist of a broad range of advertising and promotional tools, such as meetings with growers and distributors, field demonstrations, advertisements in specialized publications, direct marketing activities, or information via the Internet.

Research and Development

Flowers genetics research and development is dedicated to creating new varieties of major flower genetics having improved quality and productivity, either alone or in combination with other technologies. Syngenta's research and innovation provide the grower and retail markets with a choice of new genetics, shapes and colors of continuously improved longevity, stress tolerance and drought and disease resistance. Syngenta has major Flowers research centers in Enkhuizen, Holland and Gilroy, CA, USA, each of which is focused on identifying new or improved varieties of genetics with unique traits.

Research and development to provide Syngenta with innovative new chemical solutions and intellectual property for its Turf, landscape and professional pest management, Ornamentals, and Home and garden business is conducted at research centers used for crop protection product research and development in its Integrated Business. For further information, see Research and Development for Syngenta's Integrated Business above.

The total spent on research and development in Lawn and Garden was \$56 million in 2013, \$58 million in 2012 and \$56 million in 2011.

Intellectual Property

Syngenta Flowers maintains the ownership and controls the use of its seeds and genomic-related products and processes by means of intellectual property rights, including but not limited to the use of patents, trademarks, licenses, trade secrets, plant variety protection certificates and contractual language placed on packaging. The level of protection varies from country to country according to local laws. Syngenta Flowers licenses certain of its intellectual property rights to third parties and also holds licenses from other parties relating to certain of Syngenta's products and processes.

Syngenta's Turf, landscape and professional pest management, Ornamentals, and Home and garden products are derived from the same products produced for crop protection in its Integrated Business. For further information regarding how Syngenta protects its intellectual property related to these products, see Intellectual Property for Syngenta's Integrated Business above.

Competitive Environment

The main competitive factors in the flowers industry remain the quality of genetics and the increasing importance of unique traits to enhance growers' ability to produce as well as improving garden performance for consumers. Historically, and still to a large degree, flowers competition in the seeds industry has been fragmented, with small producers competing in local markets. The traditional grower market has evolved into a mass market of commodity

products distinguished by low differentiation and overcapacity increasingly supplying a rapidly consolidating and competitive retail sector. The market opportunities are in increasing presence along value chain towards retail and delivering to the consumer unique, higher quality plants with improved garden performance. At present, Syngenta Flowers' main competitors in the seeds business are Ball, Sakata, Fides and DnA Group.

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The home and garden chemical controls market is impacted by the shift of business through mega retail channels and crowded shelf space. Syngenta's main competitors in this market include Bayer and regional private labels.

The key competitors in the turf, landscape and professional pest management markets are the leading agribusiness companies based in Western Europe and North America supplying crop protection chemicals which are generally specifically branded and tailored to these specialized markets. These companies compete primarily on the basis of product innovation and portfolio breadth. Additional competition comes from generic manufacturers in the off-patent segments. Increasingly, customer service, integrated programs and more holistic solution offers are being introduced to address broader unmet customers' needs and further differentiate the major innovation companies from generics. Syngenta's main competitors in these markets are Bayer, BASF and Dow.

Government regulations

The field-testing, production, import, marketing and use of Syngenta's products are subject to extensive regulation and numerous government approvals. Registration and re-registration procedures apply in all major markets.

Products must obtain governmental regulatory approval prior to marketing. The regulatory framework for such products is designed to ensure the protection of the consumer, the grower and the environment. Examples of the regulatory bodies governing the science include the US Environmental Protection Agency, the US Department of Agriculture and the US Food and Drug Administration.

Regulatory bodies can require ongoing review of products derived from biotechnology based upon many factors including the need for insect resistance management. Even after approval, products can be reviewed with the goal of ensuring that they continue to adhere to all standards, which may have changed or been added to since the product was initially approved. This type of ongoing review applies in most major markets.

All biotechnology products are subject to intense regulatory scrutiny and Syngenta conducts extensive studies to ensure products are safe for both consumers and the environment. An extensive Syngenta network of regulatory experts around the world ensures continued dialogue and compliance with the authorities regarding regulatory dossier submissions, insect resistance management programs and participation in further development of the biotech regulatory framework.

Governmental regulatory authorities perform a variety of risk assessments on genetically modified ("GM") seed products to ensure the safety of the resulting plants and the food and feed derived from them. Syngenta must obtain regulatory approvals for both cultivation and for import of products thereof into key countries. Cultivation countries for Syngenta's GM seed currently include the US, Canada, Brazil, Argentina and the Philippines. Key import countries are defined based on the product and cultivation market and may include Japan, one of the largest importers of commodity crops. "Stacked" products developed through breeding to contain multiple GM traits are also subject to regulation in certain countries. Approvals in some countries are time limited and must be renewed on a periodic basis to ensure that each product adheres to current regulatory standards. Some countries also require safety monitoring and insect resistance management after product commercialization. Additionally, registration of new plant varieties, whether transgenic or not, is required in most countries, but not in the USA.

Government regulations, regulatory systems, and the politics that influence them vary widely among jurisdictions and change often. Obtaining necessary regulatory approvals is time consuming and costly, and data requirements for approvals continue to increase. There can be no guarantee of the timing or success in obtaining approvals.

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Environment

Syngenta designed its environmental management program with the aim of ensuring that its products and their manufacture pose minimal risks to the environment and humans. The crop protection industry is subject to environmental risks in three main areas: manufacturing, distribution and use of product. Syngenta aims to minimize or eliminate environmental risks by using appropriate equipment, adopting best industry practice and providing grower training and education.

The entire chain of business activities, from research and development to end use, operates according to the principles of product stewardship. Syngenta is strongly committed to the responsible and ethical management of its products from invention through ultimate use. Syngenta employs environmental scientists around the world who study all aspects of a product's environmental behavior.

Specially designed transportation and storage containers are used for the distribution of hazardous products and efficient inventory control procedures minimize the creation of obsolete stocks.

Syngenta has developed a rigorous screening and development process in order to mitigate risks relating to the use of its products. All active substances and products must meet both Syngenta's internal standards and regulatory requirements.

Syngenta provides support to growers on a local level such as training in application techniques and assistance in calibrating spray equipment in order to promote safe handling of its products. Syngenta extends product stewardship long after sales in several ways, for example, by collecting and safely destroying outdated products, and providing returnable containers to reduce waste.

Crop protection products are subject to rigorous registration procedures, which are aimed at ensuring safe product usage in the field. In addition to complying with these regulatory requirements, Syngenta has adopted its own Health, Safety and Environment ("HSE") management system. This provides a clear framework of management processes applicable at all sites, whatever the regulatory requirements in the country in which the site is situated.

Syngenta maintains a register of sites to identify manufacturing and distribution sites and locations that may have been contaminated in the past. The register is the basis for the allocation of appropriate provisions and action programs regarding measures to be taken. A risk portfolio is prepared for each site and reviewed annually. The risk portfolio is also applied to third-party manufacturers in order to identify and exclude poorly performing companies.

See Notes 2 and 25 to Syngenta's consolidated financial statements in Item 18 for a further discussion of environmental matters.

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Organizational Structure

The following are the significant legal entities in the Syngenta group of companies (the “Group”). In the context of the SIX Swiss Exchange Directive on Information relating to Corporate Governance, the disclosure criteria are as follows:

Companies are disclosed if their sales exceed \$100 million or equivalent or if their total assets exceed 1 percent of total Group assets

– Companies with a financing function are all disclosed

None of the significant legal entities are publicly listed. Please refer to Note 30 “Other new IFRSs and accounting policies” to the consolidated financial statements in Item 18 for the appropriate consolidation method applied to each type of entity.

| Country | Municipality | Percentage owned by Syngenta | Local Share capital in local currency | Function of company |
|---|---------------|------------------------------|---------------------------------------|------------------------------|
| Argentina | | | | |
| Syngenta Agro S.A. | Buenos Aires | 100% | ARS 1,759,409,877 | Sales/Production |
| Australia | | | | |
| Syngenta Australia Pty Limited | North Ryde | 100% | AUD 83,942,909 | Sales/Production/Development |
| Brazil | | | | |
| Syngenta Proteção de Cultivos Ltda. | São Paulo | 100% | BRL 1,727,549,609 | Sales/Production/Research |
| Syngenta Seeds Ltda | São Paulo | 100% | BRL 320,742,043 | Sales/Production/Research |
| Canada | | | | |
| Syngenta Canada Inc. | Guelph | 100% | CAD – | Sales/Research |
| China | | | | |
| Syngenta (China) Investment Company Limited | Shanghai | 100% | USD 46,660,810 | Holding/Sales |
| France | | | | |
| Syngenta France S.A.S. | Saint-Sauveur | 100% | EUR 50,745,240 | Sales/Production/Development |
| Germany | | | | |
| Syngenta Agro GmbH | Maintal | 100% | EUR 2,100,000 | Sales |
| Syngenta Seeds GmbH | Bad Salzuflen | 100% | EUR 1,330,100 | Sales/Production/Research |
| India | | | | |
| Syngenta India Limited | Pune | 96.3% | INR 159,308,320 | Sales/Production |
| Indonesia | | | | |
| PT Syngenta Indonesia | Jakarta | 100% | IDR 58,122,874,000 | Sales/Production/Development |
| Italy | | | | |
| Syngenta Crop Protection S.p.A. | Milano | 100% | EUR 5,200,000 | Sales/Production/Development |
| Japan | | | | |
| Syngenta Japan K.K. | Tokyo | 100% | JPY – | Sales/Production/Research |
| Mexico | | | | |

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| | | | | | |
|----------------------------------|-------------------|------|-----|---------------|--|
| Syngenta Agro, S.A. de C.V. | México City, D.F. | 100% | MXN | 157,580,000 | Sales/Production/Development |
| Netherlands | | | | | |
| Syngenta Seeds B.V. | Enkhuizen | 100% | EUR | 488,721 | Holding/Sales/Production/Research |
| Syngenta Finance N.V. | Enkhuizen | 100% | EUR | 45,000 | Finance |
| Syngenta Treasury N.V. | Enkhuizen | 100% | EUR | 90,001 | Holding/Finance |
| Panama | | | | | |
| Syngenta S.A. | Panama City | 100% | USD | 10,000 | Sales |
| Poland | | | | | |
| Syngenta Polska Sp.z.o.o. | Warsaw | 100% | PLN | 22,264,000 | Sales |
| Russian Federation | | | | | |
| OOO Syngenta | Moscow | 100% | RUB | 895,619,000 | Sales/Distribution |
| Spain | | | | | |
| Syngenta España S.A. | Madrid | 100% | EUR | 7,544,828 | Distribution/Development/Production |
| Switzerland | | | | | |
| Syngenta Supply AG | Basel | 100% | CHF | 250,000 | Sales |
| Syngenta Crop Protection AG1 | Basel | 100% | CHF | 257,000 | Holding/Sales/Production/Research |
| Syngenta Agro AG | Dielsdorf | 100% | CHF | 2,100,000 | Sales/Production/Research |
| Syngenta Finance AG1 | Basel | 100% | CHF | 10,000,000 | Finance |
| Syngenta Participations AG1 | Basel | 100% | CHF | 25,000,020 | Holding |
| Thailand | | | | | |
| Syngenta Crop Protection Limited | Bangkok | 100% | THB | 149,000,000 | Holding/Research/Distribution/Production |
| Ukraine | | | | | |
| TOV Syngenta | Kiev | 100% | UAH | 1,331,240,000 | Sales/Research |
| United Kingdom | | | | | |
| Syngenta Limited | Guildford | 100% | GBP | 85,000,000 | Holding/Production/Research |
| Syngenta UK Limited | Fulbourn | 100% | GBP | 500 | Sales/Research |
| USA | | | | | |
| Syngenta Crop Protection, LLC | Greensboro | 100% | USD | 100 | Sales/Production/Research |
| Syngenta Seeds, Inc. | Minnetonka | 100% | USD | – | Sales/Production/Research |
| Syngenta Corporation | Wilmington | 100% | USD | 100 | Holding/Finance |
| Vietnam | | | | | |
| Syngenta Vietnam Ltd. | Bien Hoa City | 100% | USD | 10,000,000 | Sales/Production |

1 Direct holding of Syngenta AG.

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Property, Plants and Equipment

Syngenta's principal executive offices are located in Basel, Switzerland. Syngenta's businesses operate through a number of offices, research facilities and production sites. The following is a summary of Syngenta's principal properties:

| Locations | Freehold/ Leasehold | Approx. area (thou. sq. ft.) | Principal use |
|----------------------------------|------------------------|---------------------------------|---|
| Rosental, Basel, Switzerland | Freehold | 300 | Headquarters, global functions |
| Monthey, Switzerland | Freehold | 10,400 | Production |
| Stein, Switzerland | Freehold | 4,000 | Research |
| Dielsdorf, Switzerland | Freehold | 1,000 | Administration, marketing, production |
| Kaisten, Switzerland | Freehold | 1001 | Production |
| Münchwilen, Switzerland | Freehold | 600 | Research, production |
| Seneffe, Belgium | Freehold | 2,500 | Production |
| Ghent, Belgium | Leasehold | 100 | Administration, research |
| Aigues-Vives, France | Freehold | 1,5002 | Production |
| Nérac, France | Freehold | 600 | Production |
| St Pierre, France | Freehold | 1,500 | Production |
| Saint-Sauveur, France | Freehold | 200 | Research, production |
| Sarrians, France | Freehold | 3,200 | Research |
| Bad Salzuflen, Germany | Leasehold | 34,400 | Research, production |
| Hillscheid, Germany | Freehold | 1,200 | Administration |
| Mezotur, Hungary | Freehold | 1,300 | Production |
| Enkhuizen, The Netherlands | Freehold | 3,500 | Administration, research, marketing, production |
| Landskrona, Sweden | Freehold | 8,700 | Research, production, marketing |
| Jealott's Hill, Berkshire, UK | Freehold | 28,300 | Research |
| Huddersfield, West Yorkshire, UK | Freehold | 10,800 | Production |
| Grangemouth, Falkirk, UK | Freehold | 900 | Production |
| Greensboro, North Carolina, USA | Freehold | 3,000 | US headquarters, research |
| Minnetonka, Minnesota, USA | Freehold | 100 | Administration |

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| | | | |
|---|-----------|---------------------|---------------------------------|
| St. Gabriel, Louisiana, USA | Freehold | 54,700 | Production |
| Greens Bayou, Texas, USA | Freehold | 10,900 ³ | Production |
| Research Triangle Park, North Carolina, USA | Freehold | 3,400 | Research |
| Gilroy, California, USA | Freehold | 4,200 | Production, research, marketing |
| Lone Tree, Iowa, USA | Freehold | 1,300 | Production |
| Omaha, Nebraska, USA | Freehold | 1,800 | Production |
| Phillips, Nebraska, USA | Freehold | 2,600 ⁴ | Production |
| Waterloo, Nebraska, USA | Freehold | 1,700 ⁵ | Production |
| Pasco, Washington, USA | Freehold | 1,700 | Production |
| Clinton, Illinois, USA | Freehold | 34,900 | Research |
| Stanton, Minnesota, USA | Freehold | 18,000 | Research |
| Slater, Iowa, USA | Freehold | 13,700 | Research |
| Woodland, California, USA | Freehold | 4,200 | Production, research |
| Venado Tuerto, Argentina | Freehold | 1,000 | Production |
| Formosa, Brazil | Freehold | 2,200 | Production |
| Itápolis, Brazil | Freehold | 500 | Production |
| Ituiutaba, Brazil | Freehold | 2,200 | Production |
| Matão, Brazil | Freehold | 500 | Production |
| Paulinia, Brazil | Freehold | 6,800 | Production |
| Uberlandia, Brazil | Freehold | 27,000 | Research |
| Amatitlan, Guatemala | Freehold | 3,100 | Production |
| Jalapa, Guatemala | Freehold | 4,400 | Production, research |
| Kapok, Guatemala | Freehold | 2,000 | Production |
| San Jose Pinula, Guatemala | Freehold | 1,700 | Production |
| Nantong, China | Leasehold | 1,900 | Production |
| Beijing, China | Leasehold | 300 | Research |
| Goa, India | Freehold | 8,700 | Production, research |
| Iksan, South Korea | Freehold | 900 | Production |
| Koka, Ethiopia | Leasehold | 9,700 | Production |
| Pollen, Kenya | Leasehold | 4,800 | Production |
| Thika, Kenya | Leasehold | 3,000 | Production |

¹ Surface area of building/factory that Syngenta owns; land (143 thousand square feet) is owned by a third party

2 Only approximately 900 thousand square feet are currently used and developed

3 Only approximately 5,900 thousand square feet are currently used and developed

4 Only approximately 1,700 thousand square feet are currently used and developed

5 Only approximately 1,200 thousand square feet are currently used and developed

Please also see “Business Overview” above for a description of the products produced at the various properties listed above.

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Syngenta completed in 2013 the approximately \$60 million construction project begun in 2012 to increase capacity of Syngenta's corn seed production facility in Nebraska by 50 percent in order to meet increasing demand and to replace older production facilities that were costlier to maintain and operate.

In order to meet growing demand for corn in Brazil, an approximately \$80 million project commenced in 2013 at Syngenta's Formosa site in Brazil to expand production capacity by approximately 30 percent. Spending in 2013 on the project was approximately \$40 million.

The approximately \$70 million project to construct a new greenhouse facility adjacent to Syngenta's existing research campus in Research Triangle Park, North Carolina, USA, was completed and the facility became operational in 2013. Syngenta announced in 2013 plans to invest approximately \$90 million by the end of 2018 on the expansion of its research and development operations on the site, including further capacity expansion, and upgraded laboratory and other facilities. Research at the expanded site will focus on traits that can better tolerate climate variability, combat plant stresses such as drought, and enhance crop productivity and plant performance. In addition to the current focus on corn and soybean, research will be expanded to incorporate other crops such as cereals, rice, vegetables and sugar cane. Spending on the project in 2013 was less than \$10 million.

Syngenta is investing approximately \$90 million at its Nantong, China facility to increase production capacity of crop protection products by approximately 1,000 metric tons per year to meet increasing demand. The project is expected to be completed in 2015. Spending on the project in 2013 was approximately \$30 million.

To support long-term growth objectives, Syngenta is investing approximately \$50 million at its Stein, Switzerland research site to expand and upgrade its biological sciences facilities. The project is expected to be completed in 2015. Spending on the project in 2013 was less than \$10 million.

Syngenta invested approximately \$30 million at its Kaisten, Switzerland site to increase production capacity of an intermediate to one of its major Selective herbicide products by approximately 40 percent to meet increasing demand. Spending on the project in 2013 was approximately \$12 million. Preliminary work was also started in 2013 on a second project to further expand capacity by approximately 30 percent at an estimated cost of \$90 million.

Syngenta is refurbishing and modernizing its Basel headquarters under a program that will run over the period through 2015 and is estimated to cost approximately \$200 million, with approximately 50 percent spent as of December 31, 2013.

ITEM 4A — UNRESOLVED STAFF COMMENTS

None.

ITEM 5 — OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Introduction

The following discussion includes forward-looking statements subject to risks and uncertainty. See “Forward-looking statements” at the beginning of this document. This discussion also includes non-GAAP financial data in addition to GAAP results. See Appendix A to this section and Note 2 to the financial highlights in Item 3 for a reconciliation of this data and explanation of the reasons for presenting such data.

Constant exchange rates

Approximately 57 percent of Syngenta’s sales and 67 percent of Syngenta’s costs in 2013 were denominated in currencies other than US dollars. Therefore, Syngenta’s results for the period covered by the review were significantly impacted by movements in exchange rates. Sales in 2013 were 3 percent higher than 2012 on a reported basis, but were 5 percent higher when calculated at constant rates of exchange. The Company therefore provides analysis of results calculated at constant exchange rates (“CER”) and also actual results to allow an assessment of performance before and after taking account of currency fluctuations. To present CER 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 the exchange rates for this year. An example of this calculation is included in Appendix A of this section.

Overview

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 products.

Syngenta’s results are affected, both positively and negatively, by, among other factors: general economic conditions; weather conditions, which can influence the demand for certain products over the course of a season and the quantity and cost of seeds supply; commodity crop prices; and exchange rate fluctuations. Government measures, such as subsidies or rules regulating the use of agricultural products, genetically modified seeds, or areas allowed to be planted with certain crops, also can have an impact on Syngenta’s industry. Syngenta’s results are also affected by the growing importance of biotechnology to agriculture and the use of genetically modified crops. In future years, climate change may have both positive and negative impacts on Syngenta’s results. Climate change may make growing certain crops more or less viable in different geographic areas, but is not likely to reduce overall demand for food and feed. Syngenta currently sells and is developing products to improve the water productivity of plants and increase tolerance to drought and heat. Legislation may be enacted in the future that limits carbon dioxide emissions in the manufacture of Syngenta’s products or increases the costs associated with such emissions. Syngenta works actively to make its production operations more energy efficient and to reduce the rate of carbon dioxide emissions per unit of operating income.

Syngenta operates globally to capitalize on its technology and marketing base. Syngenta’s largest market is Europe, Africa and the Middle East, which represented approximately 30 percent of consolidated sales in 2013 (2012: 30 percent) followed by North America¹ and Latin America, each of which represented 28 percent of consolidated sales in 2013 (2012: 30 percent and 26 percent, respectively). Markets for agricultural products in Europe, Africa and the Middle East and North America are seasonal resulting in both sales and operating profit for Syngenta in these markets being weighted towards the first half of the calendar year, which largely reflects the northern hemisphere planting and growing cycle. Latin America has its main selling season in the second half of the year due to its location in the southern hemisphere.

1 Comprising the USA and Canada.

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Syngenta's most significant manufacturing and research and development sites are located in Switzerland, the United Kingdom ("UK"), the United States of America ("USA" or "US"), China and India. Syngenta's primary center for agricultural genomics and biotechnology research is in the USA.

References in this document to market share estimates are based where possible on global agrochemical and biotechnology industry information provided by a third party or on information published by major competitors and are supplemented by Syngenta marketing staff estimates.

The consolidated financial statements in Item 18 are presented in US dollars, as this is the major currency in which revenues are denominated. However, significant, but differing proportions of Syngenta's revenues, costs, assets and liabilities are denominated in currencies other than US dollars. Approximately 15 percent of sales in 2013 were denominated in Euros, while a significant proportion of costs for research and development, administration, general overhead and manufacturing were denominated in Swiss francs and British pounds sterling (approximately 18 percent in total). Sales in Swiss francs and British pounds sterling together made up approximately 3 percent of total sales. Marketing and distribution costs are more closely linked to the currency split of the sales. As a result, operating profit in US dollars can be significantly affected by movements in exchange rates, in particular movements of the Swiss franc, British pound sterling and the Euro, relative to the US dollar, and the relative impact on operating profit may differ from that on sales. The effects of currency fluctuations within any one year have been reduced by risk management strategies such as hedging. For further information on these strategies please refer to Notes 27 and 29 of the consolidated financial statements in Item 18.

The consolidated financial statements in Item 18 are based upon Syngenta's accounting policies and, where necessary, the results of management estimations. Syngenta believes that the critical accounting policies and estimations underpinning the financial statements are in the areas of (i) royalty and license income, (ii) impairment, (iii) acquisition accounting, (iv) adjustments to revenue and trade receivables, (v) seeds inventory valuation and allowances, (vi) environmental provisions, (vii) defined benefit post-employment benefits, including pension asset ceiling, (viii) deferred tax assets, (ix) uncertain tax positions and (x) foreign currency translation of intercompany funding. These policies are described in more detail in Notes 2 and 30 to the consolidated financial statements in Item 18.

Summary of results

Net income in 2013 was 11 percent lower than 2012. Sales in 2012 included recognition of guaranteed minimum royalties for the 604 corn rootworm trait licensed to Pioneer Hi-Bred International Inc. ("Pioneer"), a subsidiary of DuPont, not repeated in 2013, which contributed approximately \$220 million of 2012 net income; excluding this item from 2012, net income in 2013 was approximately 1 percent higher, with sales growth offset by increased cost of goods sold, particularly in seeds products, and research and development expense. Sales in 2013 were 3 percent higher, 5 percent at constant exchange rates, with 3 percent growth in sales volumes and an additional 2 percent from higher local currency sales prices. The royalties mentioned above contributed 2 percent to sales volumes in 2012. Local currency sales price increases were achieved in 2013 in both Crop Protection and Seeds products and in all regions. Sales in Latin America in the fourth quarter of 2013 were lower than originally expected mainly due to a delayed registration of Solatenol™.

The higher overall sales combined with cost savings from the integration of operations across Crop Protection and Seeds were offset by the impact of higher cost of goods sold as percentage of sales and increased research and development expense. Cost of goods sold included an increase in seeds production costs of approximately \$175 million largely due to the drought in the seed growing season in 2012 and approximately \$170 million of additional inventory provisions largely related to corn seed production in the United States in 2013, where supply received from contract growers for seed processing for the 2014 North American planting season exceeded forecasted sales due to

higher than projected yields realized by the growers. While agricultural yields are always volatile, excess supply at this level is not currently expected to recur in 2014. Gross profit margins in the Lawn and Garden business were improved in 2013 by the disposal in 2012 of the lower margin Fafard growing media and Syngenta Horticultural Services businesses and the acquisition of the DuPont professional products business. Combined marketing and distribution expense and general and administrative excluding restructuring and impairment was 5 percent lower than 2012, broadly flat at constant exchange rates, with cost savings supplemented by lower management and staff incentives and approximately \$41 million savings due to changes made to the Swiss pension plan more than offsetting inflation. Exchange rate impacts improved overall operating income by approximately \$55 million, including reduced losses on related hedges in 2013 compared with 2012.

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Cash flow from operating activities before change in net working capital decreased by \$120 million, with 2012 including the recognition of the guaranteed minimum royalties for the corn rootworm trait mentioned above. Change in net working capital was similar in 2013 and 2012, with 2013 including a higher inventory build, while in 2012 the corn rootworm trait royalty receivable was included in trade and other working capital assets. Cash flow from operating activities in 2013 was sufficient to fund Syngenta's investing activities including a further increase in 2013 in capital expenditures. Cash flow from investing activities was \$446 million lower than 2012, which included higher spending on several business acquisitions. Acquisitions in both years are described below. In the context of the continued strong balance sheet, and subject to shareholder approval, the Company proposes to increase the dividend to CHF 10.00 per share from CHF 9.50 per share paid in 2013.

Integrated sales of Crop Protection and Seeds products increased by 4 percent, 6 percent at constant exchange rates. Crop Protection product sales increased by 6 percent, 8 percent at constant exchange rates, with 6 percent higher sales volumes and an additional 2 percent from increased local currency sales prices. Seeds sales declined in 2013 by 1 percent, comprised of an 8 percent decrease from the impact of the 2012 royalties described above, a 6 percent increase from higher other sales volume, a 3 percent increase from higher local currency sales prices and a 2 percent decrease from currency effects. Seeds sales were 1 percent higher at constant exchange rates.

Integrated sales of Crop Protection and Seeds products increased 7 percent in Latin America and 6 percent in both Europe, Africa and Middle East and Asia Pacific. Sales in North America were 2 percent lower mainly from the impact of the 2012 royalties mentioned above, which comprised 7 percent of North America's 2012 sales. Markets in North and Latin America continued to benefit from the strength of key crop commodity prices, which supported farmer profitability, although there was a weakening of US dollar crop prices particularly in the second half of the year. Sales in North America included 7 percent growth in Crop Protection products, with particularly strong growth in Seed care. Seeds sales were 18 percent lower due to the lower royalties, but also reflect reduced availability of new traited hybrid seeds for the 2013 North American planting season following the drought in the seed production season in 2012. Latin America sales grew strongly in Seeds, particularly soybean, but Crop Protection sales growth at 7 percent, 9 percent at constant exchange rates, was reduced by delayed approval of the new fungicide Solatenol™, credit concerns over sales in Venezuela and Argentina, and a weaker market in sugar cane. Sales in Europe, Africa and Middle East grew by 6 percent, 7 percent at constant exchange rates, with particularly strong growth the CIS and South East Europe. Sales in Asia Pacific were 6 percent higher, 11 percent at constant exchange rates, with strong growth across the emerging markets where sales were 12 percent higher, 15 percent at constant exchange rates. Emerging market sales growth was strong across all regions and overall was 9 percent, 12 percent at constant exchange rates.

Lawn and Garden sales were 9 percent lower than 2012, 7 percent at constant exchange rates, due to the full year impact of businesses divested in 2012.

Gross profit margin declined by approximately 3.5 percentage points in 2013. The 2012 royalty recognition noted above increased the margin in that year by 0.9 percentage points and the \$170 million seed inventory provision reduced the 2013 margin by 1.2 percentage points. Excluding these factors, gross profit margin declined by approximately 1.4 percentage points due to adverse product mix particularly due to strong growth in sales of glyphosate products where gross profit margin is typically 20 percent or less, and higher seed product costs following the 2012 drought. The cost of purchased glyphosate increased by approximately \$140 million and was recovered broadly on a dollar for dollar basis by increases in sales prices.

Marketing and distribution expenses were 1 percent lower but at constant exchange rates increased by 1 percent, with some increase in charges for doubtful receivables offset by savings generated by the restructuring programs described below and reduced employee incentives. The ratio of marketing and distribution expenses to sales improved by 0.8 percentage points to 16.3 percent.

Research and development expense was 9 percent higher, 11 percent at constant exchange rates, and as a percentage of sales increased by 0.5 percent to 9.4 percent. A further increase in the ratio, at constant exchange rates, is planned for 2014.

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General and administrative includes restructuring and impairment, the components of which are described under the Restructuring and impairment heading within this section, and decreased by 19 percent from 2012. General and administrative excluding restructuring and impairment was 15 percent lower, including foreign exchange hedging losses of \$4 million compared with \$61 million in 2012. Excluding currency effects, General and administrative excluding restructuring and impairment decreased by 6 percent including lower employee incentives, savings including those from the restructuring programs described below and an approximately \$41 million benefit from changes to the Swiss pension plan. General and administrative excluding restructuring and impairment in 2012 included an \$80 million charge relating to settling the Holiday Shores / City of Greenville litigation, broadly offset by a reduction in the actuarial liability for US Healthcare arrangements following a plan change and gains on Syngenta's initial investment in Pasteuria Bioscience, Inc. ("Pasteuria") following the acquisition of the remainder of that company in the year.

Restructuring and impairment expenses in 2013 excluding those reported in Cost of goods sold were \$79 million lower than 2012 mainly from the program to integrate the commercial operations of Crop Protection and Seeds having progressed into its third year and the operational efficiency program having been substantially completed. In addition, 2012 included losses on the sales of the Fafard and Syngenta Horticultural Services businesses totaling \$25 million.

Income from associates and joint ventures increased by \$41 million, largely due to a tax ruling and to compensation received from an energy supplier to exit an uneconomic supply arrangement.

Financial expense, net was \$53 million higher than 2012, mainly due to increased hedging volumes in emerging markets and foreign exchange losses from higher volatility in emerging market currencies. The tax rate increased slightly to 15 percent and is approximately 1 percent higher excluding taxes related to restructuring and impairment and divestment gains and losses.

Together, these factors resulted in 2013 net income attributable to Syngenta AG shareholders and diluted earnings per share decreasing by 11 percent compared with 2012.

Comparing 2012 with 2011, net income in 2012 was 18 percent higher than 2011 mainly due to strong sales volume growth partially offset by the adverse impact of currency movements.

Sales in 2012 were 7 percent higher, 10 percent at constant exchange rates, with 7 percent growth in sales volumes and an additional 3 percent from higher local currency sales prices. Sales volume growth included 2 percent from the above mentioned recognition of guaranteed minimum royalties for the 604 corn rootworm trait. Sales price increases were achieved in both Crop Protection and Seeds products and in all regions. Gross profit margin improved by approximately 0.3 percentage points in 2012. Higher sales prices, the royalties mentioned above and cost savings were offset by adverse product mix and increased product costs, mainly from higher oil and commodity chemical products in Crop Protection and the impact of higher seed commodity prices and drought-related lower yields in Seeds. Marketing and distribution expenses increased by 1 percent, 6 percent at constant exchange rates, with higher sales volume, increased expenditures in emerging markets where cost inflation also is higher, and additional expenditures on resources and projects to drive future market share growth, partially offset by savings generated by the restructuring program described below, a lower level of employee incentives than 2011 and reduced charges to receivables provisions. Research and development expense was 5 percent higher, 9 percent at constant exchange rates. General and administrative including restructuring and impairment increased by 18 percent over 2011. Excluding restructuring and impairment, these costs increased by 20 percent including foreign exchange hedging losses of \$61 million compared with gains of \$177 million in 2011. Excluding currency effects, General and administrative excluding restructuring and impairment decreased by 6 percent as lower employee incentives and savings from the restructuring programs described below more than offset higher information systems costs and emerging market inflation and the more significant one-off transactions broadly offsetting as described above. Restructuring and

impairment expenses excluding those reported in Cost of goods sold were \$27 million higher than 2011. 2012 included losses on the sales of the Fafard and Syngenta Horticultural Services businesses totaling \$25 million, while 2011 included a \$76 million gain, which largely relates to the sale of the Materials Protection business. Otherwise, restructuring and impairment was \$74 million lower than 2011, with second year charges on the program to integrate the commercial operations of Crop Protection and Seeds lower than the initial year and with the operational efficiency program nearing completion. Financial expense, net was \$18 million lower than 2011 and the tax rate decreased to approximately 13 percent, 15 percent excluding taxes relating to restructuring and impairment and divestment gains and losses.

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Cash flow from operating activities before change in net working capital increased by \$297 million in 2012, but with increased inventories to support 2013 sales growth and higher receivables from the sales growth in the second half of 2012, overall cash flow from operating activities in 2012 was \$512 million lower than 2011. Despite this, cash flow from operating activities was sufficient to fund an increased level of cash used for investing activities, which included acquisitions of \$654 million and increased capital expenditures.

Acquisitions, divestments and other significant transactions

2013

On January 30 and March 8, 2013, Syngenta acquired the remaining equity interests in deVGen N.V. (“Devgen”) that it did not already own after its initial takeover offer was settled in December 2012.

On October 31, 2013, Syngenta acquired 100 percent of the shares of MRI Seed Zambia Ltd. (“MRI Seed”) and MRI Agro Zambia Ltd. (“MRI Agro”) (collectively “MRI”) for \$84 million in cash, subject to final purchase price adjustments. MRI is a leading developer, producer and distributor of white corn seed in Zambia. Syngenta believes that the white corn market has high growth potential, and the crop is critical to Africa’s future food security. MRI’s corn germplasm is among Africa’s most comprehensive and diverse, incorporating temperate, tropical and sub-tropical material. This unique portfolio will be developed to support expansion in high-growth East African markets and may be leveraged globally through Syngenta’s elite breeding programs. MRI Agro also distributes crop protection chemicals and other agricultural inputs in Zambia.

On December 31, 2013, Syngenta divested its Dulcinea Farms business (“Dulcinea”) to Pacific Trellis Fruit LLC (“Pacific Trellis”), a US-based international grower and marketer of fresh produce.

2012

In June 2012, Syngenta divested the Fafard peat unit of its Lawn and Garden business to Sun Gro Horticulture Canada Ltd.

In September 2012, Syngenta announced a takeover offer for Devgen, a company listed on the Euronext stock exchange. On December 12, 2012, it was announced that on closing of the initial acceptance period, shares and warrants representing 94.11 percent of Devgen’s total issued share capital had been tendered in acceptance of the offer, which was consequently declared unconditional. At December 31, 2012, Syngenta had paid EUR 375 million (\$493 million) for the tendered shares and warrants. Devgen is a global leader in hybrid rice and RNAi technology. The acquisition enables Syngenta to combine its leading crop protection portfolio with Devgen’s best-in-class rice hybrids and broad germplasm diversity. Devgen also brings proven expertise in RNAi-based insect control, for which the two companies signed a global license and research agreement to develop spray applications in May 2012.

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In October 2012, Syngenta acquired from DuPont its professional products insecticide business, a leading supplier for the professional turf, ornamentals and home pest control markets, for a cash consideration of \$128 million, including related inventories. The acquisition expanded the range of products which Syngenta offers to golf course and lawn care professionals and to ornamental growers, and also strengthened its portfolio for the control of home pests. The acquisition included the pest control brands Advion® and Acelepryn® and other intellectual property, transfer of certain employees, and exclusive supply and licensing agreements through which Syngenta gained access to the related active ingredients and formulated products from DuPont.

In October 2012, Syngenta acquired an exclusive, worldwide commercial license to the Taegro® technology for agricultural applications, including the rights to all enhancements and future mixtures discovered by Syngenta, from Novozymes Biologicals Holdings A/S. Taegro® is a microbial bio fungicide of the strain Bacillus subtilis currently registered in the US and in process of being registered worldwide. Bacillus subtilis controls a broad spectrum of diseases in many crops and is particularly suitable in vegetable and specialty crops, where combination programs with conventional fungicides work well.

In November, 2012, Syngenta acquired control of Pasteuria, a US-based biotechnology company. Syngenta now owns 100 percent of Pasteuria. Prior to taking control, Syngenta had held a 37 percent equity interest in Pasteuria indirectly through a venture capital fund which Syngenta consolidates in its financial statements. Since 2011, Syngenta and Pasteuria had been working in an exclusive global technology partnership to develop and commercialize biological products to control plant-parasitic nematodes, using the naturally occurring soil bacteria Pasteuria spp. The acquisition facilitates the introduction of key products to complement Syngenta's existing chemical nematicide range and to support integrated solutions across a broad variety of crops such as soybean, corn, cereals, sugarbeet and vegetables.

In November 2012, Syngenta divested its US Flowers distribution and brokerage business, Syngenta Horticultural Services ("SHS") to Griffin Greenhouse Supplies, Inc. ("Griffin"). Griffin also signed a long-term agreement to distribute and broker Syngenta Flowers genetics throughout the USA.

In November 2012, Syngenta acquired 100 percent of the shares of Sunfield Seeds Inc. ("Sunfield"), a US-based provider of sunflower seeds production and processing services, for cash consideration. The acquisition represents an important step in the implementation of Syngenta's sunflower strategy by strengthening supply chain capabilities to enable future growth.

2011

Effective January 1, 2011, Syngenta granted Pioneer a non-exclusive, global license to its corn rootworm trait MIR604 (AGRISURE®) for corn seed. The trait provides protection from below-ground coleopteran insects, including corn rootworm, a major corn pest in the United States and around the world.

In March 2011, in order to further strengthen its market position in Paraguay, Syngenta purchased 100 percent of the shares of Agrosan S.A., an agricultural distributor, together with the trademarks related to its business, for \$29 million of cash, \$4 million of which is deferred.

In April 2011, Syngenta divested its Materials Protection business to Lanxess AG.

Acquisitions and divestments are described in Note 3 to the consolidated financial statements in Item 18.

Operational efficiency restructuring programs

In 2004, Syngenta announced the operational efficiency cost saving program to realize further cost savings after completion of the integration of the former Novartis and Zeneca businesses and in response to low underlying growth in the Crop Protection markets seen at the time. In 2007, Syngenta began a further phase of the operational efficiency restructuring program to drive cost savings to offset increased expenditures in research and technology, marketing and product development in the growth areas of seeds, professional products and emerging country markets, targeting savings in both cost of goods sold and other operating expenses. The costs of these programs are together estimated at around \$1,050 million in cash and up to \$380 million in non-cash charges. The programs are now largely complete, but the rollout of standardized human resource support services is continuing. Remaining small charges and cash outflows are expected during 2014 and 2015. Cash spent under the programs in 2013 and 2012 totaled \$42 million and \$79 million, respectively. Cumulative spending on the programs to the end of 2013 totaled \$1,027 million.

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In 2011, Syngenta announced a program to integrate global commercial operations for Crop Protection and Seeds thereby enabling operational synergies from the commercial integration, additional cost savings from procurement and supply chain efficiencies and the presentation of an integrated product offer to grower customers. It is estimated that cash costs of approximately \$400 million will be incurred over the period to 2014 to complete the program. During 2013, costs of \$60 million were charged under the program (2012: \$102 million). Cash spent was \$75 million (2012: \$122 million). Cumulative costs incurred for the program through December 31, 2013 total \$311 million and cumulative spending totals \$285 million.

On February 5, 2014, Syngenta announced a new restructuring program to drive further improvement in operating income margins and accelerate delivery of operational leverage as sales grow. The program targets an improvement in profitability as a percentage of sales over the period up to 2018 from a reduction in the ratios of marketing and distribution, research and development and general and administrative expenses to sales. The program includes plans to further improve efficiency in customer facing operations, research and development and production and to enable an improvement in the ratio of trade working capital to sales. The cash cost of the restructuring program is estimated at approximately \$900 million, including the costs of implementing new systems, but excluding related capital expenditures. No costs were incurred under the program in 2013 and significant benefits are expected to be realized beginning in 2015.

Results of operations

2013 compared with 2012

2012 results have been restated to reflect changes due to the effect of adopting IAS 19 “Employee Benefits” (revised June 2011) during 2013. The changes are described in detail in Note 2 to the consolidated financial statements in Item 18.

Sales commentary

Syngenta’s consolidated sales for 2013 were \$14,688 million, compared with \$14,202 million in 2012, a 3 percent increase year on year. At constant exchange rates sales grew by 5 percent. The analysis by segment is as follows:

(\$m, except change
%)

| Segment | 2013 | 2012 | Volume% | Local | | Change | | | |
|--------------------------------|--------|--------|---------|-------|------|--------|-----------|---------|--|
| | | | | price | % | CER% | Currency% | Actual% | |
| Europe, Africa and Middle East | 4,223 | 3,974 | 5 % | 2 % | 7 % | -1 % | 6 % | | |
| North America | 3,848 | 3,931 | -3 % | 1 % | -2 % | 0 % | -2 % | | |
| Latin America | 3,991 | 3,713 | 6 % | 4 % | 10 % | -3 % | 7 % | | |
| Asia Pacific | 1,935 | 1,827 | 10 % | 1 % | 11 % | -5 % | 6 % | | |
| Total integrated | 13,997 | 13,445 | 4 % | 2 % | 6 % | -2 % | 4 % | | |
| Lawn and Garden | 691 | 757 | -8 % | 1 % | -7 % | -2 % | -9 % | | |
| Group sales | 14,688 | 14,202 | 3 % | 2 % | 5 % | -2 % | 3 % | | |

Europe, Africa and Middle East

Sales increased by 6 percent, 7 percent at constant exchange rates as volume increased by 5 percent and local currency sales prices increased by 2 percent. A strong first quarter was followed by a cold spring, which reduced the number of crop protection applications. In France, sales increased due to particularly strong Selective herbicides growth and also

growth in Fungicides and cereals seeds, which more than offset lower Insecticides and Seed care sales. The ongoing intensification of agriculture in the CIS combined with Syngenta's strong market position there, notably in sunflower, led to strong growth there with all product lines experiencing year on year growth. The emerging markets of South East Europe also grew strongly with broad-based growth across the portfolio and the introduction of new offers. Sales increased in both Iberia and Italy reflecting their recovery from the drought and economic constraints experienced in 2012.

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North America

Sales decreased by 2 percent mainly due to the non-recurrence in 2013 of royalty income of \$256 million recognized in 2012 for the 604 corn rootworm trait. Excluding the impact of these royalties, sales grew 5 percent despite a delayed planting season caused by cold weather. Sales of Crop Protection products grew by 7 percent led by Seed care, reflecting the successful launch of VIBRANCE® on cereals, canola and soybean. Selective herbicides volume grew, augmented by increasing concern over glyphosate-resistant weeds. Wet conditions in parts of the USA resulted in reduced insect pressure and, consequently, lower Insecticide sales. Seeds sales were 18 percent lower due to the lower royalties and to disrupted supply conditions in corn seed for the 2013 North American planting season following the drought in the seed production season in 2012, but in the second half of the year were more than 10 percent higher than the comparable 2012 period.

Latin America

Sales increased by 7 percent, 10 percent at constant exchange rates as volume increased by 6 percent and local currency sales prices increased by 4 percent. Growth was driven largely by Brazil, where a resilient soybean price and the depreciation of the Brazilian real underpinned grower profitability. An expansion of herbicide tolerant crops and a shortage of glyphosate supply from competitors led to strong growth in sales of the non-selective herbicide TOUCHDOWN®. Sales growth in Insecticides, notably DURIVO®, and in Seed care, notably CRUISER® and CELEST®, more than offset decreased sales of Fungicides, where lower sales reflected a delayed new fungicide registration. Crop Protection sales in sugar cane also experienced strong growth despite a difficult environment in the ethanol market. In Seeds, Soybean sales grew significantly with the launch of Syngenta's first variety for the largest maturity group segment in Brazil. Corn seed sales were lower in Brazil due to reduced planted acreage. In Latin America South, Seeds growth was driven primarily by Corn, with sales benefiting from both new trait combinations and the leveraging of the combined field force. Sales in Venezuela were reduced due to credit risk concerns.

Asia Pacific

Sales increased by 6 percent, 11 percent at constant exchange rates as volume increased by 10 percent, particularly strong in ASEAN, South Asia and China and local currency sales prices increased by 1 percent. Volume growth was led by fungicide and corn seed sales in emerging markets. In Crop Protection products, growth was led by ongoing adoption of Fungicides in emerging markets and higher sales of Herbicides and Seed care. China experienced broad-based growth, notably from increased sales of the fungicide AMISTAR® following its new launch on rice. In ASEAN countries, rice sales benefited from the continuing grower adoption of technology and GROMORETM protocols. In Seeds, sales growth was led by Corn and Rice. In South Asia strong demand for corn, vegetables and cereals was augmented by an early monsoon season. Sales of Rice more than doubled mainly reflecting the acquisition of Devgen as well as the continued adoption of the TEGRA® program. The developed markets of the region experienced moderate sales growth.

Lawn and Garden: major brands ICON®, GOLDFISCH®, GOLDSMITH SEEDS, YODER®, SYNGENTA FLOWERS

Lawn and Garden sales were 9 percent lower than 2012, 7 percent at constant exchange rates, due to the full year impact of businesses divested in 2012. Excluding the impact of acquisitions and divestments, sales increased by 5 percent at constant exchange rates, driven by a strong performance in Turf, landscape and professional pest management.

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Sales by product line are set out below:

| Product line | (\$m, except change %) | | Volume | Local | | Change | | Currency % | Actual | % Actual |
|--------------------------|------------------------|--------|--------|-------|-------|--------|-------|------------|--------|----------|
| | 2013 | 2012 | | % | price | % CER | % | | | |
| Selective herbicides | 3,051 | 2,939 | 3 | % 2 | % 5 | % -1 | % 4 | % | % | |
| Non-selective herbicides | 1,545 | 1,246 | 11 | % 15 | % 26 | % -2 | % 24 | % | % | |
| Fungicides | 3,035 | 3,044 | 2 | % -1 | % 1 | % -1 | % 0 | % | % | |
| Insecticides | 1,912 | 1,841 | 7 | % 0 | % 7 | % -3 | % 4 | % | % | |
| Seed care | 1,228 | 1,107 | 13 | % -1 | % 12 | % -1 | % 11 | % | % | |
| Other crop protection | 152 | 141 | 6 | % 3 | % 9 | % -1 | % 8 | % | % | |
| Total Crop Protection | 10,923 | 10,318 | 6 | % 2 | % 8 | % -2 | % 6 | % | % | |
| Corn and soybean | 1,654 | 1,836 | -11 | % 3 | % -8 | % -2 | % -10 | % | % | |
| Diverse field crops | 842 | 719 | 14 | % 4 | % 18 | % -1 | % 17 | % | % | |
| Vegetables | 708 | 682 | 1 | % 4 | % 5 | % -1 | % 4 | % | % | |
| Total Seeds | 3,204 | 3,237 | -2 | % 3 | % 1 | % -2 | % -1 | % | % | |
| Elimination* | (130) | (110) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | |
| Total integrated | 13,997 | 13,445 | 4 | % 2 | % 6 | % -2 | % 4 | % | % | |
| Lawn and Garden | 691 | 757 | -8 | % 1 | % -7 | % -2 | % -9 | % | % | |
| Group sales | 14,688 | 14,202 | 3 | % 2 | % 5 | % -2 | % 3 | % | % | |

* Crop Protection sales to Seeds

Crop Protection

Selective herbicides: major brands AXIAL®, CALLISTO® family, DUAL MAGNUM®, BICEP II MAGNUM®, FUSILADE®MAX, TOPIK®

Sales increased by 4 percent, 5 percent at constant exchange rates as volume increased by 3 percent and local currency sales prices were increased by 2 percent. Corn herbicides grew strongly led by CALLISTO® in the USA, increasingly used as part of weed resistance management offers, and by AXIAL® for cereals, which continued to expand in Europe, particularly in France, and maintained its positive momentum in North America. Sales of BICEP II MAGNUM® also grew strongly in the CIS and France.

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

Sales increased by 24 percent, 26 percent at constant exchange rates as volume increased by 11 percent and local currency sales prices were increased by 15 percent. Growth was driven mainly by TOUCHDOWN® where strong demand and shortage of supply, particularly in Brazil, helped drive significant volume and price gains. Sales of GRAMOXONE® were also higher with increased demand leading to double digit growth in Asia Pacific and Brazil.

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

Sales were flat year on year, but increased by 1 percent at constant exchange rates as a 2 percent volume increase was partially offset by a 1 percent decrease in local currency sales prices. The main contribution to growth came from SEGURIS®, the new SDHI fungicide for cereals, for which sales almost tripled. Sales of AMISTAR® Technology declined slightly overall, with lower sales particularly in Latin America, but grew by more than 20 percent in Asia Pacific, with a new launch on rice in China and rapid adoption in the ASEAN countries, and in Canada in the potato

and cereals market. Sales in Brazil were held back by a delayed registration for the new product ELATUS™, based on the active ingredient Solatenol™.

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

Sales increased by 4 percent, 7 percent at constant exchange rates due to volume growth; local currency sales prices were flat year on year. The largest contributor to growth was the new product DURIVO®, which grew in all regions and overall by over 40 percent. Growth was strongest in Latin America, where growth accelerated in the fourth quarter with continued technology adoption and high insect pressure in Brazil; sales also grew in Asia Pacific. Sales of ACTARA® were lower, but flat at constant exchange rates, as low insect pressure in the USA resulted in reduced sales volume there.

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Seed care: major brands AVICTA®, CRUISER®, DIVIDEND®, CELEST®/MAXIM®, VIBRANCE®

Sales increased by 11 percent, 12 percent at constant exchange rates as volume increased by 13 percent and local currency sales prices decreased by 1 percent. Growth was led by VIBRANCE®, based on the SDHI fungicide sedaxane, which was successfully launched on several crops globally, with the most significant contributions coming from Canada and the USA. Sales of CRUISER® increased as continued strong growth in demand in Latin America and Asia Pacific more than offset a decline in Europe due to the EU suspension of neonicotinoid registrations.

Seeds

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

Sales decreased by 10 percent, 8 percent at constant exchange rates as volume decreased by 11 percent and local currency sales prices were increased by 3 percent. The decrease was due to the non-recurrence in 2013 of the \$256 million milestone royalties earned in 2012 described above. Excluding the impact of these royalties, sales at constant exchange rates grew by seven percent. Sales in the USA were also affected by constrained supply following the exceptional drought in 2012. In corn, non-GM hybrids drove growth in ASEAN, where sales were up by over 40 percent, and in the CIS, and further acceptance of Syngenta's leading traits in Latin America led to higher sales there. In soybean, lower US sales were offset by a strong increase in Brazil, with acreage expansion and the introduction of Syngenta's first variety for the largest maturity group segment in Brazil.

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

Sales increased by 17 percent, 18 percent at constant exchange rates as volume increased by 14 percent and local currency sales prices were increased by 4 percent. Growth was led by sunflower in the CIS and South East Europe, reflecting strong market recognition for Syngenta's hybrids as well as favorable spring crop conditions. Sales of sugar beet were lower due to a reduction in overall area planted. Rice sales in Asia Pacific more than doubled mainly reflecting the acquisition of Devgen, as well as the continued adoption of the TEGRA® program.

Vegetables: major brands ROGERS®, S&G®

Sales increased by 4 percent, 5 percent at constant exchange rates as volume increased by 1 percent and local currency sales prices were increased by 4 percent. A gradual improvement in developed markets was accompanied by rapid growth in the emerging markets of Africa Middle East and in Latin America, where demand for Syngenta's broccoli and tomato seeds was particularly high.

Operating income

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a decrease in sales or increase in costs is a negative variance.

| Group Operating Income (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|---------------------------------|----------|---------------------------------|------|---|----------|---|---|-----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual | % | CER | % |
| Sales | 14,688 | 14,202 | – | – | 14,688 | 14,202 | 3 | % | 5 | % |
| Cost of goods sold | (7,986) | (7,223) | – | (7) | (7,986) | (7,216) | -11 | % | -13 | % |
| Gross profit | 6,702 | 6,979 | – | (7) | 6,702 | 6,986 | -4 | % | -3 | % |

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| as a percentage of sales | 46 | % | 49 | % | | | 46 | % | 49 | % | |
|----------------------------|----------|---|----------|---|--------|--------|----------|---|----------|-------|-------|
| Marketing and distribution | (2,394) | | (2,423) | | - | - | (2,394) | | (2,423) | 1 % | -1 % |
| Research and development | (1,376) | | (1,257) | | - | - | (1,376) | | (1,257) | -9 % | -11 % |
| General and administrative | (846) | | (1,043) | | (179) | (258) | (667) | | (785) | 15 % | 6 % |
| Operating income | 2,086 | | 2,256 | | (179) | (265) | 2,265 | | 2,521 | -10 % | -12 % |
| as a percentage of sales | 14 | % | 16 | % | | | 15 | % | 18 | % | |

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| Operating Income/(Loss) (\$m, except change %) | 2013 | 2012 | Change | % |
|---|----------|----------|--------|---|
| Europe, Africa and Middle East | 1,430 | 1,275 | 12 | % |
| North America | 1,047 | 1,337 | -22 | % |
| Latin America | 1,015 | 970 | 5 | % |
| Asia Pacific | 534 | 493 | 8 | % |
| Non-regional | (2,037) | (1,858) | -10 | % |
| Total integrated | 1,989 | 2,217 | -10 | % |
| Lawn and Garden | 97 | 39 | 148 | % |
| Group | 2,086 | 2,256 | -8 | % |

The two tables above do not represent income statements prepared under IFRS. Please refer to the information reported in the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Overall Group operating income

Operating income declined by 8 percent to \$2,086 million due to the recording in 2012 of \$256 million guaranteed minimum royalty income for the 604 corn rootworm trait noted above, which is not repeated in 2013. Otherwise, sales growth and lower restructuring charges were offset by higher cost of goods sold, particularly in Seeds products, and research and development costs. The ratio of operating income to sales decreased by 1.7 percentage points due to a lower gross profit margin; the non-recurring 604 corn rootworm trait royalty income increased gross profit margin in 2012 by 0.9 percentage points.

Sales grew by 3 percent, 5 percent at constant exchange rates with sales volumes 3 percent higher from increases in all regions except North America, where sales decreased due to the non-recurring royalty income in 2012 described above; Lawn and Garden sales were lower due to the 2012 business divestments. Overall local currency sales prices were 2 percent higher. The 2012 royalty income reduced reported volume growth by 2 percent and the 2012 divestments by 1 percent. Exchange rate movements reduced sales by 2 percent, particularly due to a weaker Brazilian real and currencies in Asia Pacific and Eastern Europe. Gross profit margin decreased by 3.5 percentage points, with local currency sales price increases offset by the impact of the above mentioned royalties, the exceptional \$170 million inventory provision largely related to North America corn seeds and \$175 million increased seeds production costs, described above, and adverse product mix. Marketing and distribution costs decreased by 1 percent, but were 1 percent higher at constant exchange rates, with increased expenditures to support sales growth in Latin America, increased charges for doubtful receivables and emerging market cost inflation offset by savings delivered under the ongoing restructuring programs and lower employee incentive costs. Research and development expense increased by 9 percent, 11 percent at constant exchange rates, with increased expenditures on biological assessment and biotechnology. Research and development expense was 9.4 percent of sales and is expected to be at the higher end of the 9-10 percent range in 2014.

General and administrative was 19 percent lower than 2012, 15 percent excluding restructuring and impairment. General and administrative is reported net of the result of currency hedging programs, which in 2013 was a net loss of \$4 million compared with a net loss of \$61 million in 2012. At constant exchange rates, General and administrative excluding restructuring and impairment was 6 percent below 2012. Costs in 2013 included lower staff incentives and were net of a gain recognized following changes to the Swiss pension plan; costs in 2012 included an \$80 million

charge for the settlement of the Holiday Shores / City of Greenville litigation offset by an actuarial gain following changes to US post-retirement healthcare provisions of approximately \$50 million and a gain related to the Pasteuria acquisition described in Note 3 to the consolidated financial statements in Item 18. Restructuring and impairment, including the portion recorded in Cost of goods sold, is described in Note 6 to the consolidated financial statements in Item 18 and decreased by \$86 million in 2013 to \$179 million, with lower restructuring charges on both the Operational Efficiency and Integrated Crop Strategy programs and lower divestment losses.

Excluding the impact of hedging, the adverse impact on sales of a weaker Brazilian real and currencies in Asia Pacific and Eastern Europe versus the US dollar in 2013 was broadly offset by the impact on costs. Taken together with the \$57 million favorable variance in the net hedging result from the hedging program for forecast foreign currency transactions (“EBITDA program”), the overall impact of exchange rate movements on operating income compared with 2012 was a favorable \$55 million.

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Operating income by segment

| Europe, Africa and Middle East (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|------------------------------|----------|------------------------------|-------|--|----------|---|---|-----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual | % | CER | % |
| Sales | 4,223 | 3,974 | – | – | 4,223 | 3,974 | 6 | % | 7 | % |
| Cost of goods sold | (1,958) | (1,864) | – | (5) | (1,958) | (1,859) | -5 | % | -7 | % |
| Gross profit | 2,265 | 2,110 | – | (5) | 2,265 | 2,115 | 7 | % | 7 | % |
| as a percentage of sales | 54 | % 53 | % | | 54 | % 53 | % | | | |
| Marketing and distribution | (676) | (664) | – | – | (676) | (664) | -2 | % | -1 | % |
| General and administrative | (159) | (171) | (18) | (25) | (141) | (146) | 3 | % | 3 | % |
| Operating income | 1,430 | 1,275 | (18) | (30) | 1,448 | 1,305 | 11 | % | 10 | % |
| as a percentage of sales | 34 | % 32 | % | | 34 | % 33 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Reported sales in Europe, Africa and Middle East were 6 percent higher than in 2012, 7 percent at constant exchange rates, with 5 percent higher sales volumes and an additional 2 percent from increased local currency sales prices. See the Sales commentary section above for further information on sales in the region. Gross profit margin was 0.5 percentage points higher, 0.4 percentage points higher excluding restructuring and impairment as the adverse mix impact from a stronger sales growth rate in lower margin emerging market territories, particularly the CIS, was offset by exchange rate movements. At constant exchange rates, gross profit margin excluding restructuring and impairment was 0.1 percentage points below 2012.

Marketing and distribution costs increased by 2 percent, 1 percent at constant exchange rates, with increased expenditures in the high growth territories of the CIS and Africa and the Middle East offset by savings in the developed markets of Western Europe and lower employee incentives.

General and administrative excluding restructuring and impairment was 3 percent lower as the result of cost savings programs and lower employee incentives. Restructuring and impairment charges were \$18 million in 2013 compared with \$25 million in 2012, with a continuation of both the Operational Efficiency program, now substantially complete, and the Integrated Crop Strategy restructuring program.

Operating income as a percentage of sales improved by 2 percentage points to 34 percent. Excluding the impact of restructuring and impairment, operating income margin improved 1 percentage point to 34 percent as the result of sales growth and broadly flat gross profit margin and combined Marketing and distribution and General and administrative costs. Overall, currency movements compared with the US dollar reduced operating income by an estimated \$7 million excluding restructuring and impairment, largely due to weaker currencies in Eastern Europe and

Africa and the Middle East.

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| North America (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|---------------------------------|----------|---------------------------------|-------|---|----------|---|------|-----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual% | CER% | | |
| Sales | 3,848 | 3,931 | – | – | 3,848 | 3,931 | -2 | % | -2 | % |
| Cost of goods sold | (2,169) | (1,807) | – | (2) | (2,169) | (1,805) | -20 | % | -21 | % |
| Gross profit | 1,679 | 2,124 | – | (2) | 1,679 | 2,126 | -21 | % | -21 | % |
| as a percentage of sales | 44 | % 54 | % | | 44 | % 54 | % | | | |
| Marketing and distribution | (544) | (607) | – | – | (544) | (607) | 10 | % | 10 | % |
| General and administrative | (88) | (180) | (27) | (27) | (61) | (153) | 60 | % | 60 | % |
| Operating income | 1,047 | 1,337 | (27) | (29) | 1,074 | 1,366 | -21 | % | -22 | % |
| as a percentage of sales | 27 | % 34 | % | | 28 | % 35 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Reported sales declined by 2 percent, due to 3 percent lower sales volumes partially offset by 1 percent higher local currency sales prices. The sales volume decline includes the impact of the \$256 million of corn rootworm trait 604 minimum royalties in 2012, which did not reoccur in 2013. Excluding this amount, sales volumes were 3 percent higher than last year largely from higher sales of Crop Protection products. See the Sales commentary section above for further information on sales in the region. Gross profit margin decreased by 10 percentage points, 7 percentage points excluding the impact of the lower royalties. Cost of goods sold in 2013 includes (i) the higher seeds cost from the drought in the 2012 seed growing season, which reduced yields, and the high corn crop commodity price, both of which increased the purchase cost of seeds from contract growers, and (ii) the exceptionally high seeds inventory provisions in 2013, as described above. The exceptional provisions occurred largely due to very favorable weather conditions in the 2013 season, which led to significantly higher grower yields than originally forecast and consequently to inventories in excess of forecast sales.

Marketing and distribution costs were 10 percent lower due to lower variable selling and distribution costs, reduced charges to provisions for doubtful receivables and lower employee incentive costs.

General and administrative excluding restructuring and impairment decreased by \$92 million. Costs in 2012 included \$80 million related to the settlement of the Holiday Shores / City of Greenville litigation offset by part of the actuarial gains realized from changes to post-retirement healthcare plans. Costs in 2013 were also lower due to reduced amortization expense and other litigation costs, and increased income received from granting access by others to Syngenta product registration data.

Restructuring and impairment charges in 2013 included \$11 million amortization of reacquired rights related to the Greenleaf Genetics LLC acquisition in 2010, compared with \$14 million in 2012, and \$6 million impairment of a

trademark which was phased out in 2013. Cash restructuring costs of approximately \$10 million were lower than 2012 as the Operational Efficiency program neared completion.

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Operating income as a percentage of sales decreased by 7 percentage points, with the lower gross profit margin more than offsetting the lower expenses.

| Latin America (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|---|---------------------------------|----------|---------------------------------|-------|---|----------|---|------|-----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual% | CER% | | |
| Sales | 3,991 | 3,713 | – | – | 3,991 | 3,713 | 7 | % | 10 | % |
| Cost of goods sold | (2,290) | (2,057) | – | – | (2,290) | (2,057) | -11 | % | -16 | % |
| Gross profit | 1,701 | 1,656 | – | – | 1,701 | 1,656 | 3 | % | 2 | % |
| as a percentage of sales | 43 | % 45 | % | – | – | 43 | % | 45 | % | |
| Marketing and distribution | (594) | (546) | – | – | (594) | (546) | -9 | % | -18 | % |
| General and administrative | (92) | (140) | (5) | (37) | (87) | (103) | 15 | % | 11 | % |
| Operating income | 1,015 | 970 | (5) | (37) | 1,020 | 1,007 | 1 | % | -4 | % |
| as a percentage of sales | 25 | % 26 | % | | 26 | % 27 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Sales increased by 7 percent, 10 percent at constant exchange rates with 6 percent from higher volumes and an additional 4 percent from increased prices. Sales of Crop Protection products were 7 percent higher, 9 percent at constant exchange rates, but were adversely impacted by a delay in the registration of ELATUSTM and weakness in the sugar cane market. Sales of Seeds products were 9 percent higher, 16 percent at constant exchange rates, with particularly strong growth in sales of soybean seeds. See the Sales commentary section above for further information on sales in the region. Gross profit margin was 2 percentage points lower at 43 percent, with adverse product mix in both Crop Protection and Seeds products more than offsetting the higher average sales prices. The adverse mix was due to strong growth in Non-selective herbicide sales, which were 41 percent higher than 2012, and growth in soybean seed sales of over 30 percent; gross profit margins of these products typically are lower than the average margin of other products sold in the region.

Marketing and distribution costs were 9 percent higher than 2012, up 18 percent at constant exchange rates, due to increased distribution costs, salary inflation, expenditures to drive planned future sales growth and higher charges to receivables provisions.

General and administrative excluding restructuring and impairment was 15 percent lower, 11 percent at constant exchange rates, from lower support function costs.

Restructuring and impairment charges in 2013 related to the implementation of standard systems and processes to centralize and partly outsource back office activities. Costs in 2012 also included expenditures for the integration of the Crop and Seeds organizations across the region and \$21 million for the impairment of production plant machinery in Brazil.

Operating income increased by \$45 million, but was \$13 million higher excluding restructuring and impairment, which was lower in 2013. Operating income as a percentage of sales declined by 1 percentage point. Excluding restructuring and impairment, operating income as a percentage of sales was 1 percentage point lower and approximately 3 percentage points lower at constant exchange rates, due to the lower gross profit margin and increased Marketing and distribution costs. The Brazilian real and Argentine peso weakened during 2013. As a significant portion of sales in these countries are priced in US dollars, whereas expenses are in local currencies, operating income increased by approximately \$57 million as a result of the weaker currencies, including the adverse impact the weaker currencies had on those sales where US dollar pricing is not possible.

| Asia Pacific (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|---|---------------------------------|--------|---------------------------------|-------|---|--------|---|---|-----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual | % | CER | % |
| Sales | 1,935 | 1,827 | – | – | 1,935 | 1,827 | 6 | % | 11 | % |
| Cost of goods sold | (1,041) | (973) | – | – | (1,041) | (973) | -7 | % | -10 | % |
| Gross profit | 894 | 854 | – | – | 894 | 854 | 5 | % | 13 | % |
| as a percentage of sales | 46 | % 47 | % | | 46 | % 47 | % | | | |
| Marketing and distribution | (300) | (303) | – | – | (300) | (303) | 1 | % | -3 | % |
| General and administrative | (60) | (58) | (6) | (12) | (54) | (46) | -16 | % | -18 | % |
| Operating income | 534 | 493 | (6) | (12) | 540 | 505 | 7 | % | 18 | % |
| as a percentage of sales | 28 | % 27 | % | | 28 | % 28 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

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Sales increased by 6 percent and were 11 percent higher at constant exchange rates due to 10 percent higher sales volumes and 1 percent higher local currency sales prices. Growth was particularly strong in Seeds products, where sales grew 20 percent, 25 percent at constant exchange rates. See the Sales commentary section above for further information regarding sales in the region. Gross profit margin declined by 1 percentage point to 46 percent, but was broadly flat at constant exchange rates.

Marketing and distribution costs were 1 percent lower, but increased by 3 percent at constant exchange rates due to increased marketing costs partly offset by lower employee incentives.

General and administrative excluding restructuring and impairment increased by 16 percent, 18 percent at constant exchange rates, due to increased support function costs linked to the increasing sales and transaction volumes.

Restructuring and impairment charges in 2013 included costs for the integration of Devgen, acquired in 2012. Costs in 2012 largely related to the program to integrate commercial activities across Crop Protection and Seeds.

Operating income margin increased by 1 percentage point in 2013. Operating income margin excluding restructuring and impairment was flat at the 2012 level of 28 percent and was more than 1 percentage point higher at constant exchange rates, with sales growth higher than expense growth.

Non-regional

Income and expense transactions in the integrated business 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. Some costs of the integrated organization do not relate to a geographic destination and are reported as non-regional. These include global marketing teams, research and development and corporate headquarter functions. In addition, regional gross profit performance is based on standard product costs, with variances from the standard reported as non-regional in order to align the reported results with organizational responsibility. Non-regional also includes results of centrally managed currency and commodity hedging programs.

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Non-regional costs increased by \$179 million, or 10 percent from 2012, to \$2,037 million mainly due to a 10 percent increase in Research and development expense, 11 percent at constant exchange rates, to \$1,320 million, with higher expenditures in biological assessment and biotechnology. Global marketing expense increased by 9 percent to \$104 million from increased resources developing integrated crop offers. General and administrative is reported including hedging losses of \$16 million, compared with losses of \$56 million in 2012. Excluding the net hedging result, General and administrative increased by \$46 million to \$297 million due to increased costs of compliance functions, the launch costs of the “Good Growth Plan” initiative and higher pension and other post-retirement benefit expenses; post-retirement benefits expense in 2012 was reduced by past service gains of approximately \$50 million in 2012 from a change to US post-retirement healthcare plans while pension expense in 2013 was reduced by \$41 million from a change to the Swiss pension plan. Restructuring and impairment charges within non-regional decreased by \$18 million to \$101 million from lower expenditures in the Operational Excellence program, which neared completion. These costs in 2013 also included \$12 million from the impairment of an available for sale financial asset and \$16 million to impair product rights acquired with the Devgen acquisition, which will not be used by Syngenta. As noted above, production cost variances from standard are reported as non-regional to align with management accountability. Cost of goods sold reported as non-regional in 2013 increased by \$61 million to \$215 million due to higher adverse variances in Seeds.

| Lawn and Garden (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|---------------------------------|--------|---------------------------------|-------|---|--------|---|------|----|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | Actual% | CER% | | |
| Sales | 691 | 757 | – | – | 691 | 757 | -9 | % | -7 | % |
| Cost of goods sold | (313) | (368) | – | – | (313) | (368) | 15 | % | 14 | % |
| Gross profit | 378 | 389 | – | – | 378 | 389 | -3 | % | 1 | % |
| as a percentage of sales | 55 | % 51 | % | | 55 | % 51 | % | | | |
| Marketing and distribution | (176) | (208) | – | – | (176) | (208) | 15 | % | 14 | % |
| Research and development | (56) | (58) | – | – | (56) | (58) | 4 | % | 4 | % |
| General and administrative | (49) | (84) | (22) | (38) | (27) | (46) | 41 | % | 6 | % |
| Operating income | 97 | 39 | (22) | (38) | 119 | 77 | 55 | % | 48 | % |
| as a percentage of sales | 14 | % 5 | % | | 17 | % 10 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Lawn and Garden sales declined by 9 percent, 7 percent at constant exchange rates, with 8 percent lower sales volumes due to the divestment in 2012 of the Fafard growing media business and Syngenta Horticultural Services flowers distribution and brokerage businesses partially offset by 1 percent higher local currency sales prices. Excluding the divestments, sales at constant exchange rates were approximately 9 percent higher, partly from full year effect in 2013 of the acquisition of the DuPont professional products business in 2012. See the Sales commentary section above for further information on sales in the segment. Gross profit margin improved by approximately 4

percentage points, 4 percentage points at constant exchange rates, as the divested businesses had generated lower gross margins than the ongoing and acquired business.

Marketing and distribution costs were 15 percent lower, 14 percent at constant exchange rates from the 2012 divestments and benefits from the rationalization of the flowers product portfolio.

General and administrative excluding restructuring and impairment was 41 percent lower, 6 percent at constant exchange rates. General and administrative is reported net of a \$15 million hedging gain under the EBITDA hedging program, which offset lower reported sales in Japan due to the weaker yen; otherwise costs were lower largely due to the 2012 divestments.

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Restructuring and impairment in 2012 included losses of \$25 million from divesting the Fafard and Syngenta Horticultural Services flowers distribution and brokerage businesses and an impairment of \$5 million from the write-down of land acquired as part of a business combination. Costs in 2013 include \$6 million for the write-down of inventories following a major product range rationalization and \$4 million of closing adjustments to the fair value of the consideration of the 2012 divestments. Cash restructuring costs in 2013 include restructuring in the Flowers business and both 2013 and 2012 include costs of implementing a new global systems platform, now completed.

Operating income as a percentage of sales improved from 5 percent in 2012 to 14 percent in 2013, partly due to the losses on business divestments in 2012. Excluding restructuring and impairment, operating income margin improved by 7 percentage points to 17 percent following the divestment of the relatively low margin businesses and benefits from restructuring the Flowers business and rationalizing its product portfolio. The hedging gain noted above offset the currency impact primarily of the weaker Japanese yen and the overall impact on operating income is estimated to be broadly neutral relative to 2012.

Defined benefit pensions

Defined benefit pension expense was \$95 million in 2013 compared with \$115 million in 2012 after adjusting for the effect of adopting IAS 19 (revised). The reduction arose principally because of the \$41 million gain on amendment of the Swiss pension plan, partly offset by an increase in current service cost driven by the impact of lower discount rates. Syngenta expects 2014 defined benefit pension expense to be approximately \$140 million, with the increase compared with 2013 resulting from the non-recurrence of the 2013 Swiss past service gain and a further increase in current service cost, attributable mainly to the UK where the margin between the discount rate and inflation rate has fallen further since the beginning of 2013.

Syngenta contributions to defined benefit pension plans were \$131 million in 2013 compared with \$83 million in 2012, principally because the benefit from prior years' accelerated contribution payments had been utilized in 2012 for Switzerland and by the first quarter of 2013 for the UK, resulting in a significant increase in contributions to those funds during 2013. No accelerated contributions were made. In 2014, Syngenta expects contributions to defined benefit pension plans to be approximately \$175 million, reflecting increased ongoing contribution rates to the Swiss plan and a single \$25 million fixed payment that are required by the amended rules.

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Restructuring and impairment

Restructuring and impairment charges for the years ended December 31, 2013 and 2012, broken down into the main restructuring initiatives, consist of the following:

| (\$m) | 2013 | 2012 |
|---|------|------|
| Operational efficiency programs: | | |
| Cash costs | 33 | 55 |
| Non-cash impairment costs | 6 | 2 |
| Integrated crop strategy programs: | | |
| Cash costs | 60 | 102 |
| Acquisition and related integration costs: | | |
| Cash costs | 30 | 18 |
| Non-cash items | | |
| Reversal of inventory step-ups | – | 7 |
| Reacquired rights | 11 | 14 |
| Divestment losses | 4 | 25 |
| Other non-cash restructuring and impairment: | | |
| Non-current asset impairment | 35 | 42 |
| Total restructuring and impairment ¹ | 179 | 265 |

¹ \$nil million (2012: \$7 million) is included within Cost of goods sold, \$4 million (2012: \$25 million) as Divestment losses/(gains) and \$175 million (2012: \$233 million) as Restructuring.

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 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.

2013

Operational efficiency programs

Operational efficiency cash costs of \$33 million include \$18 million related to the completion of the projects to standardize and consolidate global back office operations, \$9 million for restructuring projects in the Flowers business and \$6 million for various projects including restructuring at the corporate headquarters and outsourcing of human resources support. Non-cash impairment costs consist of exceptional inventory write-downs made in connection with a restructuring of the Flowers product range to simplify the business and eliminate unprofitable varieties.

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Integrated crop strategy programs

Cash costs of \$60 million include \$27 million of charges for consultancy and advisory services, re-training of employees and project management, \$17 million for information system infrastructure projects, \$8 million for legal entity merger projects to combine former Seeds and Crop Protection legal entities, \$6 million to restructure the Research and Development function and \$2 million for on-going integration of marketing and sales operations, mainly in Europe.

Acquisition and related integration costs

Cash costs of \$30 million include \$23 million to integrate previous acquisitions, mainly Devgen, Sunfield and Pasteria, and \$7 million of transaction charges, including those related to uncompleted transactions.

As part of the Greenleaf acquisition in 2010, Syngenta reacquired exclusive licensing rights that it had previously granted to Greenleaf. In accordance with IFRS, the reacquired rights have been recognized as an intangible asset and are being amortized over the remaining term of the original license contract, 3 years. This is a significantly shorter period than the expected economic life of the intellectual property rights underlying the license, which were generated internally within Syngenta. Syngenta views this significant amortization charge as an accounting effect of integrating Greenleaf into Syngenta. The resulting acceleration of amortization results in a final charge in 2013 of \$11 million.

Divestment losses relate to the 2013 divestment of the Dulcinea vegetables business and the sale of an unused site in North America, as well as closing adjustments to the fair value of the consideration on the 2012 divestments of the Syngenta Horticultural Services business and the Fafard peat unit.

Other non-cash restructuring and impairment

Other non-current asset impairments include \$12 million for the impairment of an available-for-sale financial asset and \$23 million of intangible asset impairments. Intangible asset impairments include \$16 million to impair product rights acquired with the Devgen acquisition, which will not be used in Syngenta and for which no buyer has been found, \$6 million for the impairment of a trademark, phased out during 2013, and another small impairment.

2012

Operational efficiency programs

During 2012, costs of \$44 million were incurred on the projects to standardize and consolidate global back office operations. \$3 million of costs were incurred for restructuring in the corporate headquarters, \$4 million of costs were charged for restructuring at sales and distribution sites in France, Switzerland and the UK, and a further \$4 million of other operational efficiency cash costs included charges for project management, standard process design and outsourcing of information systems. Impairment costs related to the sites in France and the UK.

Integrated crop strategy programs

Cash costs of \$35 million were incurred for the continuing integration of commercial operations of sales and marketing teams in the regions. \$58 million was charged to the regions for support function projects, including \$15 million for severance and pension costs, \$21 million for information system infrastructure projects and \$22 million of other charges including consultancy and advisory services, re-training of employees and project management. \$5 million of costs related to restructuring the organization of the global Research and Development function and \$4 million of costs related to legal entity restructuring.

Acquisition and related integration costs

Included in acquisition and related integration costs are \$6 million related to the acquisitions described above and \$6 million of charges incurred for integrating previous acquisitions. The remaining charges related to divestments and incomplete transactions.

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Reversal of inventory step-up related to the acquisitions of Maribo Seeds, the Pybas and Synergene lettuce companies and the purchase of the Greenleaf controlling interest.

Amortization of reacquired rights related to the Greenleaf exclusive licensing rights described above.

Divestment losses were incurred on the divestments of the Fafard peat unit and the Syngenta Horticultural Services business.

Other non-cash restructuring and impairment

Non-current asset impairments included \$21 million for production plant machinery in Brazil, \$12 million for the impairment of a product right and trademark where the technical and commercial success became less probable and \$5 million for the write-down of land in the USA that was acquired as part of a business combination.

Financial expense, net

Financial expense, net increased to \$200 million in 2013 from \$147 million in 2012. Net interest expense in 2012 included a gain of \$47 million realized on termination of certain fair value hedging relationships, which had ceased to be effective hedges due to increased market liquidity risk. Increased net currency losses in 2013 also reflected higher sales and transaction volumes in emerging market currencies and the higher cost of hedging these currencies in a period of emerging market currency volatility.

Taxes

The Swiss statutory tax rate applicable to Syngenta remained flat for 2013 at 22 percent. Syngenta's effective tax rate in 2013 was 15 percent, 2 percent higher than the 13 percent effective tax rate for 2012. Income taxed at different rates reduced the effective tax rate by 7 percent in 2013 (11 percent in 2012), with a lower weighting of income subject to a lower tax rate, including in Switzerland where certain intellectual property income is subject to tax at a reduced rate. Non-recognition of deferred tax assets increased the tax rate by 1 percent compared with 2 percent for 2012, following a smaller increase in deferred tax assets in certain countries where future profits to utilize the assets are not sufficiently assured. Changes in tax rates and laws on previously recognized deferred tax assets and liabilities reduced the effective tax rate by 2 percent in 2013 compared with 1 percent in 2012, including a reduced tax rate in the UK.

The tax rate on restructuring and impairment was 22 percent in 2013, compared with 31 percent for 2012 due to the different mix of gains and losses included in the net charge over the period and the varying tax treatments applied in different countries. 2012 included higher divestment losses in North America where the tax rate is higher than Syngenta's effective tax rate. Future rates applicable to restructuring and impairment will be dependent on the nature and size of the charges and may vary from year to year.

Net income for the period and other supplementary income data

Net income attributable to Syngenta shareholders in 2013 was \$1,644 million, 11 percent lower than the 2012 amount of \$1,847 million primarily due to the non-recurring royalties described above that were recognized in 2012.

After related taxation, restructuring and impairment charges in 2013 were \$141 million compared with \$182 million in 2012.

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2012 compared with 2011

2012 and 2011 results have been restated to reflect changes due to the effect of adopting IAS 19 “Employee Benefits” (revised June 2011) during 2013. The changes are described in detail in Note 2 to the consolidated financial statements in Item 18.

Sales commentary

Syngenta’s consolidated sales for 2012 were \$14,202 million, compared with \$13,268 million in 2011, a 7 percent increase year on year. At constant exchange rates sales grew by 10 percent. The analysis by segment is as follows:

(\$m, except change %)

| Segment | 2012 | 2011 | Volume | Local | | Change | | | Actual% | | | |
|--------------------------------|--------|--------|--------|-------|-------|--------|------|-----------|---------|---|----|---|
| | | | | % | price | % | CER% | Currency% | | | | |
| Europe, Africa and Middle East | 3,974 | 3,982 | 3 | % | 3 | % | 6 | % | -6 | % | 0 | % |
| North America | 3,931 | 3,273 | 15 | % | 6 | % | 21 | % | -1 | % | 20 | % |
| Latin America | 3,713 | 3,305 | 11 | % | 2 | % | 13 | % | -1 | % | 12 | % |
| Asia Pacific | 1,827 | 1,887 | -1 | % | 1 | % | 0 | % | -3 | % | -3 | % |
| Total integrated | 13,445 | 12,447 | 8 | % | 3 | % | 11 | % | -3 | % | 8 | % |
| Lawn and Garden | 757 | 821 | -6 | % | 0 | % | -6 | % | -2 | % | -8 | % |
| Group sales | 14,202 | 13,268 | 7 | % | 3 | % | 10 | % | -3 | % | 7 | % |

Europe, Africa and Middle East

Reported sales were flat but increased by 6 percent at constant exchange rates as volume and local currency sales prices each increased by 3 percent. Growth was broad-based with the strongest contributions coming from the CIS and South East Europe, where commercial integration across Crop Protection and Seeds drove gains in scale and in customer recognition of Syngenta’s portfolio. Sales in southern Europe were lower due to dry weather and the economic downturn.

Sales of Crop Protection products in the region declined by 2 percent, but increased by 5 percent at constant exchange rates as volume increased by 3 percent and local currency sales prices increased by 2 percent. In addition to strong growth in the CIS and South East Europe, France sales performed strongly, benefitting from volume growth in fungicides.

Seeds sales in the region increased by 4 percent, 10 percent at constant exchange rates as volumes increased by 4 percent and local currency prices increased by 6 percent. The volume increase was driven by the substitution of corn and sunflower for lost winter cereal crops from the harsh winter in Eastern Europe in early 2012.

North America

Sales increased by 20 percent as volume and local currency price increased by 15 percent and 6 percent, respectively, partially offset by a 1 percent unfavorable currency effect.

Crop Protection sales increased by 19 percent, 20 percent at constant exchange rates, as a warm winter and an early planting season favored the use of herbicides and insecticides, with further momentum coming from the ongoing success of Syngenta’s weed and insect resistance programs. This more than offset a reduction in third quarter fungicide

applications due to the summer drought. Sales volumes were higher across all product lines with the largest volume increases in corn herbicides, driven by increased acreage and commodity prices.

Seeds sales, both as reported and at constant exchange rates, increased by 22 percent with a volume increase of 16 percent and a price increase of 6 percent. The volume increase included \$206 million higher 604 corn rootworm trait royalty income in 2012 as well as underlying corn seeds sales growth from the expansion of Syngenta's technology. 604 corn rootworm trait royalty income was \$256 million in 2012 from the recognition of the guaranteed minimum royalties mentioned above, compared with \$50 million in 2011. Sales growth in sunflower and cereals more than offset the impact of withdrawal from the sorghum business.

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Latin America

Sales increased by 12 percent as volume increased by 11 percent and sales prices by 2 percent, partially offset by a 1 percent unfavorable currency effect.

Crop Protection sales increased by 12 percent, 13 percent at constant exchange rates, with a volume increase of 11 percent and a price increase of 2 percent. Sales in the first quarter were impacted negatively by severe drought in the region, but recovered strongly as high commodity prices, especially in soybeans, led to increased acreage and higher usage of modern crop protection products. The drive to increase sugar cane productivity in the region also contributed to strong growth in herbicide sales.

Seeds sales increased by 17 percent, 18 percent at constant exchange rates with volume increasing by 17 percent and local currency prices increasing by 1 percent mainly due to increased corn and soybean sales from increased acreage and a strong second season in Brazil, and as well from estimated market share gains.

Asia Pacific

Sales decreased by 3 percent due to currency effects, as a 1 percent increase in local currency sales prices was offset by a 1 percent decrease in volume.

Crop Protection sales decreased by 5 percent, 2 percent at constant exchange rates, with a 3 percent decrease in volume due to product phase outs in 2012 resulting from range rationalization in India and Japan and the non-renewal of the GRAMOXONE® registration in South Korea, partially offset by a 1 percent increase in local currency sales prices. The volume decrease was partially offset by strong growth in China from the roll-out of DURIVO® insecticides and increased sales of CRUISER®, and in South East Asia, fungicides and herbicides. Sales in Australia decreased due to flooding early in the year followed by exceptionally hot and dry conditions in the second half of the year.

Seeds sales increased by 10 percent, 16 percent at constant exchange rates, with volume increasing by 12 percent and local currency prices increasing by 4 percent mainly due to increased corn sales in South East Asia.

Syngenta estimates that, excluding the impact of the range rationalizations and the registration withdrawal, integrated sales at constant exchange rates increased by 5 percent.

Lawn and Garden: major brands ICON®, GOLDFISCH®, GOLDSMITH SEEDS, YODER®, SYNGENTA FLOWERS

Lawn and Garden sales decreased by 8 percent, 6 percent due to lower volume mainly resulting from the divestment in June 2012 of the Fafard growing media business, and 2 percent due to currency effects. Local currency sales prices were flat. In October 2012, Syngenta acquired the DuPont Professional Products insecticide business and in November 2012 divested the Syngenta Horticultural Services business. Excluding the acquisition and divestments, sales decreased by 1 percent at constant exchange rates from continued low consumer spending and cautious retailer behavior.

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Sales by product line are set out below:

| Product line | (\$m, except change %) | | Volume | Local | | Change | | Currency % | Actual | % Actual |
|--------------------------|------------------------|--------|--------|-------|-------|--------|------|------------|--------|----------|
| | 2012 | 2011 | | % | price | % CER | % | | | |
| Selective herbicides | 2,939 | 2,617 | 10 | % 5 | % 15 | % -3 | % 12 | % | | |
| Non-selective herbicides | 1,246 | 1,117 | 12 | % 2 | % 14 | % -2 | % 12 | % | | |
| Fungicides | 3,044 | 2,998 | 2 | % 2 | % 4 | % -2 | % 2 | % | | |
| Insecticides | 1,841 | 1,790 | 4 | % 2 | % 6 | % -3 | % 3 | % | | |
| Seed care | 1,107 | 1,018 | 10 | % 2 | % 12 | % -3 | % 9 | % | | |
| Other crop protection | 141 | 137 | -2 | % 7 | % 5 | % -3 | % 2 | % | | |
| Total Crop Protection | 10,318 | 9,677 | 6 | % 3 | % 9 | % -2 | % 7 | % | | |
| Corn and soybean | 1,836 | 1,471 | 20 | % 6 | % 26 | % -1 | % 25 | % | | |
| Diverse field crops | 719 | 676 | 3 | % 8 | % 11 | % -5 | % 6 | % | | |
| Vegetables | 682 | 703 | -1 | % 2 | % 1 | % -4 | % -3 | % | | |
| Total Seeds | 3,237 | 2,850 | 11 | % 5 | % 16 | % -2 | % 14 | % | | |
| Elimination* | (110) | (80) | n/a | n/a | n/a | n/a | n/a | | | |
| Total integrated | 13,445 | 12,447 | 8 | % 3 | % 11 | % -3 | % 8 | % | | |
| Lawn and Garden | 757 | 821 | -6 | % 0 | % -6 | % -2 | % -8 | % | | |
| Group sales | 14,202 | 13,268 | 7 | % 3 | % 10 | % -3 | % 7 | % | | |

* Crop Protection sales to Seeds

Crop Protection

Selective herbicides: major brands AXIAL®, CALLISTO® family, DUAL®/BICEP® MAGNUM, FUSILADE®MAX, TOPIK®

Sales increased by 12 percent, 15 percent at constant exchange rates, as volume grew by 10 percent and local currency sales prices increased by 5 percent. Sales of AXIAL® increased by more than 20 percent and, at constant exchange rates, grew by double digit percentages in all regions. The largest contribution came from Canada, where increased acreage coincided with low channel inventories at the start of the year. In corn, sales of the CALLISTO® product family and DUAL®/BICEP® grew strongly in the USA driven by their success in managing resistant weeds as well as high corn prices. Sales of both products on sugar cane more than doubled in Brazil, where they form part of integrated agronomic protocols marketed by Syngenta.

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

Sales increased by 12 percent, 14 percent at constant exchange rates, mainly due to higher sales volume for TOUCHDOWN®, notably in the Americas reflecting a high level of demand on corn and soybean and a shortage of generic supply. GRAMOXONE® showed good growth in Latin America and the USA, where it was used as an alternative to glyphosate in areas of weed resistance, but sales in the developed markets of Asia Pacific were lower, partly due to the non-renewal of the registration of the product in South Korea.

Fungicides: major brands ALTO®, AMISTAR®, BRAVO®, REVUS®, RIDOMIL GOLD®, SCORE®, TILT®, UNIX®

Sales increased by 2 percent and were 4 percent higher at constant exchange rates, with volume growth of 2 percent and a 2 percent increase in local currency sales prices. Growth occurred despite the serious droughts in Latin America in the first quarter and in the USA over the summer. AMISTAR® sales volumes continued to grow, driven by product

offers comprising multiple mixtures and formulations adapted by crop and geography. Sales of REVUS® for vegetables, vines and potatoes were up by 16 percent, 25 percent at constant exchange rates, in Europe, its main market. In November 2012, the European Union granted full approval for isopyrazam, which represented a major step forward in the control of a wide variety of damaging fungal diseases.

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

Sales increased by 3 percent, 6 percent at constant exchange rates with 4 percent volume growth and a 2 percent local currency sales price increase. Growth was particularly strong in North America and Latin America, especially in the USA, where a mild winter and the serious drought throughout the corn belt created heavy early insect pressure. This more than offset reduced sales in Asia Pacific from the range rationalization, which reduced global insecticide sales volumes by an estimated 4 percent. Grower awareness of corn rootworm resistance and of the benefits of soil-based insecticides increased, with North American sales of FORCE® more than doubling as a result. Growth in Latin America was driven by modern technology adoption, with the strongest contributions coming from ACTARA® and DURIVO®.

Seed care: major brands AVICTA®, CRUISER®, DIVIDEND®, CELEST®/MAXIM®, VIBRANCE™

Sales increased by 9 percent, 12 percent at constant exchange rates with 10 percent volume growth and a 2 percent local currency sales price increase. Growth was led by CRUISER® and CELEST®/MAXIM®, which showed particularly strong performance in the emerging markets, where sales were up by over 20 percent as a result of ongoing technology adoption. In Latin America the nematocide AVICTA® also showed strong growth. VIBRANCETM, which delivers enhanced root health as well as controlling a wide range of diseases, was successfully launched in North America.

Seeds

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

Sales increased by 25 percent, 26 percent at constant exchange rates with 20 percent volume growth and a 6 percent sales price increase. Double digit growth occurred in all regions driven by corn worldwide and by soybean in Latin America. North American sales volume was augmented by the \$206 million higher trait royalty income described above; excluding this amount, global corn sales increased by approximately 15 percent. In Latin America corn growth was driven by the expansion of the second season in Brazil, where new trait combinations were launched. Increases in soybean acreage for the 2012/13 season were accompanied by strong demand and the integrated PLENUS® offer grew strongly in Argentina where it accounted for around three quarters of the portfolio.

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

Sales increased by 6 percent, 11 percent at constant exchange rates with 3 percent volume growth and an 8 percent sales price increase. The sales price increase was driven by sunflower, which experienced high demand for conventional and high oleic hybrids in Eastern Europe. In North America, sales growth in sunflower and cereals more than offset the impact of withdrawal from the sorghum business. Sales of wheat and hybrid barley grew significantly in major Western European countries.

Vegetables: major brands DULCINEA®, ROGERS®, S&G®

Sales decreased by 3 percent, but increased by 1 percent at constant exchange rates with a 2 percent increase in local currency sales prices offsetting a 1 percent decrease in volume. Volume growth in Latin America, which resulted from the good performance of Zeraim products in Mexico, partially offset sales declines in Asia Pacific and Europe due to the difficult economic environment. Demand improved in the fourth quarter.

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Operating income

Variances in the tables below reflect the profit impact of changes year on year. For example, an increase of sales or a decrease in costs is a positive variance and a decrease in sales or increase in costs is a negative variance.

| Group Operating Income (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|------------------------------|----------|------------------------------|--------|--|----------|---|---|-----|---|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual | % | CER | % |
| Sales | 14,202 | 13,268 | – | – | 14,202 | 13,268 | 7 | % | 10 | % |
| Cost of goods sold | (7,223) | (6,790) | (7) | (14) | (7,216) | (6,776) | -6 | % | -9 | % |
| Gross profit | 6,979 | 6,478 | (7) | (14) | 6,986 | 6,492 | 8 | % | 11 | % |
| as a percentage of sales | 49 % | 49 % | | | 49 % | 49 % | | | | |
| Marketing and distribution | (2,423) | (2,390) | – | – | (2,423) | (2,390) | -1 | % | -6 | % |
| Research and development | (1,257) | (1,194) | – | – | (1,257) | (1,194) | -5 | % | -9 | % |
| General and administrative | (1,043) | (885) | (258) | (231) | (785) | (654) | -20 | % | 6 | % |
| Operating income | 2,256 | 2,009 | (265) | (245) | 2,521 | 2,254 | 12 | % | 22 | % |
| as a percentage of sales | 16 % | 15 % | | | 18 % | 17 % | | | | |

Operating Income/(Loss)

| (\$m, except change %) | 2012 | 2011 | Change | % |
|--------------------------------|----------|----------|--------|---|
| Europe, Africa and Middle East | 1,275 | 1,237 | 3 | % |
| North America | 1,337 | 929 | 44 | % |
| Latin America | 970 | 850 | 14 | % |
| Asia Pacific | 493 | 552 | -11 | % |
| Non-regional | (1,858) | (1,578) | -18 | % |
| Total integrated | 2,217 | 1,990 | 11 | % |
| Lawn and Garden | 39 | 19 | 97 | % |
| Group | 2,256 | 2,009 | 12 | % |

The two tables above do not represent income statements prepared under IFRS. Please refer to the information reported in the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Overall Group operating income

Operating income increased by 12 percent to \$2,256 million mainly due to strong sales growth particularly in North America and Latin America. The growth in operating income was reduced by adverse exchange rate impacts of approximately \$218 million, including hedging gains realized in 2011 that could not be repeated in 2012. The ratio of

operating income to sales improved by approximately 0.7 percentage points, with a higher gross profit margin including increased royalty income in North America, and a lower ratio of operating costs below gross profit to sales.

Currency movements reduced sales by 3 percent; at constant exchange rates, sales grew by 10 percent with sales volumes 7 percent higher from increases in all regions except Asia Pacific, which declined slightly, and overall local currency sales prices 3 percent higher. Volume growth was increased by approximately 2 percent by the recognition of the guaranteed minimum royalties for the corn rootworm trait mentioned above. Gross profit margin increased by 0.3 percentage points, with the above mentioned royalties and local currency sales price increases offset by adverse product mix and commodity costs. Marketing and distribution costs increased by 1 percent, 6 percent at constant exchange rates, with increased expenditures both to support the 2012 sales growth and to drive long-term market share gain. Research and development expense increased by 5 percent, 9 percent at constant exchange rates with increased expenditures on biological assessment of new products and to progress the Crop Protection product pipeline. Research and development expense was approximately 9 percent of sales.

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General and administrative, excluding restructuring and impairment, was 20 percent higher than in 2011. General and administrative is reported net of the result of currency hedging programs, which in 2012 was a net loss of \$61 million compared with a net gain of \$177 million in 2011. At constant exchange rates, General and administrative, excluding restructuring and impairment, was 6 percent below 2011, with an \$80 million charge for the settlement of the Holiday Shores / City of Greenville litigation offset by a lower level of employee incentives, an actuarial gain following changes to US post-retirement healthcare provisions of approximately \$50 million and a gain related to the Pasteuria acquisition described in Note 3 to the consolidated financial statements in Item 18. Restructuring and impairment, including the portion recorded in Cost of goods sold, is described in Note 6 to the consolidated financial statements in Item 18 and increased by \$20 million in 2012 to \$265 million, with lower restructuring charges but a 2012 loss on the disposals of the Fafard growing media business and Syngenta Horticultural Services flowers distribution business compared with a gain in 2011 on the sale of the Materials Protection business.

Excluding the impact of hedging, the adverse impact on sales of a weaker Euro and many emerging market currencies versus the US dollar in 2012 was broadly offset by a favorable currency impact on costs, which additionally included a weaker Swiss franc. However, taken together with the \$238 million adverse variance in the net hedging result from Syngenta's EBITDA program, the overall impact of exchange rate movements on operating income compared with 2011 was an adverse \$218 million.

Operating income by segment

| Europe, Africa and Middle East (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|------------------------------|----------|------------------------------|-------|--|----------|---|------|----|---|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual% | CER% | | |
| Sales | 3,974 | 3,982 | – | – | 3,974 | 3,982 | 0 | % | 6 | % |
| Cost of goods sold | (1,864) | (1,806) | (5) | (8) | (1,859) | (1,798) | -3 | % | -6 | % |
| Gross profit | 2,110 | 2,176 | (5) | (8) | 2,115 | 2,184 | -3 | % | 7 | % |
| as a percentage of sales | 53 | % 55 | | % | 53 | % 55 | | % | | % |
| Marketing and distribution | (664) | (685) | – | – | (664) | (685) | 3 | % | -3 | % |
| General and administrative | (171) | (254) | (25) | (88) | (146) | (166) | 12 | % | 10 | % |
| Operating income | 1,275 | 1,237 | (30) | (96) | 1,305 | 1,333 | -2 | % | 11 | % |
| as a percentage of sales | 32 | % 31 | | % | 33 | % 33 | | % | | % |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Reported sales in Europe, Africa and Middle East were flat with 2011, but increased by 6 percent at constant exchange rates from 3 percent growth each in sales volume and local currency sales prices. Growth was broad-based across the region except for Iberia and Italy, which were impacted by the adverse economic climate in those geographies. See the Sales commentary section above for further information on sales in the region. Gross profit margin declined by 2

percentage points but was broadly flat at constant exchange rates with the benefit of the 3 percent increase in local currency sales prices offset by adverse mix and higher product costs.

Marketing and distribution costs declined by 3 percent but increased 3 percent at constant exchange rates in line with sales volume growth in a generally low inflation environment. An increase in receivables provisions and increased marketing support for future sales growth was offset by savings from the integration across former Crop Protection and Seeds commercial teams.

General and administrative, excluding restructuring and impairment, was 12 percent lower, 10 percent at constant exchange rates with savings from the above described integration and lower employee incentives. Restructuring and impairment charges were \$25 million in 2012 compared with \$88 million in 2011, which included the first year of the integrated crop strategy restructuring across the region.

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Operating income as a percentage of sales improved by 1 percentage point to 32 percent. Excluding the impact of restructuring and impairment, operating income margin was flat, but it was 1 percentage point higher at constant exchange rates, with the combined growth of Marketing and distribution and non-restructuring General and administrative costs at a lower rate than sales. Overall, weaker European currencies compared with the US dollar reduced operating income excluding restructuring and impairment by approximately \$170 million.

| North America (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|---------------------------------|----------|---------------------------------|-------|---|----------|---|------|-----|---|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual% | CER% | | |
| Sales | 3,931 | 3,273 | – | – | 3,931 | 3,273 | 20 | % | 21 | % |
| Cost of goods sold | (1,807) | (1,648) | (2) | (6) | (1,805) | (1,642) | -10 | % | -10 | % |
| Gross profit | 2,124 | 1,625 | (2) | (6) | 2,126 | 1,631 | 30 | % | 31 | % |
| as a percentage of sales | 54 | % 50 | % | | 54 | % 50 | % | | | |
| Marketing and distribution | (607) | (557) | – | – | (607) | (557) | -9 | % | -9 | % |
| General and administrative | (180) | (139) | (27) | (25) | (153) | (114) | -35 | % | -35 | % |
| Operating income | 1,337 | 929 | (29) | (31) | 1,366 | 960 | 42 | % | 43 | % |
| as a percentage of sales | 34 | % 28 | % | | 35 | % 29 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

¹ Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Reported sales increased by 20 percent, 21 percent at constant exchange rates, with 15 percent from increased volumes and 6 percent from higher local currency sales prices. The sales volume increase includes the \$206 million higher royalties from the recognition of minimum royalties for the corn rootworm trait mentioned above; volume growth excluding the higher royalties was 8 percent. See the Sales commentary section above for further information on sales in the region. Gross profit margin increased by 4 percentage points, including the impact of the higher royalties. Otherwise, higher sales prices were partly offset by some adverse mix in Crop Protection products and increased Seeds product costs due to higher crop commodity prices and low 2011 corn yields, both of which drive costs with contract seed growers.

Marketing and distribution costs increased by 9 percent, partly due to the increased sales volumes and partly to invest in additional commercial resources to drive future sales growth.

General and administrative, excluding restructuring and impairment, increased by 35 percent, or \$39 million. In 2012 these costs included \$80 million related to the settlement of the Holiday Shores / City of Greenville litigation offset by a part of the actuarial gains from changes to post-retirement healthcare plans described above.

Restructuring and impairment charges related mainly to the integration of the Crop Protection and Seeds operations initiated in 2011.

Operating income as a percentage of sales increased by 6 percentage points including the impact of the higher royalties and the litigation settlement.

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| Latin America (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | |
|--|---------------------------------|----------|---------------------------------|-------|---|----------|---|-------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual% | CER% |
| Sales | 3,713 | 3,305 | – | – | 3,713 | 3,305 | 12 % | 13 % |
| Cost of goods sold | (2,057) | (1,813) | – | – | (2,057) | (1,813) | -13 % | -16 % |
| Gross profit | 1,656 | 1,492 | – | – | 1,656 | 1,492 | 11 % | 9 % |
| as a percentage of sales | 45 % | 45 % | – | – | 45 % | 45 % | | |
| Marketing and distribution | (546) | (542) | – | – | (546) | (542) | -1 % | -9 % |
| General and administrative | (140) | (100) | (37) | (23) | (103) | (77) | -34 % | -6 % |
| Operating income | 970 | 850 | (37) | (23) | 1,007 | 873 | 15 % | 10 % |
| as a percentage of sales | 26 % | 26 % | | | 27 % | 26 % | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Sales increased by 12 percent, 13 percent at constant exchange rates with 11 percent from higher volumes and an additional 2 percent from increased prices. See the Sales commentary section above for further information on sales in the region. Gross profit margin was flat at 45 percent, but at constant exchange rates and excluding restructuring and impairment was approximately 1 percentage point lower, with the sales price increase offset by increased cost of seed production.

Marketing and distribution costs were 1 percent higher than 2011, but at constant exchange rates were up 9 percent, with increased costs from the higher sales volume, salary inflation, increased distribution costs and further expenditures to drive future sales growth partially offset by lower charges to receivables provisions.

General and administrative, excluding restructuring and impairment, was 34 percent higher, but at constant exchange rates was 6 percent higher. Brazil operates a forecast currency transaction hedging program under a framework agreed with Syngenta's Group Treasury Department, the results of which are reported in General and administrative. In 2012, hedging losses of \$4 million were realized under the program compared with a gain of \$17 million in 2011. Expenses at constant exchange rates increased due to higher salary related costs, other cost inflation and additional costs to support regional sales growth.

Restructuring and impairment charges relate to the integration of the Crop and Seeds organizations across the region and to a program to implement standardized business services to centralize and partly outsource back office activities.

| Asia Pacific | Total as reported under IFRS | Restructuring and impairment | Before restructuring and impairment ¹ | Change before restructuring and impairment ¹ |
|--------------|---------------------------------|---------------------------------|---|---|
|--------------|---------------------------------|---------------------------------|---|---|

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| (\$m, except change %) | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual% | CER% |
|----------------------------|--------|--------|-------|-------|--------|--------|---------|------|
| Sales | 1,827 | 1,887 | – | – | 1,827 | 1,887 | -3 % | 0 % |
| Cost of goods sold | (973) | (984) | – | – | (973) | (984) | 1 % | -1 % |
| Gross profit | 854 | 903 | – | – | 854 | 903 | -5 % | 0 % |
| as a percentage of sales | 47 % | 48 % | | | 47 % | 48 % | | |
| Marketing and distribution | (303) | (290) | – | – | (303) | (290) | -5 % | -7 % |
| General and administrative | (58) | (61) | (12) | (13) | (46) | (48) | 4 % | 3 % |
| Operating income | 493 | 552 | (12) | (13) | 505 | 565 | -11 % | -4 % |
| as a percentage of sales | 27 % | 29 % | | | 28 % | 30 % | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

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Reported sales in Asia Pacific declined by 3 percent, but were flat at constant exchange rates, with a recovery in corn sales after the overstocked market in South East Asia in 2011 offset by range rationalization in Crop Protection products and a challenging market in vegetable seeds. See the Sales commentary section above for further information on sales in the region. Gross profit margin was 1 percentage point lower and slightly below 2011 at constant exchange rates.

Marketing and distribution costs increased by 5 percent, 7 percent at constant exchange rates from inflation and a minor increase in charges to receivables provisions.

General and administrative decreased by 4 percent, 3 percent at constant exchange rates, with inflation offset by savings from the integration of former Crop Protection and Seeds organizations across the region that was initiated in 2011 and by a legal settlement in 2012 at lower cost than had been reserved.

Restructuring and impairment charges relate mainly to the integration of the Crop Protection and Seeds operations and were at a similar level in 2012 to 2011.

Non-regional

Non-regional costs increased by \$280 million, or 18 percent from 2011, to \$1,858 million mainly due to hedging losses of \$56 million having been incurred in 2012, whereas hedging gains of \$165 million were realized in 2011. Also contributing to the increase is the 5 percent growth, 10 percent at constant exchange rates, in research and development expense attributable to higher expenditures on biological assessment of new products and to progress the Crop Protection product pipeline. Restructuring and impairment charges within non-regional increased from \$29 million in 2011 to \$119 million in 2012 largely from the inclusion in 2011 of the gain on the divestment of the Materials Protection business. Other non-regional General and administrative was lower at constant exchange rates due to the inclusion of the portion of the actuarial gains from the change to post-retirement healthcare plans in the US related to those plan participants who work in non-regional roles and also due to lower employee incentives.

| Lawn and Garden (\$m, except change %) | Total as reported under IFRS | | Restructuring and impairment | | Before restructuring and impairment ¹ | | Change before restructuring and impairment ¹ | | | |
|--|---------------------------------|--------|---------------------------------|-------|---|--------|---|------|----|---|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | Actual% | CER% | | |
| Sales | 757 | 821 | – | – | 757 | 821 | -8 | % | -6 | % |
| Cost of goods sold | (368) | (404) | – | – | (368) | (404) | 9 | % | 8 | % |
| Gross profit | 389 | 417 | – | – | 389 | 417 | -7 | % | -3 | % |
| as a percentage of sales | 51 | % 51 | % | | 51 | % 51 | % | | | |
| Marketing and distribution | (208) | (227) | – | – | (208) | (227) | 8 | % | 6 | % |
| Research and development | (58) | (56) | – | – | (58) | (56) | -5 | % | -7 | % |
| General and administrative | (84) | (115) | (38) | (53) | (46) | (62) | 26 | % | 20 | % |
| Operating income | 39 | 19 | (38) | (53) | 77 | 72 | 6 | % | 10 | % |
| as a percentage of sales | 5 | % 2 | % | | 10 | % 9 | % | | | |

This table does not represent an income statement prepared under IFRS. Please refer to the segmental information reported in Note 4 to the consolidated financial statements in Item 18.

1 Amounts before restructuring and impairment are non-GAAP measures. Please refer to Appendix A of the Operating and Financial Review for a more detailed description.

Lawn and Garden sales declined by 8 percent, 6 percent at constant exchange rates. The Fafard growing media business and Syngenta Horticultural Services flowers distribution and brokerage business were divested during the year, reducing sales volumes by approximately 6 percent, and the acquisition of the DuPont professional products business increased sales by approximately 1 percent. Excluding the acquisitions and divestments, sales at constant exchange rates were approximately 1 percent lower. See the Sales commentary section above for further information on sales in the segment. Gross profit margin remained flat at 51 percent, but at constant exchange rates was 1 percentage point higher as the divested business had generated lower gross margin than the ongoing and acquired businesses.

Marketing and distribution costs were 8 percent lower, 6 percent at constant exchange rates from the Fafard divestment late in the first half of the year.

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General and administrative, excluding restructuring and impairment, was 26 percent lower, 20 percent at constant exchange rates, due again, in part, to the Fafard divestment and to lower cross-charges from global support functions.

Restructuring and impairment in 2011 included an impairment of the Fafard business and in 2012 included a further loss on divesting the business, together with a loss on the divestment of the Syngenta Horticultural Services flowers distribution and brokerage business.

Reported operating income as a percentage of sales improved from 2 percent in 2011 to 5 percent in 2012 due to the higher restructuring and impairment charges in 2011. Excluding restructuring and impairment, operating income margin improved by 1 percent to 10 percent following the divestment of the relatively low margin Fafard business.

Defined benefit pensions

Defined benefit pension expense, adjusted for the effect of adopting IAS 19 (revised), was \$115 million in 2012 compared with \$116 million in 2011.

Employer contributions to defined benefit pension plans were \$83 million in 2012 compared with \$205 million in 2011. Syngenta made no accelerated contribution payments to its pension plans in 2012 (2011: accelerated contribution payments of \$125 million).

Restructuring and impairment

Restructuring and impairment charges for the years ended December 31, 2012 and 2011, broken down into the main restructuring initiatives, consist of the following:

| (\$m) | 2012 | 2011 |
|---|------|------|
| Operational efficiency programs: | | |
| Cash costs | 55 | 98 |
| Non-cash impairment costs | 2 | 3 |
| Integrated crop strategy programs: | | |
| Cash costs | 102 | 149 |
| Acquisition and related integration costs: | | |
| Cash costs | 18 | 14 |
| Non-cash items | | |
| Reversal of inventory step-ups | 7 | 14 |
| Reacquired rights | 14 | 14 |
| Divestment (gains)/losses | 25 | (76) |
| Bargain purchase gains | – | (10) |
| Other non-cash restructuring and impairment: | | |
| Non-current asset impairment | 42 | 39 |
| Total restructuring and impairment ¹ | 265 | 245 |

1 \$7 million (2011: \$14 million) is included within Cost of goods sold, \$25 million (2011: \$(76) million as Divestment losses/(gains)) and \$233 million (2011: \$307 million) as Restructuring.

For discussion regarding Restructuring and impairment during 2012, please see the “Restructuring and impairment” sub-section of the preceding “2013 compared with 2012” section under “Results of Operations” in this “Operating and Financial review and prospects”.

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2011

Operational efficiency programs

During 2011, cash costs under the Operational Efficiency restructuring programs included \$59 million for the continuing standardization and consolidation of global back office operations and \$12 million for further outsourcing of information systems. Further operational efficiency cash costs consisted of \$6 million of onerous contract charges in the UK, \$5 million relating to the reorganization of a site in Switzerland, \$4 million of restructuring costs in the Seeds portion of the European business and \$12 million for various other restructuring projects. Impairment costs related mainly to the closure of a site in Germany.

Integrated crop strategy programs

During 2011, cash costs for launching and initiating the implementation of the global integrated crop strategy included \$143 million for integration of commercial operations of sales and marketing teams and \$6 million for support function projects. These charges consisted of \$76 million for severance and pension payments and \$73 million of other project-related costs, including those for developing and supporting the strategic transition; process re-design; consultancy and advisory services; retention, relocation, and re-training of employees; and project management.

Acquisition and related integration costs

Acquisition and related integration cash costs related mainly to the Agrosan, Maribo Seeds and Greenleaf acquisitions. Reversal of inventory step-ups related to the acquisitions of Agrosan, Maribo Seeds and the Pybas and Synergene lettuce companies.

Amortization of reacquired rights related to the Greenleaf exclusive licensing rights described above.

Divestment gains of \$76 million included the gain on the disposal of Syngenta's Materials Protection business to Lanxess AG, gains on the disposal of certain assets acquired as part of Monsanto's sunflower business in 2009, as agreed with the European Commission in connection with their approval of that acquisition, and the gain arising on revaluing Syngenta's 50 percent equity interest in Greenleaf to fair value at the date it acquired the remaining 50 percent interest from Pioneer. Bargain purchase gains were recognized on completion of the acquisition accounting for the Maribo Seeds and Greenleaf acquisitions.

Other non-cash restructuring and impairment

Other non-cash restructuring and impairment costs consisted of the impairment of an available-for-sale financial asset and a write-down of assets within the Fafard peat business in Lawn and Garden.

Financial expense, net

Financial expense, net decreased to \$147 million in 2012 from \$165 million in 2011. Net currency losses increased in 2012, with increased cost of forward cover for committed foreign currency transaction exposures, but were offset by lower net interest expense. In 2012, net interest expense included a gain of \$47 million realized on termination of certain fair value hedging relationships, which had ceased to be effective hedges due to increased market liquidity risk.

Taxes

The Swiss statutory tax rate applicable to Syngenta decreased by 1 percent in 2012 to 22 percent. Syngenta's effective tax rate in 2012 was 13 percent, 3 percent lower than the 16 percent effective tax rate in 2011. Income taxed at different rates reduced the effective tax rate by 11 percent in 2012 (5 percent in 2011), with a higher weighting in 2012 of income subject to a lower tax rate, including within Switzerland where certain intellectual property income is subject to a reduced rate. Non-recognition of deferred tax assets increased the tax rate by 2 percent compared with 2011, following an increase in deferred tax assets in certain countries where sufficient future profits to utilize the assets are not sufficiently assured.

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The tax rate on restructuring and impairment was 31 percent in 2012, compared with 22 percent in 2011 due to the different mix of gains and losses included in the net charge over the period and the varying tax treatments applied in different countries. 2012 included the loss on divestment of the North American based Fafard business and 2011 included the gain on divestment of the Materials Protection business.

Net income for the period and other supplementary income data

Net income attributable to Syngenta shareholders in 2012 was \$1,847 million, 18 percent higher than the 2011 amount of \$1,569 million primarily due to increased sales and related gross profit.

After related taxation, restructuring and impairment charges in 2012 were \$182 million compared with \$190 million in 2011.

Foreign operations and foreign currency transactions

Syngenta's subsidiaries use their local currency as their functional currency for accounting purposes except where the use of a different currency more fairly reflects their actual circumstances.

Syngenta operates worldwide and its business has grown significantly in emerging markets, with a broadening of the currency effects that need to be closely monitored. Next to the Euro, the Swiss franc and the British pound, the Brazilian real gives rise to a major currency exposure. The exposure arises from the operations in Brazil where the Brazilian real is the functional currency of Syngenta's subsidiaries there. Sales prices to customers in Brazil are largely linked to the US dollar, but must be invoiced in Brazilian real to meet local legal requirements. During 2013, the Brazilian real depreciated approximately 14 percent against the US dollar. To manage its exposure to risks associated with fluctuations of the real, Syngenta has implemented programs to protect the US dollar value of trade receivables from customers and has hedged its balance sheet exposure using currency derivatives. Syngenta is not able to estimate the effect of any future depreciation or appreciation of the Brazilian real on operating income in future periods. At December 31, 2013, approximately 60 percent of Syngenta's cash and cash equivalents was held in US dollars. The remaining 40 percent was held mainly in Indian rupees (7 percent), Brazilian reals (6 percent), Russian rubles (4 percent) and Euros (4 percent). No other individual currency made up more than 2 percent.

Syngenta regularly monitors receivables exposure in all countries in which it operates. In the Eurozone, Greece, Italy, Ireland, Portugal and Spain have been experiencing financial difficulties. The following table outlines for the above named countries in the aggregate, gross trade receivables, those past due for more than 180 days and the related provision for doubtful receivables at December 31, 2013 and 2012.

| (\$m) | 2013 | 2012 |
|--|------|------|
| Gross trade receivables | 138 | 160 |
| Past due for more than 180 days | 12 | 7 |
| Provision for doubtful trade receivables | 18 | 14 |

In Latin America, Argentina is also experiencing financial difficulties. At December 31, 2013 for Argentina, Syngenta's gross trade receivables were \$281 million (December 31, 2012: \$335 million), those past due for more than 180 days were \$24 million (2012: \$19 million) and the related provision for doubtful receivables was \$33 million (December 31, 2012: \$28 million). A major proportion of growers in Argentina using Syngenta's products export their crops, which enables them to generate income that is economically linked to the US dollar. Because of this, Syngenta is able to price most of its sales in Argentina in US dollars, which reduces its exposure to the Argentine peso. However, future legislation may limit or remove this protection or limit the ability of Syngenta to access US dollars

in, or remit US dollars from, Argentina. Sales in Argentina are less than 5 percent of Syngenta's total sales.

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Liquidity and capital resources

Syngenta's principal source of liquidity is cash generated from operations. This has been more than sufficient to cover cash used for investment activities in all years since 2006, except in 2012 when the higher level of cash used for investing activities resulting from increased business acquisitions required funding with a combination of cash generated from operations and the issuance of unsecured non-current bonds in the US public debt market. Except for any significant business acquisitions or a significant deterioration in the rate of receivables collections from that currently expected by management, cash generated from operations is expected to be more than sufficient to cover cash expected to be used for investment activities in 2014. Working capital fluctuations are supported by short-term funding available through commercial paper and related syndicated committed credit facilities. Operating in a seasonal business, Syngenta typically obtains funds from its short-term facilities during the first half of the year to fund operations during the northern hemisphere growing season and repays these funds during the second half when receivables are collected. Longer-term capital resources include unsecured non-current bonds issued under a Euro Medium Term Note ("EMTN") program, unsecured non-current Notes issued under a Note Purchase Agreement in the US Private Placement market and the unsecured non-current bonds issued in the US public debt market described above.

For information on Syngenta's funding and treasury policies and objectives in terms of the manner in which treasury activities are controlled, please see Note 27 to the consolidated financial statements in Item 18.

Syngenta reported cash and cash equivalents on December 31, 2013 and 2012 of \$902 million and \$1,599 million, respectively. At December 31, 2013 and 2012, Syngenta had current financial debt of \$1,467 million and \$980 million, respectively, and non-current financial debt of \$1,739 million and \$2,368 million, respectively.

Capital markets and credit facilities

Funds for Syngenta's working capital needs were available during the year from its \$2,500 million Global Commercial Paper program supported by a \$1,500 million committed, revolving, multi-currency syndicated credit facility. Syngenta entered into its Global Commercial Paper program in 2000 and amended it in 2007. At December 31, 2013, Syngenta had \$250 million commercial paper issuances outstanding (December 31, 2012: none outstanding).

The \$1,500 million syndicated credit facility (the "Credit Facility") was signed in November 2012. In 2013, the credit facility was extended by one year and will now mature in 2018, with a possibility to extend by one year which can be applied for in 2014. The Credit Facility provides for fixed interest rate, multi-currency short-term borrowings, with the interest rate based on LIBOR. The Credit Facility replaced the previous \$1,200 million facility that had been scheduled to mature in 2013. At December 31, 2013 and 2012, Syngenta had no borrowings under the Credit Facility.

Absent major acquisitions, Syngenta targets maintaining a solid investment grade credit rating, as recognized by major third-party rating agencies, which it currently believes provides an optimal balance between financial flexibility and the cost of capital. Syngenta's short- and long-term credit facilities and outstanding bond note instruments do not contain any significant covenants affecting its ability to pay dividends or borrow additional funds. In addition, there are no material legal or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends except as disclosed in the Consolidated Cash Flow Statement included in the consolidated financial statements in Item 18.

The table below summarizes Syngenta's unsecured notes in issuance at December 31, 2013:

| (\$m) | Carrying amount | Value at issue |
|-------|-----------------|----------------|
|-------|-----------------|----------------|

| | | |
|------------------------------------|-------|-------|
| 4.000% Eurobond 2014 | 687 | 700 |
| 4.125% Eurobond 2015 | 687 | 641 |
| 5.110% US\$ private placement 2020 | 89 | 75 |
| 3.125% US\$ Notes 2022 | 494 | 500 |
| 5.350% US\$ private placement 2025 | 75 | 75 |
| 5.590% US\$ private placement 2035 | 100 | 100 |
| 4.375% US\$ Notes 2042 | 248 | 250 |
| Total | 2,380 | 2,341 |

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Management is of the opinion that, absent a major business acquisition or a very significant deterioration in working capital or the rate of receivables collections from that currently expected, the funding available from these sources will be sufficient to satisfy Syngenta's working capital, capital expenditures and debt service requirements for the foreseeable future, including cash expenditures relating to restructuring programs. In the event of a major business acquisition, Syngenta would seek additional funding from capital markets and other sources. Syngenta regards as sufficiently remote the likelihood that a very significant deterioration in working capital or unexpected decline in the rate of receivables collections will occur so as not to require the development of a detailed contingency funding plan.

Cash flow

The following table sets out certain information about cash flow for each of the periods indicated:

| (\$m) | Year ended December 31, | | |
|---|-------------------------|----------|----------|
| | 2013 | 2012 | 2011 |
| Cash flow from operating activities | 1,214 | 1,359 | 1,871 |
| Cash flow used for investing activities | (772) | (1,218) | (472) |
| Cash flow used for financing activities | (1,114) | (232) | (1,684) |

Cash flow from operating activities

2013 compared with 2012

Cash flow from operating activities was \$1,214 million in 2013, down from \$1,359 million in 2012 mainly due to a lower income before tax after the reversal of non-cash items. Income before taxes was \$182 million lower in 2013 for reasons described above. The reversal of non-cash items was \$910 million in 2013 compared with \$1,020 million in 2012. Within this category, charges in respect of provisions decreased to \$103 million in 2013 compared with \$183 million in 2012, largely from the provision in 2012 for the settlement of the Holiday Shores / City of Greenville litigation, while an increased add back for financial expenses, net, was offset by higher gains from associates in 2013 including the compensation from an energy supplier at Syngenta's CIMO joint venture to exit a supply contract. Cash outflows for financial expense, net, were slightly lower in 2013 than in 2012, while income taxes paid were \$86 million lower, largely due to taxes paid on account in 2012 being higher than taxes finally due. Contributions to pension plans increased by \$50 million from increased contributions to the Swiss and UK pension plans. Cash paid in respect of other provisions was \$111 million lower than 2012 mainly due to the settlement in 2012 of the above mentioned Holiday Shores / City of Greenville litigation for payments totaling \$105 million. Cash outflows from net working capital increases were \$884 million in 2013 compared with \$859 million in 2012. The change in inventories of \$884 million was \$329 million higher as inventories were built up to support sales growth and due to lower final quarter fungicide sales than planned in Latin America. The change in trade and other working capital assets of \$365 million was \$449 million lower partially due to the inclusion in 2012 of the receivables arising from the 604 corn rootworm trait royalty income recognized in the year. Change in trade and other working capital liabilities of \$365 million was \$145 million adverse to 2012 partially due to lower accrued staff incentives at the end of 2013.

2012 compared with 2011

Cash flow from operating activities was \$1,359 million in 2012, down from \$1,871 million in 2011 mainly due to a larger increase in net working capital. Income before taxes was \$257 million higher in 2012 for reasons described above. The reversals of non-cash items was \$1,020 million in 2012 compared with \$843 million in 2011 largely from 2012 including the add-back of the loss on disposals of the Fafard and Syngenta Horticultural Services businesses, while 2011 included removing the gain on disposal of the Materials Protection business. Contributions to pension plans were \$120 million lower than 2011 due to an accelerated contribution of \$125 million in 2011, which was not repeated in 2012. Cash paid in respect of restructuring provisions was \$16 million lower, but including restructuring expenditures charged as incurred was \$207 million, broadly flat with the 2011 level as the integrated crop strategy

restructuring program continued. Cash paid in respect of other provisions was \$66 million higher than 2011 due to the settlement of the Holiday Shores / City of Greenville litigation for payments totaling \$105 million. Net outflows from financial expenses were \$225 million in 2012, higher than the \$114 million in 2011 due to realized losses on hedges of uncommitted foreign exchange transaction exposures compared with realized gains in 2011, partly offset by gains realized in 2012 on hedges of Syngenta's purchases of corn and soybean. Cash outflows from net working capital increases were \$859 million in 2012 compared with \$50 million in 2011. The major drivers for the working capital increase were higher trade receivables due to 12 percent sales growth in fourth quarter 2012, a peak period in Latin American sales, higher other accounts receivable from recognition of minimum royalties due under a license agreement and higher inventories in anticipation of further future sales growth.

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Cash flow used for investing activities

2013 compared with 2012

Cash flow used for investing activities decreased to \$772 million in 2013 from \$1,218 million in 2012, largely as a result of a lower level of business acquisitions. Additions to property, plant and equipment increased by \$117 million to \$625 million from projects to increase production and research capacity; a further increase in expenditures is anticipated in 2014, although at a lower rate. Purchases of intangible assets decreased due to lower purchased product rights in 2013 following the 2012 purchase of licenses from Novozymes and, prior to its subsequent acquisition by Syngenta, Devgen. Investments in associates and other financial assets decreased by \$32 million mainly due to lower investments by Syngenta into venture capital activities. Cash outflows for business acquisitions, net of cash acquired, decreased from \$654 million in 2012 to \$101 million in 2013, with the acquisition in 2013 of MRI whereas 2012 included Devgen, Pasteuria, Sunfield and the professional products business of DuPont. Business divestments in 2013 included closing adjustments to the 2012 Fafard growing media and Syngenta Horticultural Services flowers distribution and brokerage business divestments.

2012 compared with 2011

Cash used for investing activities increased to \$1,218 million in 2012 from \$472 million in 2011, largely as a result of increased business acquisitions. Additions to property, plant and equipment increased by \$29 million to \$508 million due to projects to increase production capacity. Purchases of intangible assets increased due to new licenses entered into with Novozymes and, prior to its subsequent acquisition by Syngenta, Devgen. Investments in associates and other financial assets grew by \$25 million, mainly from investments by Syngenta's venture capital activities. Cash outflows from business acquisitions, net of cash acquired, increased to \$654 million in 2012 compared with \$19 million in 2011 after the acquisitions particularly of Devgen, Pasteuria, Sunfield and the professional products business of DuPont. Business divestments in 2012 included the Fafard growing media and Syngenta Horticultural Services flowers distribution and brokerage businesses; divestments in 2011 included the Materials Protection business and the mandated Monsanto sunflower divestments in Spain and Hungary.

Cash flow used for financing activities

2013 compared with 2012

Cash flow used for financing activities was \$1,114 million in 2013, \$882 million higher than in 2012. In 2013, Syngenta repaid a CHF 500 million loan at maturity. In 2012, Syngenta issued US SEC registered bonds with maturities of 10 and 30 years for an amount of \$750 million and repaid a CHF 375 million bond at maturity. Distributions paid to shareholders increased by \$130 million due to an increased dividend. In 2013, there was a net purchase of treasury shares compared with a net disposal in 2012. In 2013, Syngenta repurchased 445,500 of its own shares, with 278,500 shares to be used for future requirements of share based payment plans and 167,000 related to a share repurchase program. Sales of treasury shares related to employee share and share option plans. Acquisitions of non-controlling interests in 2013 related to the purchase of further shares in Devgen, following the business acquisition in 2012, and the remaining equity interest in Syngenta Crop Protection Sdn Bhd that Syngenta did not already own.

2012 compared with 2011

Cash used for financing activities was \$1,452 million lower in 2012 than in 2011. In 2012, Syngenta issued US SEC registered bonds with maturities of 10 and 30 years for an amount of \$750 million and repaid a CHF 375 million bond at maturity; in 2011 Syngenta repaid a EUR 500 million Eurobond at maturity. Distributions paid to shareholders increased by \$85 million due to an increased dividend. In 2012, there was a net disposal of treasury shares compared with a net purchase in 2011. The net disposal related to employee share and share option plans and a reduced level of share repurchases as the share repurchase plan approved by the shareholders in 2008 was completed.

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Research and development (“R&D”)

Syngenta’s Research and Development function employs nearly 5,500 people working at R&D centers and field stations around the world and has been organized to continue to develop quality Crop Protection and Seeds products, while enabling the development of crop-focused solutions which integrate Syngenta’s technologies. Underpinning Syngenta’s core Seeds R&D and Crop Protection R&D structure are global competency platforms that include biotechnology, regulatory, product safety, as well as a global trialing capability.

Syngenta is committed to improving crop yield and quality in a sustainable way and, through its global product safety group and global regulatory team worldwide, is committed to developing and registering products that are safe and effective. Syngenta maximizes its innovation potential by leveraging the industry expertise of Syngenta and partnering with technology leaders across the globe.

The total spent on research and development was \$1,376 million in 2013, \$1,257 million in 2012 and \$1,194 million in 2011. Attribution of research and development costs for 2013 was \$1,320 million for Syngenta’s integrated Crop Protection and Seeds business and \$56 million in Lawn and Garden. In 2012, the attribution was \$1,199 million for the integrated business and \$58 million in Lawn and Garden. In 2011, the attribution was \$1,138 million for the integrated business and \$56 million in Lawn and Garden.

There are no off-balance sheet financing transactions associated with research and development activity.

Contractual obligations, commitments and contingent liabilities

At December 31, 2013 Syngenta had the following contractual obligations to make future payments in the following periods:

| (\$m) | Notes to the financial statements reference | Total | Less than 1 year | 1–3 years | 3–5 years | 5–10 years | More than 10 years |
|---|---|-------|------------------|-----------|-----------|------------|--------------------|
| Financial debt | 16, 18 | 3,144 | 1,446 | 692 | – | 583 | 423 |
| Interest on fixed rate financial debt | 27 | 686 | 82 | 89 | 80 | 161 | 274 |
| Other non-current liabilities | 18 | 16 | – | 12 | 4 | – | – |
| Capital lease payments | 25 | 62 | 21 | 31 | 10 | – | – |
| Operating lease payments | 25 | 99 | 26 | 37 | 24 | 12 | – |
| Capital expenditures | 25 | 279 | 68 | 211 | – | – | – |
| Pension contribution commitments | 22 | 249 | 68 | 85 | 85 | 11 | – |
| Unconditional purchase obligations | 25 | 893 | 406 | 305 | 171 | 11 | – |
| Long-term research agreements and other long-term commitments | 25 | 190 | 58 | 53 | 29 | 50 | – |
| Total | | 5,618 | 2,175 | 1,515 | 403 | 828 | 697 |

Of the total financial debt, floating rate financial debt is \$764 million (mainly local bank loans and overdraft facilities), \$759 million of which is due within one year. No interest obligation in respect of this debt is included in the

table above. There is no contractual obligation to renew this debt. The debt amount, and the interest payments associated with it, will vary over time according to Syngenta's funding requirements and future interest rates.

Fixed rate debt of \$2,380 million is comprised primarily of the outstanding Eurobonds, Swiss franc domestic bonds and US bonds and private placement notes. Fixed rate interest payments of \$686 million on these are included above.

Other non-current liabilities arise from accruals for withholding tax on share based payment awards where the related cash flows are payable when the awards vest, as well as from deferred payments related to acquisitions.

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Provisions for long-term liabilities totaling \$766 million shown in Syngenta's consolidated balance sheet have not been included in the above table because the timing of their payment is not contractually fixed and cannot be estimated with sufficient certainty within the context of the time periods in the table. This applies particularly to those amounts which are not expected to be paid during 2014. Note 19 to the consolidated financial statements in Item 18 presents the components of the estimated \$288 million of provisions that are expected to be paid during 2014.

The supply agreements for materials giving rise to the unconditional purchase obligations are entered into by Syngenta to ensure availability of materials meeting the specifications required by Syngenta. Where suppliers have made significant capital investment, these agreements generally provide for Syngenta to pay penalties in the event that it terminates the agreements before their expiry dates.

Pension contribution commitments totaling \$249 million represent \$224 million of unconditional fixed payments to the UK pension fund according to the schedule of contributions agreed during 2012 and a single unconditional \$25 million payment to the Swiss pension fund in 2014 required in connection with the amendment to the fund rules. Not included in the above table are:

- o Additional UK Pension Fund contributions of up to \$25 million per year which are required to be paid if the actual return on UK pension plan assets over the period to March 31, 2019 is less than the agreed assumption.
- o Swiss Pension Fund contributions for future service. The rules of Syngenta's main Swiss defined benefit pension fund commit Syngenta to contributing a fixed percentage of employees' pensionable pay to the fund.
- o As disclosed in Note 22 to the consolidated financial statements in Item 18, Syngenta expects to pay \$175 million of contributions to its defined benefit pension plans in 2014 excluding restructuring costs and excluding any accelerated payments which Syngenta may decide to make as business and financial market conditions develop during 2014.

The above table excludes income tax liabilities of \$372 million in respect of uncertain tax positions. These are presented within current income tax liabilities in the consolidated balance sheet because it is not possible to make a reasonably reliable estimate of the actual period of cash settlement with the respective taxing authorities.

Off-balance sheet arrangements

Syngenta had no off-balance sheet arrangements as at December 31, 2013, other than the above contractual obligations, commitments and contingent liabilities. Syngenta has no unconsolidated special purpose entities that are likely to create material contingent obligations.

Critical accounting estimates

Critical accounting estimates and new accounting pronouncements are discussed in Notes 2 and 30 to the consolidated financial statements in Item 18.

Recent developments

Note 31 to the consolidated financial statements in Item 18 provides details of events which occurred between the balance sheet date and February 13, 2014, the date of this filing, that would require adjustment to or disclosure in the consolidated financial statements.

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Trend and outlook

Crop prices for the major field crops of corn, soybean and cereals declined in 2013, particularly in the second half of the year. At the start of 2014, prices were at a similar level to those in the period 2009-2010 for corn and 2010-2011 for soybean. Despite these lower prices, it is estimated that grower profitability remains attractive in these crops, particularly for farmers who own the land they farm. In the major field crop countries of Brazil and Argentina, the decline in US dollar crop prices has been significantly offset by a weaker Brazilian real and Argentinian peso exchange rate, and local currency profitability remains strong. Markets for vegetable crops and sugar are less positive, with sugar cane partly impacted by weaker prices for ethanol. However, overall crop prices and grower profitability at the start of 2014 remained sufficiently strong to continue to drive further use of technology in both crop protection chemicals and high quality seeds, and markets for these products are expected to continue to grow, although possibly at a slower rate than seen in 2012 and 2013.

Looking at individual regions, although weaker than the previous year, farm incomes in North America in the 2013-2014 growing season are expected to be robust and therefore to continue to support technology adoption. In Europe, Africa and the Middle East, while credit is likely to remain tight in some Mediterranean countries in the Eurozone, there are early signs of economic recovery leading to stabilization in the market there for vegetable crops. A strong rate of growth in technology adoption in both chemicals and seeds is expected in the CIS and South East Europe. In Latin America, farmer profitability remains good as noted above and strong growth is expected in new fungicide technologies to address soybean rust. However, sovereign risk levels are currently high in both Argentina and Venezuela, and imports into these countries may be constrained either by foreign currency shortages or credit concerns. The second half of 2013 saw some economic slowdown in emerging market economies, including those in Asia Pacific, but further intensification of farming is expected to continue to drive growth in the region. In China, for example, agricultural modernization continues to be a key theme of the Chinese government.

Against this crop markets backdrop, Syngenta has now substantially completed implementing the strategy introduced in 2011 of offering integrated crop solutions to farmers. As the estimated market leader in crop protection chemicals also having a strong position in seeds for most key crops, and with leading commercial organizations in all four regions, Syngenta believes it is best placed to provide integrated solutions to meet grower needs. Supplemented by continuing investment in research and development into new chemical, germplasm and biotechnology products and now with a focus on overall crop solutions, Syngenta expects to be able to deliver market share growth over the longer term. In the nearer term, market share growth is also expected to be driven by increased chemicals sales, including from expansion of recently launched chlorantraniliprole and sedaxane products and the launches of Solatenol™, biological products from Pasteuria, and seeds sales, including HYVIDO® hybrid cereals. This near-term growth may be constrained, however, due to the risks of operating in high growth emerging markets, which overall represented slightly more than half of Syngenta sales in 2013, and the normal upside and downside uncertainties associated with operating in agricultural markets.

Syngenta continues to target premium prices and to seek opportunities for value pricing related to the incremental value its products bring to growers, though continued competitive markets may limit the scope of more general price increases. Syngenta has reduced and will continue to reduce sales of products in certain countries where gross profit margins are insufficient to justify the risk capital employed. Gross profit margin as a percentage of sales is expected to increase as sales price increases combined with operational cost savings are expected to more than offset the impact of inflation on salaries and other costs. Margins are also expected to be higher than in 2013 as the need for the unusually high additional seeds inventory provisions of approximately \$170 million noted above is not expected to repeat in 2014. However, increases or decreases in crop commodity prices, which drive the cost of purchased seeds, or in oil prices and other chemical raw material prices may positively or negatively impact cost of goods sold.

Syngenta plans to further increase research and development expenditures as a percentage of sales in 2014, moving towards the upper end of its medium term target of 9-10 percent of sales. Otherwise, Syngenta is targeting a reduction over time in marketing and distribution and general and administrative costs (excluding restructuring) as a percentage of sales, with favorable results from savings programs expected to partially absorb the impacts of salary and other cost inflation and of higher marketing expenditures in areas targeted for expansion. In 2014, the impact of these savings programs will be offset by the non-recurrence of savings in 2013 from changes to the Swiss pension plan and the lower personnel incentive costs noted above, which together reduced expenses in 2013 by approximately \$200 million.

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Lawn and Garden achieved significantly improved operating margin as a percentage of sales in 2013 following restructuring and the divestment of low margin businesses, and will focus in the near term on continued market share growth while maintaining profitability. In 2014, the turf market for golf courses is expected to be broadly flat while further consumer spending recovery may drive moderate growth in the flowers market.

Excluding impairments, which cannot be forecast, the new cost saving program described above to drive improvements in operational leverage and lower the ratio of operating cost to sales is expected to result in increased restructuring charges in 2014. However, the timing of the recognition of charges for particular restructuring events, which is dependent on when irreversible commitment to the event occurs and, for retention payments within employee termination costs, on the length of any retention period, makes it difficult to predict this with certainty.

Syngenta has significant currency exposures, with a short position against the US dollar in Swiss francs and British pounds, and a long position in Canadian dollars and many emerging market currencies. Syngenta has a minor net long position in Euros over the course of a full year, but is long in the first half selling season and short in the second half due to Euro based operating costs including raw material costs. In Brazil and Argentina, a significant portion of sales effectively are priced in US dollars, resulting in a net short local currency exposure. Forecast transaction exposures in the major currencies are hedged under a rolling 12 month program, largely through forward contracts. In 2013, Syngenta estimates the impact on underlying sales and costs of exchange rate movements to have been broadly neutral, and the net hedging loss of \$4 million was less than the \$61 million net loss in 2012, resulting in a favorable year-on-year impact on operating income from exchange rate movements and related hedges of approximately \$50 million when compared with 2012. At rates prevailing in January 2014, Syngenta expects an adverse impact on operating income from the underlying exposures, due to the adverse impact on sales of weaker emerging market currencies and on operating costs of the stronger Swiss franc and British pound, offset by gains in related 2014 hedges. The combined favorable year-on-year impacts of the change in the net hedging result and the loss from underlying exposures are estimated to total a net adverse variance of approximately \$50 million. However, as emerging market currency exposures are largely unhedged, the actual impact may differ positively or negatively from this estimate. The net hedging result is reported within General and administrative in the consolidated income statement in Item 18.

Over the next two to three years, Syngenta plans to continue increasing annual expenditures on tangible fixed assets over the prior year level broadly in line with sales growth. Despite further expected sales growth in emerging markets, where credit terms are typically longer than the overall average, Syngenta targets to hold trade receivables as a percentage of sales near its current level and to reduce inventories as a percentage of sales in 2014 from the increased level in 2013. Syngenta also expects to pursue further strategic acquisitions.

Subject to approval by the shareholders at the Annual General Meeting on April 29, 2014, the Board is recommending to increase the dividend to CHF 10.00 per share. Looking forward, Syngenta plans to continue to use dividends as the primary vehicle to return cash to shareholders, supplemented by tactical share repurchases.

Quantitative and qualitative disclosure about market risk

For quantitative and qualitative disclosure about market risk, see Item 11.

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Appendix A

Reconciliation of non-GAAP measures to equivalent GAAP measures

A non-GAAP measure is a numerical measure of financial performance, financial position or cash flows that either:

includes, or is subject to adjustments that have the effect of including, amounts that are excluded in the most directly comparable measure calculated and presented under IFRS; and

excludes, or is subject to adjustments that have the effect of excluding, amounts that are included in the most directly comparable measure calculated and presented under IFRS.

Syngenta uses non-GAAP measures in this report where they are regarded by management as important for the investor to fully understand Syngenta's performance. The non-GAAP measures presented in this report are measures adjusted for exchange rate movements and to exclude restructuring gains and losses, impairment losses and divestment gains and losses. The Company presents these measures because:

movements in exchange rates historically have had, and in the future are expected to have, a significant impact on sales and operating income from period-to-period; and

restructuring and impairment charges historically have fluctuated, and in the future are expected to fluctuate, significantly from period-to-period and thereby have a volatile impact on results.

Syngenta has been engaged in significant restructuring activities since the formation of the Company in 2000, including programs to integrate and extract synergies from the combined operations of the Zeneca agrochemicals business and the Novartis agribusiness, the integration of business combinations, the Operational Efficiency programs and, beginning in 2011, the implementation of the integrated crop strategy. The incidence of restructuring charges is periodic and volatile, reflecting the timing of irrevocable commitments related to specific sites and operations. Therefore the impact on reported performance varies from period to period and there is limited continuity in the specific composition or size of such charges. Internal financial reporting and management and employee incentive plans are substantially based on financial measures excluding the charges for restructuring and impairment so that management is incentivized to deliver the benefits of the associated restructuring and not to achieve short-term financial targets by deferring implementation of restructuring plans. Restructuring programs typically deliver benefits with a payback over several years, similar to capital investments, and control over restructuring expenditures is performed on a similar project basis to that applied with capital investments.

Syngenta presents non-GAAP measures on operating income before restructuring and impairment at both the segmental and group levels. Restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting operating performance excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, these measures may assist investors in forecasting future operating performance. In addition to GAAP measures, Syngenta uses measures of operating performance excluding restructuring and impairment in internal reporting to management and the Board of Directors, and these measures are used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of operating income before restructuring and impairment do not present a complete picture of operating performance and these measures should be seen only as supplementary to the GAAP measure.

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Syngenta presents non-GAAP information on income before taxes excluding restructuring and impairment together with income tax expense before restructuring and impairment to assist investors to calculate the Group tax rate both including and excluding the impact of restructuring and impairment charges. The tax rate on restructuring and impairment charges has been volatile and different from the tax rate on income before taxes excluding restructuring and impairment, due in part to many categories of restructuring or impairment charges not being deductible for tax purposes. In addition to GAAP measures, measures of income before taxes excluding restructuring and impairment and income tax expense excluding restructuring and impairment are used in internal reporting to management and the Board of Directors. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on operating performance in future periods. Consequently, non-GAAP measures of income before taxes excluding restructuring and impairment and income tax expense before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measure.

Syngenta presents non-GAAP information on net income and earnings per share before restructuring and impairment and, where relevant, on net income and earnings per share from continuing operations before restructuring and impairment. As above, restructuring and impairment charges have had a material effect on operating income in the period covered by the review. In the opinion of management, reporting net income and earnings per share excluding restructuring and impairment in addition to the GAAP measures provides a more thorough understanding of business performance. Together with disclosure of the material elements within restructuring and impairment and of the overall anticipated size and timeframe of restructuring programs, this disclosure may assist investors in forecasting future performance. In addition to net income and earnings per share prepared in accordance with GAAP, Syngenta uses net income and earnings per share excluding restructuring and impairment in internal reporting to management and the Board of Directors, and the measure is used in the incentive plans for Syngenta management and other employees. Restructuring and impairment charges have been incurred in all the periods covered by the review and are expected to continue to arise and have a material effect on financial performance in future periods. Consequently, the non-GAAP measures of net income and earnings per share before restructuring and impairment do not present a complete picture of financial performance and these measures should be seen only as supplementary to the GAAP measures.

For improved clarity, the definitions of these non-GAAP measures and reconciliations of non-GAAP measures to the appropriate GAAP measure are provided below. The tables below are included to show the reconciliation of the GAAP measures to the non-GAAP measures used in the report and do not represent income statements prepared under IFRS.

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Reconciliation of net income excluding restructuring and impairment (non-GAAP measure) to profit for the period (GAAP measure)

| | Total | Restructuring and impairment | Before restructuring and impairment |
|--|--------|------------------------------------|--|
| 2013 (\$m, except percentage, share and per share amounts) | | | |
| Operating income | 2,086 | (179) | 2,265 |
| Income/(loss) from associates and joint ventures | 48 | – | 48 |
| Financial expense, net | (200) | – | (200) |
| Income before taxes | 1,934 | (179) | 2,113 |
| Income tax expense | (285) | 38 | (323) |
| Net income | 1,649 | (141) | 1,790 |
| Attributable to non-controlling interests | (5) | – | (5) |
| Net income attributable to Syngenta AG shareholders | 1,644 | (141) | 1,785 |
| Tax rate | 15 % | 22 % | 15 % |
| Number of shares – basic (millions) | 92 | | 92 |
| Number of shares – diluted (millions) | 92 | | 92 |
| Basic earnings per share | 17.88 | (1.53) | 19.41 |
| Diluted earnings per share | 17.78 | (1.52) | 19.30 |

| | Total | Restructuring and impairment | Before restructuring and impairment |
|--|--------|------------------------------------|--|
| 2012 (\$m, except percentage, share and per share amounts) | | | |
| Operating income | 2,256 | (265) | 2,521 |
| Income/(loss) from associates and joint ventures | 7 | – | 7 |
| Financial expense, net | (147) | – | (147) |
| Income before taxes | 2,116 | (265) | 2,381 |
| Income tax expense | (266) | 83 | (349) |
| Net income | 1,850 | (182) | 2,032 |
| Attributable to non-controlling interests | (3) | – | (3) |
| Net income attributable to Syngenta AG shareholders | 1,847 | (182) | 2,029 |
| Tax rate | 13 % | 31 % | 15 % |
| Number of shares – basic (millions) | 92 | | 92 |
| Number of shares – diluted (millions) | 92 | | 92 |
| Basic earnings per share | 20.16 | (1.98) | 22.14 |
| Diluted earnings per share | 20.05 | (1.98) | 22.03 |

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| 2011 (\$m, except percentage, share and per share amounts) | Total | Restructuring and impairment | Before restructuring and impairment |
|--|--------|------------------------------------|--|
| Operating income | 2,009 | (245) | 2,254 |
| Income/(loss) from associates and joint ventures | 15 | – | 15 |
| Financial expense, net | (165) | – | (165) |
| Income before taxes | 1,859 | (245) | 2,104 |
| Income tax expense | (289) | 55 | (344) |
| Net income | 1,570 | (190) | 1,760 |
| Attributable to non-controlling interests | (1) | – | (1) |
| Net income attributable to Syngenta AG shareholders | 1,569 | (190) | 1,759 |
| Tax rate | 16 % | 22 % | 16 % |
| Number of shares – basic (millions) | 92 | | 92 |
| Number of shares – diluted (millions) | 92 | | 92 |
| Basic earnings per share | 17.07 | (2.07) | 19.14 |
| Diluted earnings per share | 16.98 | (2.05) | 19.03 |

| 2010 (\$m, except percentage, share and per share amounts) | Total | Restructuring and impairment | Before restructuring and impairment |
|--|--------|------------------------------------|--|
| Operating income | 1,759 | (177) | 1,936 |
| Income/(loss) from associates and joint ventures | 25 | (1) | 26 |
| Financial expense, net | (141) | – | (141) |
| Income before taxes | 1,643 | (178) | 1,821 |
| Income tax expense | (265) | 42 | (307) |
| Net income | 1,378 | (136) | 1,514 |
| Attributable to non-controlling interests | (5) | – | (5) |
| Net income attributable to Syngenta AG shareholders | 1,373 | (136) | 1,509 |
| Tax rate | 16 % | 24 % | 17 % |
| Number of shares – basic (millions) | 93 | | 93 |
| Number of shares – diluted (millions) | 93 | | 93 |
| Basic earnings per share | 14.81 | (1.47) | 16.28 |
| Diluted earnings per share | 14.73 | (1.45) | 16.18 |

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| 2009 (\$m, except percentage, share and per share amounts) | Total | Restructuring and impairment | Before restructuring and impairment |
|--|--------|------------------------------------|--|
| Operating income | 1,800 | (147) | 1,947 |
| Income/(loss) from associates and joint ventures | (3) | (2) | (1) |
| Financial expense, net | (122) | – | (122) |
| Income before taxes | 1,675 | (149) | 1,824 |
| Income tax expense | (278) | 42 | (320) |
| Net income | 1,397 | (107) | 1,504 |
| Attributable to non-controlling interests | (3) | – | (3) |
| Net income attributable to Syngenta AG shareholders | 1,394 | (107) | 1,501 |
| Tax rate | 17 % | 28 % | 18 % |
| Number of shares – basic (millions) | 93 | | 93 |
| Number of shares – diluted (millions) | 94 | | 94 |
| Basic earnings per share | 14.96 | (1.15) | 16.11 |
| Diluted earnings per share | 14.86 | (1.14) | 16.00 |

Constant exchange rates

Syngenta compares results from one period to another period in this report using variances calculated at 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 the exchange rates for the current year. See Note 26 to the consolidated financial statements in Item 18 for information on average exchange rates in 2013 and 2012. For example, if a European entity reporting in Euro sold Euro 100 million of products in 2013 and 2012, Syngenta’s financial statements would report \$133 million of revenues in 2013 (using 0.75 as the rate, which was the average exchange rate in 2013) and \$128 million in revenues in 2012 (using 0.78 as the rate, which was the average exchange rate in 2012). The CER presentation would translate the 2013 results using the 2012 exchange rates and indicate that underlying revenues were flat. Syngenta presents this CER variance information in order to assess how its underlying business performed before taking into account currency exchange fluctuations. Syngenta also presents its actual reported results in order to provide the most directly comparable data under GAAP.

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ITEM 6 — DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Board of Directors

Members of the Board of Directors

The following chart provides an overview on the Syngenta Board of Directors and its committees:

At February 13, 2014

Qualifications, elections and terms of office

Syngenta is led by a strong and experienced Board of Directors (the Board). The Board includes representatives from eight nationalities, drawn from broad international business and scientific backgrounds. Its members bring diversity in expertise and perspective to the leadership of a complex, highly regulated, global business.

The activities performed by the non-executive Directors, apart from their duties as non-executive Directors of the Board, are not related to the Company.

Every member of the Board as well as the Chairman and the members of the Compensation Committee shall be elected or re-elected by the Annual General Meeting (AGM) individually and on a yearly basis. The Directors shall automatically retire after the lapse of the 12th year of office or, if earlier, on expiry of the 70th year of age. In each case, retirement becomes effective on the date of the next AGM following such event.

Role of the Board of Directors and the Board Committees

The Board exercises full and effective control of the Company. It holds ultimate responsibility for the strategy and for the supervision of executive management. In addition, the Board takes an active role in reviewing and enhancing Corporate Governance within Syngenta.

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Board of Directors

Responsibilities

- ultimate direction of the business of the Company and the giving of the necessary directives
- approval of the strategic direction and the strategic plans of the Company and of its divisions; approval of budgets and other financial targets and decisions on the financial means necessary to attain those targets
- determination of the essential features of the organization of the Company
- determination of the duties and responsibilities of the Chairman of the Board, the Chairman's & Governance Committee, the CEO and the Executive Committee
- approval of the organization of accounting, financial control, and financial planning
- approval of the quarterly reports and of the Annual Report for the Company as a whole and for the divisions
- appointment and removal of the persons entrusted with the management and representation of the Company
- approval of the principles of leadership and communication
- ultimate supervision of the persons entrusted with the management of the Company, specifically in view of their compliance with the law, the Articles of Incorporation, regulations and directives
- preparation of general meetings of shareholders and the carrying out of the resolutions adopted by such general meetings of shareholders
- approval of corporate policy, including financial, investment, personnel, and safety and environmental protection policies
- approval of acquisitions/divestments of companies, businesses, fixed assets, land, IT projects, product lines and licenses
- approval of the Company's entry into new spheres of activity and withdrawal from existing ones
- approval of the choice of new or the closing of existing sites of fundamental significance
- adoption of resolutions concerning the increase of share capital to the extent that such power is vested in the Board, as well as resolutions concerning the confirmation of capital increases and respective amendments to the Articles of Incorporation
- examination of the professional qualifications of the external auditor
- approval of the institution or defense of legal proceedings in cases of fundamental significance for the Company
- notification of the court if liabilities exceed assets

The Company Secretary acts as Secretary to the Board.

In order to meet the requirements of the Swiss Federal Council's Ordinance Against Excessive Compensation at Listed Companies, which came into force on January 1, 2014, the Board is with immediate effect also responsible for the preparation of the Company's Compensation Report. The relevant changes to the Articles of Incorporation will be submitted to the 2014 AGM for approval.

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The Board meets on a regular basis. The Chairman, after consultation with the Chief Executive Officer (CEO), determines the agenda for the Board meetings. Any member of the Board may request the convening of a meeting or the inclusion of items of business in the agenda. In 2013, apart from the Board meetings, Board members conducted discussions with Officers of the Company to review relevant matters at hand, visited operating locations of the Company and provided information to management as needed.

Some of the Board's responsibilities are delegated to the Chairman's & Governance Committee, the Audit Committee, the Compensation Committee, the Corporate Responsibility Committee or the Nomination Committee; the latter was constituted in July 2013. The Board Committees meet on a regular basis. Their members are provided with the materials necessary to fulfill their duties and responsibilities, and to submit full reports to the Board.

The Chairman shares responsibility for the strategic direction of Syngenta with the CEO. He ensures close liaison between the Board, its Committees and the CEO. In consultation with the CEO, the Chairman supervises the implementation of resolutions of the Board and of its Committees. The Chairman represents, jointly with the CEO, the interests of the Company as a whole towards authorities and business associations, both in Switzerland and internationally.

The Board has delegated the operational management of business operations to the Executive Committee.

Risk management

Risk management is of highest importance in Syngenta; responsibility for it is assumed by the Board and, within the scope of its duties, by every individual Board Committee.

A Risk Management Policy sets out global standards for Syngenta and guidelines on how risks are to be identified, classified and managed throughout the business.

At least annually, the businesses and functions review their risks and decide on how these have developed and how they need to be classified and treated going forward. Specialized functions such as Group Finance, Health Safety & Environment, Corporate Security, Legal & Compliance and many others support the business in managing risks in their respective areas.

Group Risk Management at Syngenta collects information on all identified risks from businesses and functions on a regular basis and completes the assessment process by making its own assessment and challenging the teams as appropriate. The outcome of this review is an accurate Syngenta Risk Profile which, in combination with the Risk Management organization, builds the Syngenta Risk Management Framework.

Group Risk Management reports Syngenta's Risk Profile to Syngenta's Global Compliance and Risk Management Committee (CRMC), which in turn reports to the Syngenta Executive Committee and the Board of Directors.

Information and control instruments of the Board of Directors

The Board recognizes the importance of being fully informed on material matters that impact Syngenta. It supervises management and monitors its performance through reporting and controlling processes and through the Board Committees. It ensures that it has sufficient information to make the appropriate decisions through the following

means:

- All members of the Executive Committee are regularly invited to attend Board meetings to report on their areas of responsibility, including key data for the core businesses, financial information, existing and potential risks, and updates on developments in important markets. Other members of management attend Board meetings as deemed necessary by the Board.
 - At each Board meeting, the CEO reports on the meetings of the Executive Committee. The Chairman receives the minutes of the Executive Committee meetings; on request, the minutes are available to all members of the Board.
 - Board Committees regularly meet as appropriate with members of management, external advisors and the external auditor.
- Important information is regularly sent to the Board.

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Internal Audit

Internal Audit, as an inspecting and monitoring body, carries out control, operational and system audits. All organizational subsidiaries are within the scope of Internal Audit. Audit plans are reviewed and approved by the Audit Committee, and any suspected irregularities are reported without delay. Internal Audit shares reports with the external auditor.

In connection with the operation of controls, including controls over financial reporting, a self-certification “Letter of Assurance” process is in place. The letters of assurance are reported up through the organization. The returned letters are analyzed, evaluated and any arising issues and deficiencies are reported to the Head of Internal Audit and the Audit Committee. Internal Audit reports on issues arising from internal audits to the Audit Committee. The Audit Committee reports to the Board.

External auditor

The external auditor is accountable to the Audit Committee, the Board and ultimately to the shareholders. At the completion of the audit, the external auditor presents and discusses the audit reports on the financial statements and internal controls with the Audit Committee, highlighting the significant accounting and auditing matters addressed during the course of the audit. The external auditor regularly participates in the Audit Committee meetings, and at least once a year the lead partners take part in a meeting with the Board.

Board of Directors oversight over external audit

The Audit Committee, on behalf of the Board, is responsible for monitoring the performance of the external auditor and verifying its independence. In addition, the Audit Committee monitors the implementation of findings of the external auditor by management. The Audit Committee meets regularly with the external auditor. In addition, it prepares proposals for the appointment or removal of the external auditor for submission to the Board, which then nominates the external auditor for election by the Annual General Meeting. As an additional duty, according to the US Sarbanes-Oxley Act of 2002, the Audit Committee pre-approves all audit and non-audit services rendered by the external auditor. It reports to the Board about its discussions with the external auditor.

Board of Directors

| Members | Meetings attended ¹ |
|---------------------------------|--------------------------------|
| Michel Demaré, Chairman | 5 |
| Jürg Witmer, Vice Chairman | 5 |
| Michael Mack, CEO | 5 |
| Vinita Bali | 5 |
| Stefan Borgas | 5 |
| Gunnar Brock | 4 |
| Eleni Gabre-Madhin ² | 4 |
| David Lawrence | 5 |
| Eveline Saupper ² | 4 |
| Jacques Vincent | 5 |

1 Five meetings held in 2013; average duration of the meetings: 6.5 hours
2 Appointed to the Board at the 2013 AGM

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Chairman's & Governance Committee

Responsibilities

- prepares the meetings of the Board of Directors
- makes decisions on behalf of the Board in urgent cases
- deals with all business for the attention of the Board, and comments on matters falling within the Board's authority before the latter makes any decisions on them
- upon request of the CEO, approves on its own authority appointments to selected senior positions
- approves acquisitions/divestments of companies, businesses, fixed assets, land, IT projects, product lines and licenses within the financial limits established by the Board

The Chairman's & Governance Committee consists of three members: the Chairman, the Vice Chairman and the CEO; the Company Secretary acts as Secretary to the Committee.

| Members | Meetings attended ¹ |
|-------------------------|--|
| Michel Demaré, Chairman | 6 |
| Jürg Witmer | 6 |
| Michael Mack | 6 |
| 1 | Six meetings held in 2013; average duration of the meetings: 2.5 hours |

Audit Committee

Responsibilities

- monitors the performance of external and internal auditors as well as the independence of the external auditor
- monitors the implementation of findings of external and internal auditors by management
- assesses the quality of the financial reporting and prepares Board decisions in this area
- reviews critical accounting policies, financial control mechanisms and compliance with corresponding laws and regulations

The Audit Committee consists of at least three independent, non-executive Directors¹; a member of the Corporate Legal Department acts as Secretary to the Committee.

| Members | Meetings attended ² |
|-------------------------------------|--------------------------------|
| Gunnar Brock, Chairman ³ | 4 |
| Stefan Borgas | 5 |
| David Lawrence ⁴ | 4 |

1 The external auditor attended all meetings in 2013. The CFO is generally invited to the meetings of the Audit Committee.

| | |
|---|---|
| 2 | Five meetings held in 2013; average duration of the meetings: 2 hours |
| 3 | Chairman of the Audit Committee since the 2013 AGM |
| 4 | Member of the Audit Committee since the 2013 AGM |

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Compensation Committee

Responsibilities

- reviews and sets the compensation of the members of the Executive Committee
- makes recommendations to the Board on the compensation of the Chairman, the CEO and the members of the Board
- approves the structure of the compensation plans for senior management based on the CEO's recommendations
- defines the rules of the Long-Term Incentive Plan (LTI) and the Deferred Share Plan (DSP)

The Compensation Committee consists of at least three non-executive Directors¹; the Head Human Resources acts as Secretary to the Committee.

| Members | Meetings attended ² |
|------------------------------------|--------------------------------|
| Jürg Witmer, Chairman ³ | 2 |
| Eveline Saupper ⁴ | 2 |
| Jacques Vincent | 3 |

¹ The Chairman and the CEO attend the Compensation Committee meetings as permanent guests, except when their own compensation or other subjects with reference to their own situation are discussed.

² Three meetings held in 2013; average duration of the meetings: 1.7 hours

³ Chairman of the Compensation Committee since the 2013 AGM

⁴ Member of the Compensation Committee since the 2013 AGM

Corporate Responsibility Committee

Responsibilities

- acts as custodian of the Board in all Corporate Responsibility matters
- reviews Corporate Responsibility related actions proposed by the Executive Committee
- monitors the effectiveness of the implementation of Corporate Responsibility related internal policies

The Corporate Responsibility Committee consists of at least three non-executive Directors and the CEO; the Company Secretary acts as Secretary to the Committee.

| Members | Meetings attended ¹ |
|-------------------------|--------------------------------|
| Michel Demaré, Chairman | 2 |
| Vinita Bali | 2 |
| Eleni Gabre-Madhin | 2 |
| Michael Mack | 2 |

¹ Two meetings held in 2013; average duration of the meetings: 2.3 hours

Nomination Committee

Responsibilities

- manages the process of identification and selection of the members of the Board
- manages the process of identification and selection of the CEO

- reviews at least once per year the independence of the Board
- prepares and manages the annual process of self-assessment of the Board regarding its own performance and effectiveness

The Nomination Committee consists of the Chairman, the Vice Chairman and a non-executive Director.

| Members | Meetings attended ¹ |
|-------------------------|--------------------------------|
| Michel Demaré, Chairman | 1 |
| Jürg Witmer | 1 |
| Gunnar Brock | 1 |

¹ The Nomination Committee was constituted in July 2013. One meeting held in 2013; duration of the meeting: 1.5 hours

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Board of Directors
At February 13, 2014

Michel Demaré
Born: August 31, 1956 Nationality: Belgian
Initial appointment: 2012

Functions in Syngenta

Chairman of the Board, non-executive Director

Chairman of the Chairman's & Governance Committee, the Corporate Responsibility Committee and the Nomination Committee

He is also Chairman of the Syngenta Foundation for Sustainable Agriculture.

Professional background

Michel Demaré was Chief Financial Officer and Executive Vice President of ABB from 2005 to February 2013, serving in addition, between late 2008 and March 2011, as the company's President of Global Markets. Between February and September 2008, he was ABB's acting Chief Executive Officer. Previously he had been Chief Financial Officer Europe for Baxter International Inc. He joined Baxter in 2002 after 18 years at the Dow Chemical Company, where he held various treasury and business Chief Financial Officer positions in Europe (including Switzerland) and the USA. He is Vice Chairman of the Board of UBS, Chairman of SwissHoldings and a member of the IMD Business School Supervisory Board in Lausanne.

Michel Demaré holds an MBA from the Katholieke Universiteit at Leuven.

Jürg Witmer
Born: June 22, 1948 Nationality: Swiss
Initial appointment: 2006

Functions in Syngenta

Vice Chairman, non-executive Director

Chairman of the Compensation Committee, member of the Chairman's & Governance Committee and the Nomination Committee

Professional background

Jürg Witmer is currently Chairman of the Givaudan Group and a Director of The Zuellig Group Hong Kong, The Gold Coin Group Singapore and A. Menarini IFR Florence (Italy). In 1978, he joined Hoffmann-La Roche in Basel and subsequently held a number of positions including Legal Counsel, Assistant to the CEO, General Manager and China Project Manager of Roche Far East based in Hong Kong, Head of Corporate Communications and Public Affairs at Roche headquarters in Basel, Switzerland, and General Manager of Roche Austria. From 1999 to 2005, he acted as Chief Executive Officer of the Givaudan Group in Vernier/Geneva and since then as Chairman of the Board. From 2008 to 2012, he was also Chairman of Clariant AG, Basel.

Jürg Witmer has a doctorate in Law from the University of Zurich, as well as a degree in International Studies from the Graduate Institute of the University of Geneva.

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Michael Mack

Born: April 19, 1960 Nationality: American

Initial appointment: 2008

Functions in Syngenta

Chief Executive Officer (CEO), executive Director

Member of the Chairman's & Governance Committee and the Corporate Responsibility Committee

Professional background

Michael Mack was Chief Operating Officer of Seeds (2004–2007) and Head of Crop Protection, NAFTA Region (2002–2004) for Syngenta. Prior to this, he was President of the Global Paper Division of Imerys SA, a French mining and pigments concern, from the time of its merger in 1999 with English China Clays Ltd., where he was Executive Vice President, Americas and Pacific Region, in addition to being an Executive Director of the Board. From 1987 to 1996, he held various roles with Mead Corporation. Michael Mack was Chairman and President of the Board of the Swiss-American Chamber of Commerce from 2009 to 2012, and is currently a member of the Board.

Michael Mack has a degree in Economics from Kalamazoo College in Michigan, studied at the University of Strasbourg, and has an MBA from Harvard University.

Vinita Bali

Born: November 11, 1955 Nationality: Indian

Initial appointment: 2012

Functions in Syngenta

Non-executive Director

Member of the Corporate Responsibility Committee

Professional background

Vinita Bali has been Managing Director and Chief Executive Officer of Britannia Industries, India's public listed premier food company, since 2005. She also serves as a non-executive Director on the boards of Titan Industries, Piramal Glass, several Companies of The Wadia Group and GAIN (Global Alliance for Improved Nutrition).

She started her career in India with the Tata Group, and then joined Cadbury India, subsequently working for Cadbury in the UK, Nigeria and South Africa. From 1994 onwards, she held a number of senior positions in marketing and general management at The Coca-Cola Company in the USA and Latin America, becoming Head of Corporate Strategy in 2001, and then joined the Zyman Group as Head of its Business Strategy practice in the USA in 2003.

Vinita Bali holds an MBA from The Jamnalal Bajaj Institute of Management Studies, University of Bombay and a Bachelor degree in Economics from the University of Delhi.

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Stefan Borgas

Born: September 11, 1964 Nationality: German

Initial appointment: 2009

Functions in Syngenta

Non-executive Director

Member of the Audit Committee

Professional background

Stefan Borgas has been President and Chief Executive Officer of Israel's ICL Group since September 2012. Prior to this he was CEO of Lonza Group from June 2004 to January 2012 after having spent 14 years with BASF Group where he held various leadership positions in Fine Chemicals and Engineering Plastics in the USA, Germany, Ireland and China. Stefan Borgas is also a member of the Board of the Swiss Management Gesellschaft (SMG).

Stefan Borgas holds a degree in Business Administration from the University of Saarbrücken and an MBA from the University of St. Gallen.

Gunnar Brock

Born: April 12, 1950 Nationality: Swedish

Initial appointment: 2012

Functions in Syngenta

Non-executive Director

Chairman of the Audit Committee and member of the Nomination Committee

Professional background

Gunnar Brock is Chairman of Stora Enso, Mölnlycke Health Care and Rolling Optics and a member of the Board of Investor AB, Total SA and Stena AB. He worked for the Tetra Pak Group for many years, with spells in Asia, Australia and Europe, returning – after a period as President and Chief Executive Officer of Alfa Laval – to become President and Chief Executive Officer of the Tetra Pak Group, headquartered in Switzerland. From 2002 to 2009 he served as President and Chief Executive Officer of the Atlas Copco Group.

Gunnar Brock holds an MBA from the Stockholm School of Economics.

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Eleni Gabre-Madhin

Born: July 12, 1964 Nationality: Swiss

Initial appointment: 2013

Functions in Syngenta

Non-executive Director

Member of the Corporate Responsibility Committee

Professional background

Eleni Gabre-Madhin is the co-founder and CEO of eleni LLC, which supports the formation of commodity exchanges across Africa, helping to promote food security. She also founded and was CEO of the Ethiopia Commodity Exchange. Previously, she was a Senior Program Leader for Strategy issues at the International Food Policy Research Institute in Addis Ababa and worked for several institutions, such as the World Bank in Washington (2003 – 2004).

Eleni Gabre-Madhin holds a BA in Economics from Cornell University, a Master of Science in Agricultural Economics from Michigan State University and a PhD in Applied Economics (Food Research Institute) from Stanford University. She received the Outstanding Dissertation Award from the American Agricultural Economics Association for her research on grain markets in Ethiopia.

David Lawrence

Born: March 9, 1949 Nationality: British

Initial appointment: 2009

Functions in Syngenta

Non-executive Director

Member of the Audit Committee

He is also Chairman of the Science and Technology Advisory Board.

Professional background

David Lawrence was Head Research & Development at Syngenta from September 1, 2002 until the end of September, 2008. Prior to this role, David Lawrence was Head Research & Technology Projects (2000–2002) for Syngenta. Prior to this, he was Head International R&D Projects for Zeneca Agrochemicals, having previously held several senior scientific roles. He was a member of the UK Foresight Lead Expert Group on Food and Farming. Currently he is a member of the BBSRC Council, the UK Industrial Biotechnology Leadership Team and the UK Agri-tech Strategy Leadership Council. He is also a Board member for Rothamsted Research, Chairman of the UK Biosciences Knowledge Transfer Network Board, and a member of the World Economic Forum Biotechnology Council.

David Lawrence graduated in Chemistry from Oxford University with an MA and DPhil in Chemical Pharmacology.

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Eveline Saupper

Born: October 1, 1958 Nationality: Swiss

Initial appointment: 2013

Functions in Syngenta

Non-executive Director

Member of the Compensation Committee

Professional background

Eveline Saupper is a partner and member of the Board of Directors of the commercial law firm Homburger AG in Zurich. She is also a member of the Board of Directors of Bâloise Holding AG, Hostettler, Kramarsch & Partner Holding AG and Stäubli Holding AG. Before joining Homburger in 1985, she worked as a tax specialist with Peat Marwick Mitchell (today KPMG) in Zurich (1983–1985).

Eveline Saupper holds a degree and PhD in Law from the University of St. Gallen. She is admitted to the Bar of Zurich and is a certified tax expert.

Jacques Vincent

Born: April 9, 1946 Nationality: French

Initial appointment: 2005

Functions in Syngenta

Non-executive Director

Member of the Compensation Committee

Professional background

Jacques Vincent was Vice Chairman and Chief Operating Officer of the Danone Group, Paris, from 1998 until 2008. In 2013, he has been sitting on the Board of Directors of Danone and Mediaperformance. He began his career with Danone in 1970 and has since held various financial and overall management positions within this Group.

Jacques Vincent is a graduate engineer of the Ecole Centrale, Paris. He holds a Bachelor in Economics from Paris University and a Master of Science from Stanford University.

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Executive Committee

Under the direction of the Chief Executive Officer (CEO), the Executive Committee is responsible for the operational management of the Company. It consists of the CEO, the Chief Operating Officer (COO) EAME & Latin America, the Chief Operating Officer (COO) APAC & North America, the Chief Financial Officer (CFO), the Head Research & Development, the Head Global Operations, the Head Business Development, the Head Legal & Taxes, the Head Human Resources and the Head Corporate Affairs.

The CEO is nominated by the Board and shares responsibility for the strategic direction of Syngenta with the Chairman. The CEO is ultimately responsible for the active leadership and operational management of Syngenta and chairs the Executive Committee, representing the latter both inside and outside the Company. Members of the Executive Committee are directly responsible to the CEO. The CEO in turn ensures the Executive Committee's efficiency and effectiveness for the Chairman, the Chairman's & Governance Committee and the Board. The CEO represents, jointly with the Chairman, the interests of the Company as a whole to authorities and business associations, both in Switzerland and internationally.

Changes announced

Robert Berendes, Head Business Development, will be leaving the Company on March 31, 2014.

Executive Committee

Responsibilities

- formulates the fundamentals of corporate policy
- draws up and approves the Group strategy and strategic plans for the submission to the Board of Directors or the Chairman's & Governance Committee
- implements the strategies and the periodic assessment of the attainment of goals
- draws up, approves and implements one-year plans for the Company and the Divisions for the attention of the Chairman's & Governance Committee
- submits quarterly and yearly reports for the attention of the Board or its Committees
- makes personnel appointments and modifications to the organization within its own area of authority
- promotes a modern and active leadership style
- ensures provision and optimal utilization of resources (finances, management capacity)
- promotes an active communications policy both within and outside the Company
- examines and approves significant agreements with third parties and business activities involving extraordinary high risks
- establishes guidelines for planning, organization, finance, reporting, information technology, etc.

Members

Michael Mack, CEO

John Atkin

Robert Berendes I

Caroline Luscombe

Christoph Mäder

Patricia Malarkey²

Mark Peacock

Davor Pisk

John Ramsay

Jonathan Seabrook

1 Ad interim Head Research & Development in 2013 apart from his responsibility as Head Business Development

2 Head Research & Development since January 1, 2014

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Members of the Executive Committee
At February 13, 2014

Michael Mack
Born: April 19, 1960 Nationality: American Appointment: 2008

Functions in Syngenta
Chief Executive Officer (CEO), executive Director
Member of the Chairman's & Governance Committee and the Corporate Responsibility Committee

Professional background
Michael Mack was Chief Operating Officer of Seeds (2004–2007) and Head of Crop Protection, NAFTA Region (2002–2004) for Syngenta. Prior to this, he was President of the Global Paper Division of Imerys SA, a French mining and pigments concern, from the time of its merger in 1999 with English China Clays Ltd., where he was Executive Vice President, Americas and Pacific Region, in addition to being an Executive Director of the Board. From 1987 to 1996, he held various roles with Mead Corporation. Michael Mack was Chairman and President of the Board of the Swiss-American Chamber of Commerce from 2009 to 2012, and is currently a member of the Board.

Michael Mack has a degree in Economics from Kalamazoo College in Michigan, studied at the University of Strasbourg, and has an MBA from Harvard University.

John Atkin
Born: September 1, 1953 Nationality: British Appointment: 2000

Function in Syngenta
Chief Operating Officer

Professional background
Prior to his current role as Chief Operating Officer Syngenta, John Atkin was Chief Operating Officer for Syngenta Crop Protection, from the foundation of the Company in 2000 until February 2011. Before that, he was Chief Executive Officer (1999–2000), Chief Operating Officer (1999), Head of Product Portfolio Management (1998), and Head of Insecticides and Patron for Asia (1997–1998) of Novartis Crop Protection. Prior to 1998, he was General Manager of Sandoz Agro France (1995–1997) and Head of Sandoz Agro Northern Europe (1993–1995). In 2008, he was appointed Visiting Professor at the Institute for Research on Environment and Sustainability (IRES) at the University of Newcastle upon Tyne. He was appointed as a non-executive Director of Driscoll's in 2011.

He graduated from the University of Newcastle upon Tyne with a PhD and a BSc degree in Agricultural Zoology.

Robert Berendes
Born: February 14, 1965 Nationality: German Appointment: 2007

Function in Syngenta
Head Business Development

In addition to his responsibilities, Robert Berendes was ad interim Head Research & Development from October 2012 through December 2013. Robert Berendes will be leaving the Company on March 31, 2014.

Professional background

Robert Berendes was Head of Diverse Field Crops (2005–2006) and Head of Strategy, Planning and M&A (2002–2005) for Syngenta. Prior to this, he was a partner and co-leader of the European chemical practice at McKinsey & Company.

He graduated from the University of Cologne with a diploma in chemistry and has a PhD in biophysics from the Max-Planck-Institute for Biochemistry/Technical University of Munich.

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Caroline Luscombe

Born: February 28, 1960 Nationality: British Appointment: 2012

Function in Syngenta

Head Human Resources

Professional background

Caroline Luscombe joined Syngenta as Global Head of Human Resources in January 2010. Prior to this, she held several senior HR roles in the GE group, namely Head HR for GE Capital Global Banking (2009), HR Leader for GE Money and GE Money EMEA (2006–2008), HR Leader for GE Healthcare Bio-Sciences (2004–2006) and, before its acquisition by GE, Executive Vice President HR for Medical Diagnostics, Amersham plc (2001–2004). From 1997 to 2001, she worked in the chemical sector for Laporte plc and was promoted to Head of HR in 2000. She also held senior HR roles in Rhone-Poulenc Rorer (formerly Fisons plc, 1995–1996) and Tiphook plc (1989–1995). She started her career in finance at Arthur Young McClelland Moore and was UK controller and Compensation and Benefits manager for the strategy consultants Bain & Company (1983–1989).

She holds a Bachelor degree in German from University College, London.

Christoph Mäder

Born: July 21, 1959 Nationality: Swiss Appointment: 2000

Functions in Syngenta

Head Legal & Taxes and Company Secretary

Professional background

Christoph Mäder was Head of Legal & Public Affairs for Novartis Crop Protection (1999–2000) and Senior Corporate Counsel for Novartis International AG (1992–1998). He is Chairman of scienceindustries, the association of Swiss chemical, pharmaceutical and biotech industries. He is also a Vice Chairman of economiesuisse, the main umbrella organization representing Swiss economy, and a member of the Executive Board of the Business and Industry Advisory Committee (BIAC) to the Organization for Economic Co-operation and Development (OECD).

He graduated from Basel University Law School, and is admitted to the Bar in Switzerland

Patricia Malarkey

Born: November 23, 1965 Nationality: British/American Appointment: 2014

Function in Syngenta

Head Research & Development

Professional background

Prior to her current role as Head Research & Development, Patricia Malarkey was Head Research & Development for Lawn & Garden at Syngenta (2012–2013). Before that, she held a number of senior scientific positions in Crop Protection, Seeds and Biotechnology at Syngenta in Europe and the United States.

She graduated from the University of Glasgow in Agricultural Chemistry and holds a Master degree in Toxicology from the University of Surrey.

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Mark Peacock

Born: February 2, 1961 Nationality: British Appointment: 2007

Function in Syngenta

Head Global Operations

Professional background

Mark Peacock was previously Head of Global Supply (2003–2006) and Regional Supply Manager for Asia Pacific (2000–2003) for Syngenta. Prior to this he was a Product Manager in Zeneca Agrochemicals and General Manager of the Electrophotography Business in Zeneca Specialties.

He has a degree in Chemical Engineering from Imperial College, London, and a Master in International Management from McGill University in Montreal.

Davor Pisk

Born: March 16, 1958 Nationality: British Appointment: 2008

Function in Syngenta

Chief Operating Officer

Professional background

Prior to his current role as Chief Operating Officer Syngenta, Davor Pisk was Chief Operating Officer for Syngenta Seeds from 2008 to February 2011. Prior to that, he was Region Head Crop Protection Asia Pacific (2003–2007) for Syngenta and Region Head Asia for Zeneca Agrochemicals (1998–2001). Prior to 1998, he was head of Herbicides for Zeneca (1993–1997) and General Manager of ICI Czechoslovakia (1991–1993).

He has a BA in Economics and Politics from Exeter University and an MA in Political Science from the University of California, USA.

John Ramsay

Born: October 3, 1957 Nationality: British Appointment: 2007

Function in Syngenta

Chief Financial Officer

Professional background

John Ramsay was Group Financial Controller (2000–2007) for Syngenta. Prior to that, he was Zeneca Agrochemicals Finance Head Asia Pacific (1994–1999), Financial Controller ICI Malaysia (1990–1993), and ICI Plant Protection Regional Controller Latin America (1987–1990). Before joining ICI in 1984, he worked in Audit and Tax at KPMG.

He is a Chartered Accountant and also holds an honors degree in Accounting.

Jonathan Seabrook

Born: December 24, 1969 Nationality: British Appointment: 2013

Function in Syngenta
Head Corporate Affairs

Professional background

Prior to his current role, Jonathan Seabrook was Head Investor Relations Syngenta (2003-2007). Before joining the Company, he held a number of positions in the pharmaceutical and financial services industries, including at Glaxo, SmithKline Beecham, N.M. Rothschild & Sons and Bank of America, in both the UK and the USA.

He graduated from Exeter University, UK, with a degree in Ancient History and is a member of the Chartered Financial Analyst Society.

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Management contracts

Syngenta has not entered into management contracts with any third party.

Service contracts / Change of control

The employment agreements of members of the Executive Committee, including the CEO, and the agreements of the members of the Board of Directors, including the Chairman, do not have any change of control clauses. Neither the Executive Committee nor the Board of Directors agreements contain any provisions for termination payments (“golden parachute” or “handshake” or similar arrangements) with regard to severance or other termination events. In case the Chairman is removed from office by the general meeting of shareholders prior to the expiry of his term of office, he is entitled to a payment of one fourth of his annual fee.

Relationships and arrangements involving Directors or members of the Executive Committee

None of the above Directors or members of the Executive Committee has any family relationship with any other Director or member of the Executive Committee. There were no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the above Directors or of the Executive Committee members was selected as a Director or as member of the Executive Committee.

Employees of Syngenta

Year 2013

Syngenta had approximately 29,000 permanent employees as of December 31, 2013. Approximately 16 percent of these were in North America, 18 percent in Latin America, 21 percent in Asia Pacific and the remaining 45 percent in Europe, Africa and Middle East.

The functional distribution of Syngenta employees for the year ended December 31, 2013 was approximately as follows:

| | |
|-------------------------------------|-----|
| Production | 39% |
| Research and development | 19% |
| Marketing and distribution | 29% |
| Administration and general overhead | 13% |

The number of temporary employees varies greatly during the year due to the seasonal nature of the business. During 2013, the highest level of temporary employees was approximately 5,400.

In several countries, part of the workforce is unionized or represented by works councils. Syngenta’s relationships with its unions and other employee organizations are generally good and there have been no significant industrial disputes over the past five years at any of Syngenta’s major business locations.

Year 2012

Syngenta had approximately 27,400 permanent employees as of December 31, 2012. Approximately 17 percent of these were in North America, 19 percent in Latin America, 19 percent in Asia Pacific and the remaining 45 percent in

Europe, Africa and Middle East.

The functional distribution of Syngenta employees for the year ended December 31, 2012 was approximately as follows:

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| | |
|-------------------------------------|-----|
| Production | 40% |
| Research and development | 19% |
| Marketing and distribution | 28% |
| Administration and general overhead | 13% |

During 2012, the highest level of temporary employees was approximately 4,700.

Year 2011

Syngenta had approximately 26,300 permanent employees as of December 31, 2011. Approximately 18 percent of these were in North America, 18 percent in Latin America, 18 percent in Asia Pacific and the remaining 46 percent in Europe, Africa and Middle East.

The functional distribution of Syngenta employees for the year ended December 31, 2011 was approximately as follows:

| | |
|-------------------------------------|-----|
| Production | 41% |
| Research and development | 18% |
| Marketing and distribution | 28% |
| Administration and general overhead | 13% |

During 2011, the highest level of temporary employees was approximately 3,400.

Share ownership

The aggregate amount of Syngenta shares and share options held by current Directors and the members of the Executive Committee as of December 31, 2013, based on information available to the Company is 0.35 percent of all outstanding shares, i.e. none of Syngenta's Directors or the Executive Committee members individually owns more than one percent of the Company's outstanding shares. For more information on Syngenta shares and share options owned by individual Directors and by individual members of the Executive Committee see "Compensation, shareholdings and loans".

For a description of arrangements involving Syngenta's employees in the capital of the Company, see Note 23, "Employee share participation plans", to the consolidated financial statements in Item 18.

Compensation Report

Compensation, shareholdings and loans

Syngenta refers to the following discussion and disclosures regarding compensation, shareholdings and loans as its "Compensation Report" (or "report"). References herein to the "2012 report" are referring to the Compensation Report included in the "Compensation, shareholdings and loans" section of Item 6 in Syngenta's annual report on Form 20-F for the year ended December 31, 2012, as filed on February 14, 2013.

Content and method of setting compensation and share-based awards

Members of the Syngenta Executive Committee and Board of Directors receive their cash compensation in Swiss francs. The US dollar compensation amounts presented below have been converted into US dollars using the average

currency exchange rate in effect during each year reported. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2012: 0.93). For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

Overview

The Compensation Report provides a comprehensive overview of Syngenta's compensation principles, elements, structure and governance. In accordance with Appendix 1 of the Swiss Code of Best Practice for Corporate Governance and in line with Swiss law and the relevant reporting standards, it includes detailed information on the compensation of the Board of Directors and the Executive Committee for 2013. The compensation system will be submitted to an advisory vote of the shareholders at the general meeting of shareholders.

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Compensation system

Compensation principles

Syngenta's compensation principles provide a transparent, performance-oriented and market-competitive compensation framework for all employees, including senior executives. In particular, the compensation policy and system are designed to:

- attract and retain highly qualified, successful employees to deliver the strategic plans and objectives of the Company
- encourage and reward personal contribution and individual performance in accordance with the Company's values
- align reward with sustainable performance and recognize superior results
- align the interests of employees, shareholders and other stakeholders.

All employees, including senior executives, are subject to a formal annual performance management process. This process aims to align individual, team and organizational objectives, stretch performance, and support individual development.

The Syngenta compensation system links compensation to both individual performance and the financial success of the Company. This link is one of the key elements by which Syngenta differentiates and recognizes individual performance and leadership. Annual performance ratings of individuals influence both the annual base salary and variable compensation. Changes to annual base salary are also influenced by individual performance over time within the context of Company affordability, external market movements and the economic environment.

The Company seeks to position itself around the relevant market median for base salary and benefits. Variable compensation, both short- and long-term, is designed to ensure high performers may achieve around upper quartile actual total compensation.

Compensation of employees and managers

The compensation of all employees is reviewed on a regular basis and is determined by reference to total compensation levels for comparable jobs in relevant benchmark companies. For example, an individual who achieves his or her performance objectives is generally awarded compensation comparable to the median level of compensation provided by benchmark companies. Each country regularly conducts market reviews and participates in salary surveys such as those conducted by Hay Group, Hewitt, Mercer and Towers Watson plus any appropriate local surveys.

Compensation of Board of Directors and the Executive Committee

The Compensation Committee annually reviews the compensation and, periodically, pension, insurance and other benefits of the members of the Executive Committee. The benchmarks used are a set of relevant, comparable companies and markets that are selected to provide the best representation of the labor markets and industries in which Syngenta competes for top talent. In 2013, the peer groups were as follows:

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- Swiss Group: 14 comparable companies headquartered in Switzerland, which included 11 relevant SMI companies, two SMI Expanded companies and one SMIM company. Financial institutions and insurance companies were excluded.
- Pan-European Group: 26 companies selected from the FT Euro 500 list. These companies operate within the following industry sectors: 10 chemical, six consumer goods, two pharmaceutical, two aerospace, two other industrial and four other industry. All have significant R&D operations and represent a well balanced mix of comparable companies, encompassing in size a range from 40 to 250 percent of Syngenta. The measures of size used to select the peer companies are total revenues, earnings before interest, tax, depreciation and amortization (EBITDA), enterprise value, total assets, market capitalization and the number of employees.
- North America Group: 20 comparable companies (18 USA and two Canada). These are companies in the agribusiness, pharmaceutical, chemical and biotechnical industries. The same selection criteria as for the Pan-European Group apply.

The compensation of members of the Board of Directors of Syngenta is determined by reference to the Swiss peer group.

The Board of Directors and the Compensation Committee currently consult with an external provider on compensation policy matters, benchmarking of the Executive Committee and Board of Directors, and other relevant compensation-related market information. When necessary, other independent compensation advisors are consulted. In addition, support and expertise are provided by internal compensation experts, including the Head Human Resources and Global Head of Compensation and Benefits.

Taking into account the market data, the recommendation of the external advisor and the achievement of business and individual objectives, the Compensation Committee determines the appropriate compensation levels of the Executive Committee, in accordance with the rules of the relevant variable compensation plans.

In 2013 the Company commissioned an analysis of internal pay relativities to see how pay progresses through all work levels as job responsibilities increase. The analysis concluded that:

compensation is appropriately distributed throughout the organization

the compensation structures are internally consistent across all work levels

there is a strong linear correlation between job size and both base salary and variable compensation components.

In 2014 the Compensation Committee will undertake a review of the compensation structure of the Executive Committee, in particular the variable pay compensation targets, to ensure alignment with the external benchmarks.

Compensation elements

Syngenta's total compensation package includes:

fixed compensation – base salary

variable compensation – short-term incentive plans and, for selected leaders, long-term incentive plans

benefits (including all insured benefits and pension/retirement plans).

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Fixed compensation

Fixed compensation is represented as annual base salary paid in cash, typically on a monthly basis and set by reference to the:

size and scope of the job

external market value of the job

level or grade to which the job is assigned

skills, experience and performance of the employee.

To ensure market competitiveness, base salaries are subject to review every year by considering factors such as Company affordability, benchmark data, market movement, economic environment and individual performance.

In addition, certain employees may receive customary cash allowances for expenses and, if applicable, housing, relocation or transition assistance as part of an international transfer.

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Variable compensation

Variable compensation consists of short-term and, for selected leaders, long-term incentives. Variable compensation is determined by the level and scope of the individual's job, as well as the external market value of the respective job, the location, business performance and individual performance. It may be granted in cash, shares, restricted stock units and/or stock options. Equity-based compensation is subject to a three-year vesting period.

Details of the various short- and long-term incentive plans are provided in the following sections.

Table 1. Fixed and variable compensation

| Fixed compensation | Chairman of the Board | Members of the Board | Executive Committee | Senior Management | All employees | Description | Linkage to compensation principles |
|-------------------------------------|-----------------------|----------------------|---------------------|-------------------|---------------|---|--|
| Fixed pay | • | • | • | • | • | Cash – all employees Members of the Board may opt for cash and/or shares | Attract and retain high quality employees; reference to relevant markets and comparable companies |
| Variable compensation | | | | | | | |
| Short-Term Incentive (STI) | | | • | • | • | Cash – all employees | Performance-based compensation |
| Deferred Share Plan (DSP) | | | • | • | | For senior management and Executive Committee, deferred share awards or shares and matching shares ¹ | Equity-based compensation focusing on sustainable business performance and alignment to shareholders |
| Long-Term Incentive Plan (LTI) | | | • | • | | For senior management and Executive Committee, stock options and RSUs ² | Equity-based compensation focusing on sustainable business performance and alignment to shareholders |
| Sales Incentive Plan (SIP) | | | | • | • | Cash – sales employees only | Performance-based compensation |
| Employee Share Purchase Plan (ESPP) | | | • | • | • | Plan for all Switzerland-based Syngenta employees: share purchase up to CHF 5,000.– p.a. at | Identification with and commitment towards Company |

50 percent
discount
rate³

¹ In Switzerland, employees are offered a choice of share awards or shares under the DSP and in all other countries, share awards. For purposes of this report, both are referred to as “share awards”

² Restricted stock units

³ Employee Share Purchase Plans are also established in many other countries

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Short-Term Incentive (STI)

The STI is an annual discretionary award paid in cash for all eligible employees.

STI targets for managers and Executive Committee members

The target STI as a percentage of base salary is shown in the table below:

| | STI targets (as a percentage of base salary) |
|--------------------------------|--|
| Management ¹ | 25% |
| Senior Management ¹ | 30%–40% |
| Executive Committee | 50% |
| Chief Executive Officer | 80% |

¹ Higher target percentages apply to managers and senior managers in the USA

STI award for employees and managers below the Executive Committee

For employees and managers below the Executive Committee, the STI award weights equally Company financial results and individual performance. This variable compensation allows employees to participate in the Company's success while being rewarded for their individual performance. Personal objectives are set as part of the annual performance management program. Company financial targets are also set on an annual basis and may include measures such as Group Net Income, business value added, EBITDA, etc.

At the end of the incentive year both individual and Company financial performance are assessed, and actual achievement is compared with the targets set at the beginning of the year. The assessment of individual performance results in a performance rating which is used to determine an individual percentage award for STI purposes. The assessment of financial performance is formula-driven, i.e. actual achievement against target determines the STI percentage award.

Both the individual and financial percentage awards can range from zero to 200 percent of the STI target. The STI payout is limited to two times the target award.

STI award for Executive Committee members

For Executive Committee members, a greater emphasis is placed on the achievement of financial results. Financial performance measures account for 70 percent of the STI award while 30 percent is based on individual performance. In addition, the STI payout is contingent upon the annual Group Net Income (GNI) reaching a threshold of 85 percent of the target budget. The financial performance measures are earnings per share (EPS) and return on invested capital (ROIC) of the Group.

Deferred Share Plan (DSP)

The DSP is an additional long-term incentive for members of the Executive Committee and selected senior managers to further align their interest with shareholders by converting part of their STI into Syngenta share awards with a blocking period of three years and thus be fully exposed to the share value development over this period. In return, subject to continued employment with Syngenta at expiry of the blocking period, Syngenta matches at that time each deferred share award on a one-for-one basis with an additional share, thus doubling the total number of shares received by the employee. The DSP requires a mandatory percentage of the STI to be deferred. A participant may

voluntarily defer a further portion of the STI into share awards.

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| STI subject to deferral | Mandatory | Voluntary | Maximum |
|-------------------------|-----------|-----------|---------|
| Management | 0% | 20% | 20% |
| Senior Management | 10%–30% | 20%–40% | 50% |
| Executive Committee | 40% | 40% | 80% |
| Chief Executive Officer | 40% | 40% | 80% |

The Compensation Committee determines the value of a share award at the grant date by reference to the market price of the Syngenta share. The number of share awards is calculated based on the closing share price at grant date and the amount of STI deferred (mandatory plus any voluntary amount). The calculation is made by applying the following formula:

Number of share awards = (mandatory deferral percentage plus voluntary deferral percentage) times STI award divided by the closing share price at the grant date.

The matching of the share awards is subject to continued employment with Syngenta until after the expiration of the three-year deferral period. If retirement age is reached prior to expiration of the deferral period, the conversion of share awards and matching is accelerated.

Long-Term Incentive (LTI)

LTI is designed to reward leadership, innovation and performance by providing participants with equity-based incentives that link the potential amount of total compensation to Syngenta's market value (share price) and aligns participants' rewards more closely with the long-term interests of the Company's shareholders.

Participants are granted an LTI award as a percentage of their base salary, multiplied by their performance rating which is based on the achievement of individual long-term performance objectives supporting the Company's strategy and sustainable financial performance.

| | LTI targets (as a percentage of base salary) |
|--------------------------------|--|
| Management ¹ | 20% |
| Senior Management ¹ | 25%–40% |
| Executive Committee | 60% |
| Chief Executive Officer | 100% |

¹ Higher target percentages apply to managers and senior managers in the USA

Depending on the performance achieved against the relevant targets, the individual awards may be lower or higher than the target and can range from zero to 150 percent of the target incentive.

Participants receive 50 percent of their LTI in the form of stock options and 50 percent in Restricted Stock Units (RSUs). Both are subject to a three-year vesting period.

Granting equal allocations of stock options and RSUs balances the advantages and risks of these instruments. The awards allow participants to benefit from increases in the stock price over time; however, participants are equally exposed to decreases in the stock price.

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Stock options: Syngenta stock options represent the right to purchase Syngenta shares at a fixed price for a defined period of time. The number of options awarded is calculated by dividing the relevant portion of the LTI award by the option value at the grant date. The option value is determined using the Black-Scholes-Merton formula, a commonly accepted stock option pricing method. The exercise price of the options is set equal to the closing share price at the grant date. Stock options granted vest after three years of continued employment with Syngenta and are exercisable for a period of seven years from the vesting date.

RSUs: Syngenta RSUs represent the right to receive Syngenta shares at nil cost at the end of a three-year vesting period, subject to continued employment with Syngenta. The number of RSUs awarded is calculated by dividing the relevant portion of the LTI award by the closing share price at the grant date. At vesting, each RSU converts to a share of Syngenta stock.

For both stock options and RSUs, if retirement age is reached prior to expiration of the vesting period, vesting is accelerated.

Sales Incentive Plans

Sales Incentive Plans are designed for sales employees. They offer these employees the opportunity to be compensated for individual and team success, based on performance achieved against sales targets.

No member of the Executive Committee participates in a Sales Incentive Plan.

Employee Share Purchase Plan (ESPP)

The ESPP provides employees with the opportunity to become Syngenta shareholders through the purchase of Syngenta shares at a preferential price.

The Swiss ESPP allows participants to purchase up to CHF 5,000 (equivalent to \$5,376 using the average exchange rate for 2013 of 0.93 CHF per \$) worth of shares at 50 percent of the share price on the date of purchase. These shares are subject to a blocking period of three years. Regulations of the Swiss ESPP allow all employees in Switzerland, including members of the Executive Committee, to be eligible to participate in the Swiss ESPP.

Where reasonably possible, similar all-employee share purchase plans are in operation in other countries, taking into account local practices, tax and legal requirements.

Benefits

Benefits consist mainly of pension, insurance and healthcare plans designed to provide a reasonable level of security for all employees and their dependents in respect to retirement, health, disability and death in service. The level of benefits is subject to country-specific laws, regulations and market practice. Other benefits that may be paid according to local market practice include long-service awards and perquisites. Employees of all levels who are on an international assignment may also receive benefits in line with the Syngenta International Assignment Policy.

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Compensation structure

The compensation elements described in the Compensation Report refer primarily to Switzerland and to senior executives. Although many of the elements are operated consistently on a global basis, local market variations apply.

Correlation between fixed and variable compensation, and between cash and equity-based compensation for members of Executive Committee (including Chief Executive Officer)

The correlation between fixed and variable compensation is as follows:

Table 2. Fixed and variable compensation

| | Members of the Executive Committee | | Chief Executive Officer | |
|------------------------------------|---------------------------------------|----------------|----------------------------|----------------|
| | Target (%) | Maximum (%) | Target (%) | Maximum (%) |
| Fixed compensation | 100 | 100 | 100 | 100 |
| Variable compensation ¹ | 150 | 270 | 244 | 438 |
| Total | 250 | 370 | 344 | 538 |

¹ Percent of fixed compensation

Table 2 shows that variable compensation at both target and maximum level forms a higher proportion of total compensation than fixed compensation.

Total compensation is split between cash and equity-based components as follows:

Table 3. Cash and equity-based compensation

| | Members of the Executive Committee | | Chief Executive Officer | |
|---------------------------|---------------------------------------|----------------|-------------------------|------------|
| | Target (%) | Maximum (%) | Target (%) | Maximum(%) |
| Cash compensation | 44 | 32 | 34 | 25 |
| Equity-based compensation | 56 | 68 | 66 | 75 |
| Total | 100 | 100 | 100 | 100 |

100 percent in each Table 3 column corresponds to 250/370/344/538 percent in each respective Table 2 column

Table 3 shows that equity-based compensation at both target and maximum level is greater than cash compensation. Members of the Executive Committee are therefore highly exposed to share price movements, which reinforces a focus on the long-term success of Syngenta and aligns their interests with those of the Syngenta shareholders.

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Compensation governance

The Compensation Committee of the Board of Directors is the supervisory and governing body for the Syngenta compensation policy and practices for members of the Executive Committee and members of the Board of Directors. It has the responsibility to propose, determine and review compensation and benefits in accordance with the authorization levels set out below.

The Committee consists of three independent non-executive Directors. The Committee does not include any members with interlinked company mandates. The Chairman of the Board and the Chief Executive Officer (CEO) are invited to meetings of the Committee except when their own compensation is reviewed. The Vice Chairman does not attend any meetings when the Committee reviews and agrees proposals for the Board of Directors covering his compensation.

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Compensation-related decisions are governed as follows:

Table 4. Authorization levels

| Topic | Recommendation | Decision-making authority |
|---|------------------------|---------------------------|
| Compensation of the Chairman | Compensation Committee | Board of Directors |
| Compensation of non-executive Directors | Compensation Committee | Board of Directors |
| Compensation of the CEO | Compensation Committee | Board of Directors |
| Compensation of other members of the Executive Committee | CEO | Compensation Committee |
| STI and LTI awards for the CEO | Compensation Committee | Board of Directors |
| STI and LTI awards for other members of the Executive Committee | CEO | Compensation Committee |

The Compensation Committee reviews annually the compensation policies and systems applicable to members of the Executive Committee as well as non-executive Directors of the Company, and makes recommendations to the Board of Directors. The Compensation Committee also has responsibility for any decision in respect of pensions, insurance and other benefits for members of the Executive Committee (excluding the CEO, for which the Board of Directors has responsibility). Furthermore, it has the authority to make decisions with regard to any significant pension or insurance plans of the Company and any shareholding and compensation program that involves the use of equity.

The Chairman of the Compensation Committee submits the Committee's recommendations in respect of the annual compensation of the Chairman and all members of the Board, including the CEO, to the entire Board for approval. At the same time, he informs the entire Board of Directors of the process and outcome of the resolutions adopted by the Compensation Committee with regard to the compensation of the other members of the Executive Committee based on the CEO's recommendations. In the event of termination or recruitment of Executive Committee members during the year, the Chairman of the Compensation Committee informs the Board of Directors of resolutions adopted or requests approval of recommendations as applicable. On an ongoing basis, he informs the Board of Directors of any material business or resolutions adopted by the Compensation Committee.

The compensation of non-executive Directors and the Executive Committee for 2015 and thereafter will be subject to a binding vote at the general meeting of shareholders.

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Compensation of the Board of Directors and the Executive Committee

Compensation of non-executive Directors

Non-executive Directors receive an annual fee. This consists of a basic fee for services to the Board and an additional fee for individual assignments to committees of the Board. No variable compensation is paid to non-executive Directors.

Non-executive Directors have the option to receive part of their annual fee in the form of shares that are either freely tradable or blocked from trading for five years. This option exists in order to reinforce their focus on Syngenta's long-term, sustainable success and align their interests with those of shareholders. Shares are granted once a year with the grant value per share being the market price at the grant date.

Table 5. Annual fees for non-executive Directors

| Function | Annual fee ² |
|---|-------------------------|
| Base fees: | |
| Chairman of the Board | 1,881,720 |
| Vice-Chairman of the Board | 430,108 |
| Member of the Board | 231,183 |
| Additional fees 1: | |
| Member of the Chairman's & Governance Committee | 107,527 |
| Head of the Audit Committee | 118,280 |
| Member of the Audit Committee | 32,258 |
| Member of the Compensation Committee | 26,882 |
| Member of the Corporate Responsibility Committee | 21,505 |
| Member of the Nomination Committee | 21,505 |
| Chairman of the Science and Technology Advisory Board | 21,505 |

¹ No additional fees are payable to the Chairman and the Vice-Chairman

² All fee amounts are reported in US dollars and the fees cover the period from AGM to AGM. Members of the Syngenta Board of Directors receive their cash compensation in Swiss francs. The US dollar compensation amounts presented have been converted into US dollars using the average currency exchange rate in effect during 2013. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2011: 0.93). For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

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Compensation of the Chairman

The non-executive Chairman of the Board receives a predefined annual fee and no variable compensation. Two-thirds of the annual fee is paid in cash and one-third in restricted shares, which are blocked from trading for a period of three years. The number of restricted shares is determined by dividing the share portion of the annual fee by the market price at grant date of a Syngenta share. The fees in cash and restricted shares and the Company paid social security cost figures presented are the annual amounts paid prorated based on the number of days worked in 2013 (see Table 6a and Table 9 for details).

Compensation of the CEO

The CEO is a member of the Board of Directors and a member of the Executive Committee. His compensation is disclosed as part of 2013 compensation for members of the Executive Committee.

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2013 Compensation of the Board of Directors

The Board of Directors, at the recommendation of the Compensation Committee, took the decision not to increase the annual fees of the non-executive Directors in 2013. The Board of Directors established a Nominations Committee in 2013 and the annual fees of the relevant committee members were amended accordingly.

Eleni Gabre-Madhin and Eveline Saupper were elected to the Board of Directors at the AGM 2013. The fees in cash and restricted shares and the Company paid social security cost figures presented are the annual amounts paid prorated based on the number of days worked in 2013.

Table 6a. Compensation of non-executive Directors in 2013

| Non-executive Directors | Fee in cash | Fee in unrestricted shares | Fee in restricted shares | Number of restricted shares | Number of restricted shares | Total number of shares | Total Benefits in kind/cash ¹ | Total annual benefits earned | Company paid social security cost | Total annual cost |
|---------------------------------|-------------|----------------------------|--------------------------|-----------------------------|-----------------------------|------------------------|--|------------------------------|-----------------------------------|-------------------|
| Michel Demaré | 839,647 | - | 582,353 | - | 1,537 | 1,537 | - | 1,422,000 | - | 1,422,000 |
| Vinita Bali | 252,688 | - | - | - | - | - | - | 252,688 | 13,327 | 266,015 |
| Stefan Borgas | 52,688 | - | 210,792 | - | 537 | 537 | - | 263,480 | 11,122 | 274,602 |
| Gunnar Brock | 370,968 | - | - | - | - | - | - | 370,968 | 79,906 | 450,874 |
| Peggy Bruzelius ² | 107,232 | - | - | - | - | - | - | 107,232 | 23,098 | 130,330 |
| Eleni Gabre-Madhin ³ | 174,459 | - | - | - | - | - | - | 174,459 | - | 174,459 |
| David Lawrence ⁵ | 142,473 | 142,491 | - | 363 | - | 363 | - | 284,964 | 37,668 | 322,632 |
| Eveline Saupper ^{3, 4} | 7,101 | - | 171,280 | - | 436 | 436 | - | 178,381 | 7,157 | 185,538 |
| Martin Taylor ² | 648,142 | - | 68,704 | - | 162 | 162 | 186,571 | 903,417 | - | 903,417 |
| Peter Thompson ² | 80,846 | - | - | - | - | - | - | 80,846 | - | 80,846 |
| Jacques Vincent | 258,065 | - | - | - | - | - | - | 258,065 | - | 258,065 |
| Felix A. Weber ² | 98,984 | - | - | - | - | - | - | 98,984 | 1,656 | 100,640 |
| Jürg Witmer | 430,108 | - | - | - | - | - | - | 430,108 | 21,141 | 451,249 |
| Total | 3,463,401 | 142,491 | 1,033,129 | 363 | 2,672 | 3,035 | 186,571 | 4,825,592 | 195,075 | 5,020,667 |

¹ Housing, commuting and tax services, including refund of relevant tax (cash)

² Peggy Bruzelius, Martin Taylor, Peter Thompson and Felix Weber retired from the Board of Directors at the AGM 2013. The figures under Fee in cash are the non-executives' annual total compensation prorated based on the number of days worked in 2013.

³ Eleni Gabre-Madhin and Eveline Saupper were elected to the Board of Directors at the AGM 2013. The Fee in cash and Company paid social security cost figures presented are the annual amounts paid prorated based on the number of days worked in 2013.

⁴ Eveline Saupper elected to receive a portion of her annual compensation in restricted shares. The Number of restricted shares figure presented is the annual number of shares received prorated based on the number of days worked in 2013; the Fee in restricted shares figure presented is the monetary value of the prorated share amount.

⁵ The social security cost is not determined at the time of preparing this report.

All values are reported in US dollars. Members of the Syngenta Board of Directors receive their cash compensation in Swiss francs. The US dollar compensation amounts presented have been converted into US dollars using the average currency exchange rate in effect during 2013. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2012: 0.93). For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

Table 6b. Compensation of non-executive Directors in 2012

| Non-executive Directors | Fee in cash | Fee in unrestricted shares | Fee in restricted shares | Number of unrestricted shares | Number of restricted shares | Total number of shares | Total Benefits in kind/cash ¹ | Total annual fee/benefits earned | Company paid social security cost | Total annual cost |
|--------------------------------|-------------|----------------------------|--------------------------|-------------------------------|-----------------------------|------------------------|--|----------------------------------|-----------------------------------|-------------------|
| Martin Taylor | 1,446,176 | - | 274,254 | - | 791 | 791 | 235,194 | 1,955,624 | 220,174 | 2,175,798 |
| Vinita Bali ² | 173,767 | - | - | - | - | - | - | 173,767 | 11,087 | 184,854 |
| Stefan Borgas | 131,720 | - | 131,753 | - | 397 | 397 | - | 263,473 | 12,158 | 275,631 |
| Gunnar Brock ² | 181,160 | - | - | - | - | - | - | 181,160 | 40,235 | 221,395 |
| Peggy Bruzelius | 349,462 | - | - | - | - | - | - | 349,462 | 77,616 | 427,078 |
| Michel Demaré ^{2, 3} | 9,957 | - | 241,683 | - | 728 | 728 | - | 251,640 | 10,035 | 261,675 |
| Pierre Landolt ^{4, 5} | 78,952 | - | - | - | - | - | - | 78,952 | 5,151 | 84,103 |
| David Lawrence ⁶ | 137,097 | 137,395 | - | 414 | - | 414 | - | 274,492 | 36,230 | 310,722 |
| Peter Thompson | 131,720 | 131,753 | - | 397 | - | 397 | - | 263,473 | - | 263,473 |
| Jacques Vincent | 64,604 | 193,813 | - | 584 | - | 584 | - | 258,417 | - | 258,417 |
| Rolf Watter ⁴ | 105,853 | - | - | - | - | - | - | 105,853 | 6,022 | 111,875 |
| Felix A. Weber | 322,581 | - | - | - | - | - | - | 322,581 | 53,034 | 375,615 |
| Jürg Witmer | 403,226 | - | - | - | - | - | - | 403,226 | 21,141 | 424,367 |
| Total | 3,536,275 | 462,961 | 647,690 | 1,395 | 1,916 | 3,311 | 235,194 | 4,882,120 | 492,883 | 5,375,003 |

¹ Housing, commuting and tax services, including refund of relevant tax (cash)

² Vinita Bali, Gunnar Brock and Michel Demaré were elected to the Board of Directors at the AGM 2012. The Fee in cash and Company paid social security cost figures presented are the annual amounts paid prorated based on the number of days worked in 2012.

³ Michel Demaré elected to receive a portion of his annual compensation in restricted shares. The Number of restricted shares figure presented is the annual number of shares received prorated based on the number of days worked in 2012; the Fee in restricted shares figure presented is the monetary value of the prorated share amount.

⁴ Pierre Landolt and Rolf Watter retired from the Board of Directors at the AGM 2012. The figures under Fee in cash are the non-executives' annual total compensation prorated based on the number of days worked in 2012.

⁵ According to Pierre Landolt and the Sandoz Family Foundation, the Foundation is the economic beneficiary of the fee.

⁶ The social security cost is not determined at the time of preparing this report.

All values are reported in US dollars. Members of the Syngenta Board of Directors receive their cash compensation in Swiss francs. The US dollar compensation amounts presented have been converted into US dollars using the average currency exchange rate in effect during 2012. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2012 is 0.93. For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

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2013 Compensation of members of the Executive Committee

In 2013, the members of the Executive Committee, including the CEO, received salaries, incentives and other elements, including benefits in kind, in line with the compensation policy and as detailed in Table 7.

In 2013, only two Executive Committee members received an increase in base salary. In 2013, the CEO received the highest total compensation; his compensation is reported in Table 8.

Jonathan Seabrook, Head Corporate Affairs, joined the Executive Committee in October 2013. The figures for 2013 in Table 7 include his compensation for the full year. The figures for 2012 do not include his compensation.

Tables 7 and 8 show in the column “compensation 2012” the number of share awards, stock options and RSUs that were granted on February 22, 2013, for the year 2012 (excluding the shares purchased under the Employee Share Purchase Plan). The numbers of units granted were determined after the preparation of the 2012 report and are disclosed retroactively in this 2013 report. As a consequence, the actual values of the granted share awards, stock options and RSUs differ slightly from the values reported in 2012. This is because the number of share awards, stock options and RSUs at grant is rounded to the next whole numbers of units.

The link between 2013 performance and pay

The STI plan rewards short-term performance. For Executive Committee members, financial performance measures account for 70 percent of the STI award while 30 percent is based on individual performance. In addition, the STI payout is contingent upon the annual Group Net Income (GNI) reaching a threshold of 85 percent of the target budget.

The Group financial performance measures are earnings per share (EPS) and return on invested capital (ROIC). EPS performance is assessed in relation to internal targets based on expectations for each of the Group’s operating segments. Earnings per share in 2013 were below expectations largely owing to non-recurring costs in the seeds business. ROIC was also below the previous year’s level.

Individual STI performance related pay is based on a range of measures relating to progress in driving sustainable long-term growth in the business. In 2013, these included the further development and global implementation of crop-based strategies; the selection of investment opportunities; the progression of Syngenta’s R&D pipeline, with increasing emphasis on novel integrated solutions; and the strategic planning and stakeholder engagement necessary to secure the Company’s long term freedom to operate.

As the annual GNI did not meet the threshold of 85 percent of the target budget, no STI award for 2013 will be paid to the Executive Committee members. As a consequence, no DSP share awards will be granted to the Executive Committee members, significantly reducing their total compensation.

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Table 7. Compensation for members of the Executive Committee (a total of 10 people in 2013)

| Compensation elements | Number of units | | Values | |
|---------------------------------------|--------------------|--------|------------|------------|
| | 2013 | 2012 | 2013 | 2012 |
| Fixed compensation in cash | | | 8,202,871 | 8,040,929 |
| Allowances in cash | | | 181,008 | 248,060 |
| STI compensation in cash ² | | | 24,746 | 1,421,742 |
| Total compensation in cash | | | 8,408,625 | 9,710,731 |
| DSP deferred shares 3, 4, 5 | - | 7,079 | - | 2,979,270 |
| DSP matching shares 3, 4, 6 | - | 7,079 | - | 2,979,270 |
| LTI options 3, 4, 7 | - | 55,169 | 3,621,774 | 3,521,325 |
| LTI RSUs 3, 4, 8 | - | 8,370 | 3,621,774 | 3,522,600 |
| ESPP shares | 104 | 104 | 20,000 | 20,090 |
| Insurance, pension costs | | | 1,966,841 | 1,956,033 |
| Benefits in kind 9 | | | 316,069 | 270,263 |
| Total compensation | | | 17,955,083 | 24,959,582 |
| Company social security cost 10 | | | 637,859 | 1,218,512 |

Notes refer to 2013 unless other years are indicated

1 Jonathan Seabrook, Head Corporate Affairs, joined the Executive Committee in October 2013. The figures for 2013 in this table include his compensation for the full year and the figures for 2012 exclude his compensation. Alejandro Aruffo, Head Research & Development, died in January 2013. The figures for 2013 in this table include his final salary as well as a payment of a prorated STI award and vacation allowance.

2 Short-term incentive in cash, payable in 2014 for 2013

3 The numbers of deferred shares, matching shares, options and RSUs for 2012 were granted on February 22, 2013, after the preparation of the 2012 report

4 The numbers of shares, options and RSUs at grant for 2012 were rounded to the next whole number, consequently the values actually granted differ slightly from the values disclosed in the 2012 report

5 Short-term incentive in deferred shares or share awards, which will be granted in 2014 for 2013 (the number of shares is not determined at the time of preparing this report)

6 Actual value of DSP matching shares, which will be granted in 2017 (the number of shares is not determined at the time of preparing this report)

7 Long-term incentive in options, which will be granted in 2014 for 2013 (the number of options is not determined at the time of preparing this report)

8 Long-term incentive in RSUs, which will be granted in 2014 for 2013 (the number of RSUs is not determined at the time of preparing this report)

9 Value of housing, commuting, relocation, education and tax services, including refund of relevant tax (cash)

10 In addition to the social security cost for the compensation in 2013 and 2012, respectively, this item also includes the social security cost for 5,183 DSP matching shares allocated in 2013 for the year 2009, and 19,803 DSP matching shares allocated in 2012 for 2008. The value of these shares at grant was disclosed in the 2009 and 2008

Compensation Reports. Due to this and the rounding of allocated units (see Footnote 4), the value differs from the values disclosed in the 2012 report.

All values are reported in US dollars. Members of the Syngenta Executive Committee receive their cash compensation in Swiss francs. The US dollar compensation amounts presented have been converted into US dollars using the average currency exchange rate in effect during the year. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2012: 0.93). For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

Table 8. Highest compensation for a member of the Executive Committee

| Compensation elements | Number of units | | Values | |
|---------------------------------------|-----------------|--------|-----------|-----------|
| | 2013 | 2012 | 2013 | 2012 |
| Fixed compensation in cash | | | 1,650,542 | 1,650,542 |
| Allowances in cash | | | 132,857 | 103,419 |
| STI compensation in cash ¹ | | | - | 277,935 |
| Total compensation in cash | | | 1,783,399 | 2,031,896 |
| DSP deferred shares 2, 3, 4 | - | 2,642 | - | 1,111,913 |
| DSP matching shares 2, 3, 5 | - | 2,642 | - | 1,111,913 |
| LTI options 2, 3, 6 | - | 18,953 | 1,209,677 | 1,209,731 |
| LTI RSUs 2, 3, 7 | - | 2,875 | 1,209,677 | 1,209,973 |
| ESPP shares | 13 | 13 | 2,500 | 2,511 |
| Insurance, pension costs | | | 443,325 | 444,461 |
| Benefits in kind 8 | | | 60,343 | 43,659 |
| Total compensation | | | 4,708,921 | 7,166,057 |
| Company social security cost 9 | | | 157,474 | 395,485 |

Notes refer to 2013 unless other years are indicated

1 Short-term incentive in cash, payable in 2014 for 2013

2 The numbers of deferred shares, matching shares, options and RSUs for 2012 were granted on February 22, 2013, after the preparation of the 2012 report

3 The numbers of shares, options and RSUs at grant for 2012 were rounded to the next whole number, consequently the values actually granted differ slightly from the values disclosed in the 2012 report

4 Short-term incentive in deferred shares or share awards, which will be granted in 2014 for 2013 (the number of shares is not determined at the time of preparing this report)

5 Actual value of DSP matching shares, which will be granted in 2017 (the number of shares is not determined at the time of preparing this report)

6 Long-term incentive in options, which will be granted in 2014 for 2013 (the number of options is not determined at the time of preparing this report)

7 Long-term incentive in RSUs, which will be granted in 2014 for 2013 (the number of RSUs is not determined at the time of preparing this report)

8 Value of housing, commuting, relocation, education and tax services, including refund of relevant tax (cash)

9 In addition to the social security cost for the compensation in 2013 and 2012, respectively, this item also includes the social security cost for 1,684 DSP matching shares allocated in 2013 for the year 2009, and 6,650 DSP matching shares allocated in 2012 for 2008. The value of these shares at grant were disclosed in the 2009 and 2008

Compensation Reports. Due to this and the rounding of allocated units (see Footnote 3), the value differs from the values disclosed in the 2012 report.

All values are reported in US dollars. Members of the Syngenta Executive Committee receive their cash compensation in Swiss francs. The US dollar compensation amounts presented have been converted into US dollars using the average currency exchange rate in effect during the year. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2012: 0.93). For further information regarding currency exchange rates, see Note 26 to consolidated financial statements in Item 18.

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2013 Holding of shares and options

Table 9. Holding of shares of non-executive Directors* at December 31, 2013 and 2012

| | Number of unrestricted shares | | Number of restricted shares | | % voting rights | |
|---|-------------------------------|--------|-----------------------------|-------|-----------------|--------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Non-executive Directors | | | | | | |
| Michel Demaré | 75 | 75 | 2,265 | 1,059 | < 0.1% | < 0.1% |
| Vinita Bali | - | - | - | - | < 0.1% | < 0.1% |
| Stefan Borgas | - | - | 2,589 | 2,052 | < 0.1% | < 0.1% |
| Gunnar Brock | 200 | - | - | - | < 0.1% | < 0.1% |
| Eleni Gabre-Madhin ¹ | - | - | - | - | < 0.1% | < 0.1% |
| David Lawrence | 12,482 | 12,119 | - | - | < 0.1% | < 0.1% |
| Eveline Saupper ¹ | - | - | 632 | - | < 0.1% | < 0.1% |
| Jacques Vincent | 3,682 | 3,682 | - | - | < 0.1% | < 0.1% |
| Jürg Witmer | 5,000 | 4,756 | - | - | < 0.1% | < 0.1% |
| Total unrestricted/restricted shares | 21,439 | 20,632 | 5,486 | 3,111 | < 0.1% | < 0.1% |
| Peggy Bruzelius ² (January 1 – April 23, 2013) | | 2,464 | | - | | < 0.1% |
| Martin Taylor ² (January 1 – April 23, 2013) | | 8,068 | | 3,383 | | < 0.1% |
| Peter Thompson ² (January 1 – April 23, 2013) | | 1,695 | | - | | < 0.1% |
| Felix A. Weber ² (January 1 – April 23, 2013) | | 2,242 | | 845 | | < 0.1% |
| Total shares | 26,925 | 42,440 | | | | |

¹ Eleni Gabre-Madhin and Eveline Saupper were elected to the Board of Directors at the AGM 2013

² Peggy Bruzelius, Martin Taylor, Peter Thompson and Felix Weber retired from the Board of Directors at the AGM 2013

*Including related parties. Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary

Table 10a. Holding of shares by members of the Executive Committee* at December 31, 2013

| Members of the Executive Committee | Vested shares | | | Unconverted share awards | Unvested shares | | Total vested/unvested |
|------------------------------------|---------------|------------|---------------|--------------------------|------------------|-----------------|-----------------------|
| | Unrestricted | Restricted | Voting rights | | Unmatched shares | Unconverted RSU | |
| Michael Mack | 27,798 | 11,698 | < 0.1% | - | 11,654 | 9,731 | 60,881 |
| John Atkin | 415 | 4,638 | < 0.1% | - | 4,594 | 3,768 | 13,415 |
| Robert Berendes | 1,500 | - | < 0.1% | 1,682 | 1,682 | 2,739 | 7,603 |
| Caroline Luscombe | 17 | 44 | < 0.1% | 1,185 | 1,185 | 1,440 | 3,871 |
| Christoph Mäder | 7,068 | 2,305 | < 0.1% | - | 2,261 | 2,315 | 13,949 |
| Mark Peacock | 17 | 44 | < 0.1% | 2,930 | 2,930 | 2,205 | 8,126 |
| Davor Pisk | 5,784 | 3,788 | < 0.1% | - | 3,744 | 3,057 | 16,373 |
| John Ramsay | 137 | 3,582 | < 0.1% | - | 3,538 | 2,877 | 10,134 |
| Jonathan Seabrook | 82 | 31 | < 0.1% | 852 | 852 | 1,086 | 2,903 |
| Total Executive Committee shares | 42,818 | 26,130 | < 0.1% | 6,649 | 32,440 | 29,218 | 137,255 |

*Including related parties. Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary

Table 10b. Holding of shares by members of the Executive Committee* at December 31, 2012

| Members of the Executive Committee | Vested shares | | | Unvested shares | | | Total vested/unvested |
|------------------------------------|---------------|------------|---------------|--------------------------|------------------|-----------------|-----------------------|
| | Unrestricted | Restricted | Voting rights | unconverted share awards | unmatched shares | unconverted RSU | |
| Michael Mack | 25,811 | 10,744 | < 0.1% | - | 10,696 | 9,676 | 56,927 |
| Alejandro Aruffo | 4,043 | 510 | < 0.1% | 2,572 | 3,034 | 2,676 | 12,835 |
| John Atkin | 1,887 | 4,372 | < 0.1% | - | 4,324 | 3,842 | 14,425 |
| Robert Berendes | 73 | 305 | < 0.1% | 1,307 | 1,612 | 2,774 | 6,071 |
| Caroline Luscombe | - | 48 | < 0.1% | 897 | 897 | 1,633 | 3,475 |
| Christoph Mäder | 5,641 | 2,090 | < 0.1% | - | 2,042 | 2,401 | 12,174 |
| Mark Peacock | 19 | 48 | < 0.1% | 2,734 | 2,734 | 2,302 | 7,837 |
| Davor Pisk | 3,884 | 3,476 | < 0.1% | - | 3,428 | 2,988 | 13,776 |
| John Ramsay | 276 | 3,340 | < 0.1% | - | 3,292 | 2,907 | 9,815 |
| Total Executive Committee shares | 41,634 | 24,933 | < 0.1% | 7,510 | 32,059 | 31,199 | 137,335 |

*Including related parties. Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary

Holding of options by non-executive Directors at December 31, 2013 and 2012

At December 31, 2013, no non-executive Directors held any options.

At December 31, 2012, non-executive Directors held the following options of which all were vested as disclosed in Table 11a in the Compensation Report 2012:

Peter Thompson held 1,363 options to purchase shares granted in 2005 with an exercise price of CHF127.38 per share; 6,560 options to purchase ADS granted in 2004 with an exercise price of USD 14.53 per ADS; and 2,652 options to purchase shares granted in 2003 with an exercise price of CHF 59.70 per share.

Felix A. Weber held 1,615 options to purchase shares granted in 2005 with an exercise price of CHF 127.38 per share and 2,050 options to purchase shares granted in 2004 with an exercise price of CHF 89.30 per share.

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Table 11a. Holding of options by members of the Executive Committee* at December 31, 2013

| Year of allocation | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | |
|------------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--|
| Underlying equity | Share | Share | Share | Share | Share | Share | Share | Share | |
| Term (years) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |
| Exercise period (years) | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Option: share/ADS ratio | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | |
| Exercise price CHF | 391.40 | 300.40 | 308.71 | 283.70 | 233.43 | 301.50 | 226.70 | 185.00 | |
| Vesting status | unvested | | | vested | | | | | |
| Options held at December 31, 2013 | | | | | | | | | |
| Members of the Executive Committee | | | | | | | | | |
| Michael Mack | 18,953 | 20,388 | 15,207 | 12,398 | 16,426 | 4,669 | 6,075 | - | |
| John Atkin | 7,202 | 7,748 | 6,114 | - | - | - | - | - | |
| Robert Berendes | 5,155 | 5,546 | 4,586 | 3,589 | 4,790 | 3,362 | 2,369 | 2,959 | |
| Caroline Luscombe | 3,639 | 2,637 | 1,968 | - | - | - | - | - | |
| Christoph Mäder | 4,387 | 5,057 | 3,518 | 3,304 | - | - | - | - | |
| Mark Peacock | 4,271 | 4,418 | 3,639 | - | - | - | - | - | |
| Davor Pisk | 6,065 | 6,525 | 4,586 | - | - | - | - | - | |
| John Ramsay | 5,497 | 6,117 | 4,491 | - | 4,506 | - | 2,453 | 3,059 | |
| Jonathan Seabrook | 1,972 | 2,287 | 1,791 | - | - | - | - | - | |
| Totals by grant year | 57,141 | 60,723 | 45,900 | 19,291 | 25,722 | 8,031 | 10,897 | 6,018 | |
| Total unvested options | 163,764 | | | | | | | | |
| Total vested options | 69,959 | | | | | | | | |
| Total options on shares | 233,723 | | | | | | | | |

* Including related parties. Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary

Table 11b. Holding of options by members of the Executive Committee* at December 31, 2012

| Year of allocation | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|------------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|-------|
| Underlying equity | Share | Share | Share | Share | Share | Share | Share | Share | Share |
| Term (years) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 |
| Exercise period (years) | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Option: share/ADS ratio | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 | 1:1 |
| Exercise price CHF | 300.40 | 308.71 | 283.70 | 233.43 | 301.50 | 226.70 | 185.00 | 127.38 | 89.30 |
| Vesting status | unvested | | | vested | | | | | |
| Options held at December 31, 2012 | | | | | | | | | |
| Members of the Executive Committee | | | | | | | | | |
| Michael Mack | 20,388 | 15,207 | 12,398 | 16,426 | 4,669 | 6,075 | - | - | - |
| Alejandro Aruffo | 5,709 | 4,128 | 3,440 | - | - | - | - | - | - |
| John Atkin | 7,748 | 6,114 | 5,127 | - | 5,292 | - | - | - | - |
| Robert Berendes | 5,546 | 4,586 | 3,589 | 4,790 | 3,362 | 2,369 | 2,959 | 4,138 | 4,048 |
| Caroline Luscombe | 2,637 | 1,968 | 1,426 | - | - | - | - | - | - |
| Christoph Mäder | 5,057 | 3,518 | 3,304 | 3,920 | 2,739 | - | - | - | - |
| Mark Peacock | 4,418 | 3,639 | 3,276 | - | - | - | - | - | - |

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| | | | | | | | | | |
|-------------------------|---------|--------|--------|--------|--------|--------|-------|-------|-------|
| Davor Pisk | 6,525 | 4,586 | 3,739 | - | 1,666 | - | - | - | - |
| John Ramsay | 6,117 | 4,491 | 3,798 | 4,506 | 2,431 | 2,453 | 3,059 | - | - |
| Totals by grant year | 64,145 | 48,237 | 40,097 | 29,642 | 20,159 | 10,897 | 6,018 | 4,138 | 4,048 |
| Total unvested options | 152,479 | | | | | | | | |
| Total vested options | 74,902 | | | | | | | | |
| Total options on shares | 227,381 | | | | | | | | |

* Including related parties. Related parties are spouses, parents, children living in the same household, legal entities they own or otherwise control, and any legal or natural person that acts as their fiduciary

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Contractual provisions, loans, additional benefits

The notice periods for members of the Executive Committee and the CEO are in accordance with market practice. All employment agreements with members of the Executive Committee and the CEO are subject to a notice period of 12 months. The agreements with the non-executive Directors are not subject to notice periods. Each agreement ends on expiry of the Director's term of office. The employment agreements of members of the Executive Committee, including the CEO, and the agreements of the members of the Board of Directors, including the Chairman, do not have any change of control clauses. Neither the Executive Committee agreements nor the Board of Directors agreements contain any provisions for termination payments ("golden parachute" or "handshake" or similar arrangements) with regard to severance or other termination events. In case the Chairman is removed from office by the general meeting of shareholders prior to expiry of his term of office, he is entitled to a payment of one-fourth of the annual fee.

Syngenta's focus on the long-term performance and growth of the Company and alignment of employee and shareholder interests is underpinned by members of the Executive Committee and other executives and senior managers receiving a large portion of their variable annual compensation in share awards, RSUs and stock options, which must be held for a full three years before vesting.

Under the rules of the plans, a minimum of 67 percent of an Executive Committee member's total variable compensation is paid in the form of equity-based awards. This percentage increases if the executive opts to defer an additional percentage of their annual STI award. The members of the Executive Committee have accumulated substantial shareholdings over a number of years, which are disclosed in Tables 10a and 11a.

In 2013, no severance payments were made to former Directors or members of the Executive Committee, and no loans or credits were granted to active or former Directors or members of the Executive Committee, or parties related to them. In addition, at December 31, 2013, there are no such loans or credits outstanding.

In the event of fraud or serious misconduct by a member of management or of the Executive Committee, the Company reserves the right to dismiss the individual involved with immediate effect. Furthermore the claw-back of equity-based compensation will be considered by the Compensation Committee on a case-by-case basis and will be enforced as permitted under Swiss law (or any other applicable law). If warranted, all outstanding LTI awards and DSP share awards for the individual involved will lapse with immediate effect.

In 2013, no guarantees, pledges, collateral, promises or other forms of liabilities were entered into with third parties to the benefit of non-executive Directors or members of the Executive Committee, or parties related to them and, at December 31, 2013, there are no such liabilities outstanding.

In 2013, no claims, receivables, or debts of non-executive Directors or members of the Executive Committee, or parties related to them, were waived or cancelled and, at December 31, 2013, no such items are outstanding.

In 2013, no compensation was paid to any active Director or member of the Executive Committee for other services provided and, at December 31, 2013, no such payment is outstanding.

Alejandro Aruffo, Head Research & Development, died in January 2013. The figures for 2013 in Table 7 include his final salary as well as the payment of his prorated STI award for the performance year 2013 and his vacation allowance.

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Valuation and accrual principle

The “accrual basis” is applied to all elements of compensation including STI and LTI awards. These awards are disclosed in the report of the year for which they are paid. The STI and LTI awards in this 2013 report relate to performance and results in 2013, and will be paid in 2014 or later. This is in line with the accrual principle as required by relevant guidelines. The number of equity units to be granted for 2013 will be determined after the editorial deadline of this report. As a result, while the compensation amounts are known and included, the numbers of share awards, stock options and RSUs to be issued for these amounts are not determined and not included in this report.

The number of equity units that were granted for 2012 had been determined after the editorial deadline of the relevant report. For that reason, the actual numbers of share awards, RSUs and stock options awarded for 2012 are included in this 2013 report (see Tables 7 and 8).

Some exceptions to the “accrual principle” apply to personal tax services, which the Company has paid for some members of the Executive Committee and the former Chairman of the Board of Directors. Tax compliance services typically lag behind the year of compensation by one or more years. The amounts payable for services that relate to employment income 2013 cannot be determined at this time.

All reported amounts set out in this Compensation Report 2013 are gross values, i.e. before the deduction of applicable tax, social security contributions or any other statutory charges. When referring to benefits in kind, the benefit received is also stated at its gross value, i.e. before the deduction of applicable tax, social security or any other applicable charges. The Company’s cost for social security contributions on all of these elements is stated separately.

Benefits in kind are typically reported at the value of the cost to the Company. No benefits in kind are provided which require a fair market valuation or a theoretical value.

In Notes 23 and 24 to the Syngenta Group consolidated financial statements in Item 18, the amount disclosed for equity-settled awards is the expense recognized for the period calculated in accordance with IFRS 2 “Share Based Payment”. In this report, the same equity-settled awards are disclosed as the values at grant date and consequently differ. Cash-settled awards are disclosed in accordance with the year for which they are paid.

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ITEM 7 — MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

From January 1, 2013, until February 12, 2014, the Company made the following notifications for holdings of 3 percent or more in the total share capital of Syngenta AG:

| Name and location of shareholder, nominee or ADS depository | Date of notification to Syngenta | Date of the act which created the obligation for the shareholder to notify | Notified number of shares | Notified holding in %1 | |
|---|----------------------------------|--|---------------------------|------------------------|---|
| The Bank of New York Mellon Corporation, New York | February 27, 2013 | February 26, 2013 | 3,907,159 | 4.20 | 2 |
| The Bank of New York Mellon Corporation, New York | March 14, 2013 | February 26, 2013 | 3,907,159 | 4.20 | 2 |
| BlackRock, Inc., New York | May 10, 2013 | May 8, 2013 | 4,665,724 | 5.01 | 3 |
| BlackRock, Inc., New York | May 15, 2013 | May 13, 2013 | 4,630,777 | 4.97 | 4 |
| The Bank of New York Mellon Corporation, New York | August 27, 2013 | August 23, 2013 | 4,254,126 | 4.57 | 2 |
| The Bank of New York Mellon Corporation, New York | December 23, 2013 | December 20, 2013 | 4,290,303 | 4.61 | 2 |
| The Bank of New York Mellon Corporation, New York | December 27, 2013 | December 24, 2013 | 4,290,918 | 4.61 | 2 |
| The Bank of New York Mellon Corporation, New York | December 31, 2013 | December 30, 2013 | 4,288,918 | 4.61 | 2 |
| The Bank of New York Mellon Corporation, New York | January 28, 2014 | January 24, 2014 | 4,255,283 | 4.57 | 2 |
| The Bank of New York Mellon Corporation, New York | January 31, 2014 | January 29, 2014 | 4,196,801 | 4.51 | 2 |
| The Bank of New York Mellon Corporation, New York | February 3, 2014 | January 31, 2014 | 3,828,655 | 4.11 | 2 |
| BlackRock, Inc., New York | February 5, 2014 | February 3, 2014 | 4,660,767 | 5.00 | 5 |
| BlackRock, Inc., New York | February 6, 2014 | February 4, 2014 | 4,800,151 | 5.15 | 6 |

1 More details on Syngenta's disclosures under the Swiss Stock Exchange Act can be found on:

http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html

2 Addition and/or deletion of direct and/or indirect holder(s)

3 Share position below threshold value of 5% (shares 4.98%, CFDs 0.03%)

4 Total position below threshold value of 5% (shares 4.95%, CFDs 0.02%)

5 Total position reaches threshold value of 5% (shares 4.99%, CFDs 0.02%)

6 Total position exceeds threshold value of 5% (shares 5.09%, CFDs 0.06%)

In the reporting period, no other party disclosed a notifiable holding in the Syngenta share capital to Syngenta AG.

In 2011 and 2012, as already disclosed in previous Forms 20-F, the following notifications have been made to Syngenta:

| Name and location of shareholder, nominee or ADS depository | Date of the act which |
|---|-----------------------|
|---|-----------------------|

| | created the obligation for the shareholder to notify | Notified holding in %1 | |
|---|--|------------------------------|---|
| The Bank of New York Mellon Corporation, New York | December 4, 2012 | 4.15 | 2 |
| The Bank of New York Mellon Corporation, New York | November 9, 2012 | 4.12 | 2 |
| The Bank of New York Mellon Corporation, New York | June 1, 2012 | 3.88 | 2 |
| The Bank of New York Mellon Corporation, New York | May 4, 2012 | 3.19 | 2 |
| The Bank of New York Mellon Corporation, New York | April 27, 2012 | 3.05 | 2 |
| BlackRock, Inc., New York | August 22, 2012 | 5.02 | 2 |
| BlackRock, Inc., New York | November 9, 2011 | 5.05 | 2 |
| BlackRock, Inc., New York | October 14, 2011 | 5.06 | 2 |
| The Capital Group Companies, Inc., Los Angeles | November 16, 2012 | 4.98 | 2 |
| The Capital Group Companies, Inc., Los Angeles | December 9, 2011 | 9.84 | 2 |

1 More details on Syngenta's disclosures under the Swiss Stock Exchange Act can be found on:

http://www.six-exchange-regulation.com/obligations/disclosure/major_shareholders_en.html

2 Voting rights in percent of Syngenta's share capital for shares owned by accounts under the discretionary investment management of The Capital Group Companies

The above major shareholders have the same voting rights as Syngenta's other shareholders provided they are in compliance with the regulations of the Articles of Incorporation (article 5) and the related special provisions concerning nominee registrations.

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As of January 31, 2014, Syngenta AG itself held 1,356,555 shares in treasury corresponding to 1.46 percent of the share capital.

As of January 31, 2014, the Company is not aware of any other party which held 3 percent or more of the share capital of Syngenta AG.

To its knowledge, the Company is, as of January 31, 2014, not owned or controlled, directly or indirectly, by any other corporation, by any government or by any other natural or legal person, severally or jointly. There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.

As of January 31, 2014, 32,829,591 ADSs of Syngenta AG corresponding to 7.05 percent of the share capital and 6,363,278 ordinary shares of Syngenta AG corresponding to 6.83 percent of the share capital were held by a total of 1,580 registered holders domiciled in the United States.

Related Party Transactions

There were no related party transactions other than those described in Notes 14 and 24 to the consolidated financial statements in Item 18.

Interests of Experts and Counsel

Not applicable.

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ITEM 8 — FINANCIAL INFORMATION

Consolidated Financial Statements and Other Financial Information

Consolidated Financial Statements

See Item 18 “Financial Statements” for Syngenta’s consolidated financial statements.

Legal Proceedings

For information regarding legal proceedings, see Note 25 to consolidated financial statements in Item 18.

Dividends and Dividend Policy

The Board of Directors expects to recommend the distribution of future cash returns to shareholders in respect of each financial year. The actual level of the returns will depend on the financial performance of Syngenta as well as on the need to fund capital expenditure, working capital and other investments.

Future returns are anticipated to be proposed largely in the form of dividends. However, all distributions to shareholders proposed by the Board of Directors require the approval of the shareholders of the Company in a General Meeting of Shareholders. Holders of ADSs and CDIs receive their cash payments in relation to the number of Syngenta shares represented by the ADSs or CDIs. The payments to the holders of ADSs listed on the New York Stock Exchange are distributed through the Bank of New York Mellon, which converts the CHF amount into \$ for distribution to such holders. The payments to holders of CDIs are distributed through CREST, which converts the CHF amount into GBP for distribution to such holders.

At the Annual General Meeting of Shareholders on April 23, 2013, it was decided to pay a dividend of CHF 9.50 per share. At the 2014 General Meeting of Shareholders on April 29, 2014, the Board of Directors will propose a dividend payment of CHF 10.00 per share.

For information on Swiss law requirements regarding dividends, see Item 10 “Additional Information—Dividends”. For information about deduction of withholding taxes, see Item 10 “Additional Information—Taxation—Switzerland”.

Significant Changes

No significant changes have occurred since December 31, 2013 except as disclosed in Note 31 to the consolidated financial statements in Item 18.

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ITEM 9 — THE OFFER AND LISTING

Trading Markets and Price Ranges

Syngenta's shares are listed in Switzerland on the SIX Swiss Exchange, which is the principal trading market for Syngenta's shares. Syngenta's shares are also listed and traded on the New York Stock Exchange (in the form of ADSs).

The information presented in the tables below represent, for the periods indicated, the reported high and low market prices quoted in their respective currency.

Market Prices on the SIX Swiss Exchange

| | Price per share in CHF | |
|--|------------------------|--------|
| | High | Low |
| Annual Highs and Lows | | |
| 2009 | 292.10 | 211.00 |
| 2010 | 305.50 | 222.00 |
| 2011 | 324.30 | 211.10 |
| 2012 | 380.20 | 274.80 |
| 2013 | 416.00 | 335.30 |
| Quarterly Highs and Lows | | |
| 2012 | | |
| First Quarter | 312.10 | 274.80 |
| Second Quarter | 327.30 | 295.30 |
| Third Quarter | 355.70 | 312.60 |
| Fourth Quarter | 380.20 | 341.00 |
| 2013 | | |
| First Quarter | 416.00 | 367.10 |
| Second Quarter | 400.90 | 348.00 |
| Third Quarter | 396.70 | 360.00 |
| Fourth Quarter | 373.00 | 335.30 |
| Monthly Highs and Lows for most recent six months | | |
| 2013 | | |
| August | 374.00 | 360.00 |
| September | 378.70 | 364.00 |
| October | 373.00 | 344.70 |
| November | 371.80 | 349.60 |
| December | 356.40 | 335.30 |
| 2014 | | |
| January | 364.40 | 317.00 |

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Market Prices on the New York Stock Exchange

| | Price per ADS1 in US\$ | |
|--|------------------------|-------|
| | High | Low |
| Annual Highs and Lows | | |
| 2009 | 57.06 | 36.73 |
| 2010 | 59.93 | 42.93 |
| 2011 | 71.87 | 49.14 |
| 2012 | 83.19 | 58.03 |
| 2013 | 87.73 | 74.41 |
| Quarterly Highs and Lows | | |
| 2012 | | |
| First Quarter | 69.07 | 58.03 |
| Second Quarter | 71.48 | 61.47 |
| Third Quarter | 75.58 | 63.54 |
| Fourth Quarter | 83.19 | 73.29 |
| 2013 | | |
| First Quarter | 87.73 | 80.08 |
| Second Quarter | 85.60 | 74.41 |
| Third Quarter | 83.57 | 77.33 |
| Fourth Quarter | 83.03 | 75.35 |
| Monthly Highs and Lows for most recent six months | | |
| 2013 | | |
| August | 80.90 | 77.75 |
| September | 83.05 | 78.17 |
| October | 83.03 | 76.50 |
| November | 80.95 | 76.97 |
| December | 80.16 | 75.35 |
| 2014 | | |
| January | 80.25 | 70.29 |

1 One ADS represents one-fifth of one common share of the Company.

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ITEM 10 — ADDITIONAL INFORMATION

Articles of Incorporation

Set out below is a brief summary of certain provisions of the Articles of Incorporation of Syngenta (herein referred to as AoI) and of the Swiss Code of Obligations (Schweizerisches Obligationenrecht) as it relates to the Syngenta shares. This description does not purport to be complete and is qualified in its entirety by reference to the Swiss Code of Obligations and the AoI of Syngenta. Copies of the Syngenta AoI are available at the offices of Syngenta AG, Schwarzwaldallee 215, 4058 Basel, Switzerland, and can be accessed on the Internet (www.syngenta.com) in the section “About Syngenta/Governance”. An English translation of the currently valid AoI is included as an exhibit to this Annual Report.

The current AoI reflect the resolutions of the Annual General Meeting of Shareholders (AGM) of April 24, 2012, and the decision of the Board of Directors (the Board) of July 25, 2012. A comprehensive revision of the AoI will be submitted for approval to the AGM of Syngenta of April 29, 2014. The revision implements the legal provisions of the Ordinance Against Excessive Compensation at Listed Companies in Switzerland (VegüV), which has come into effect on January 1, 2014, and includes further amendments. The proposed AoI will be made available on Syngenta’s website (www.syngenta.com) in the section “Investor Relations/Annual General Meeting” as of March 19, 2014. Subject to the approval by the AGM, the new AoI will be made publicly available in the course of 2014 on the internet in the section “About Syngenta/Governance”.

Syngenta AG is registered as a stock corporation in the Commercial Register of the Canton of Basel-City under number CH-170.3.023.349-3. The business purpose of Syngenta is to hold interests in enterprises, particularly in the areas of agribusiness; in special circumstances, Syngenta may also directly operate such businesses. Syngenta may acquire, mortgage, liquidate or sell real estate and intellectual property rights in Switzerland or abroad.

Capital Structure and Shares

Upon the decision of the AGM of April 24, 2012, the nominal share capital of Syngenta is CHF 9,312,614.90, divided into 93,126,149 registered shares with a par value of CHF 0.10 each. All of the Syngenta shares have been issued in registered form and are fully paid-in.

Previously, from April 19, 2011, to April 24, 2012, the share capital of Syngenta was CHF 9,376,289.90, divided into 93,762,899 registered and fully paid-in shares with a par value of CHF 0.10 each.

A shareholder may at any time request that Syngenta confirm the number of registered shares recorded under the shareholder’s name in Syngenta’s share register. Shareholders are not entitled, however, to demand the printing and delivery of certificates representing shares.

Voting Rights

Each Syngenta share entitles the holder to one vote at the shareholders’ meetings of Syngenta. Voting rights may be exercised only after a shareholder has been registered in Syngenta’s share register as a shareholder with voting rights. Registration as a shareholder with voting rights is subject to certain declarations on the ownership of Syngenta shares.

Shareholders’ Meetings

Under Swiss law, an AGM must be held within six months after the end of Syngenta’s business year. Shareholders’ meetings may be convened by the Board or, if necessary, by the statutory auditor. The Board is further required to

convene an extraordinary shareholders' meeting if determined by an ordinary shareholders' meeting, if requested by shareholders holding in the aggregate at least 10 percent of the share capital of Syngenta or if requested by the auditor.

Shareholders holding Syngenta shares with a nominal value of at least CHF 10,000 (i.e. 100,000 shares) have the right to request that a specific proposal be included in the agenda and voted upon at the next shareholders' meeting. A shareholders' meeting is convened by way of a notice appearing once in the official publication organs of Syngenta, at least 20 days prior to such meeting. Registered shareholders may also be informed by mail.

The shareholders' meeting passes resolutions and holds elections, if not otherwise required by law or the Company's AoI, with the absolute majority of the votes represented. Under Swiss law and per the Company's AoI, a resolution passed at a shareholders' meeting with a supermajority of $\frac{66}{3}$ percent of the votes represented and the absolute majority of the nominal value of the Syngenta shares represented is required for:

- the alteration of the purpose of the Company
- the creation of shares with increased voting powers
- an implementation of restrictions on the transfer of registered shares and the removal of such restrictions

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- an authorized or conditional increase of the share capital
- an increase of the share capital made through a transformation of reserves, by contribution in kind, for the purpose of an acquisition of property and the grant of special rights
- a restriction or suspension of preemptive rights
- a change of location of the registered office of the Company
- the dissolution of the Company.

In addition, any provision in the AoI for a stricter voting requirement than the voting requirements prescribed by law or the existing AoI must be adopted in accordance with such stricter voting requirements. The AoI of Syngenta do not contain provisions that lay down stricter voting requirements for shareholders' meetings than the voting requirements prescribed by law and described above.

According to the AoI, the following powers shall be vested exclusively in the shareholders' meeting:

- to adopt and amend the AoI
- to elect the members of the Board and the Auditor
- to approve the Annual Report and the Consolidated Financial Statements
- to approve the Annual Financial Statements and to decide on the allocation of profits shown on the balance sheet, in particular with regard to dividends
- to discharge the members of the Board and the senior management
- to pass resolutions concerning all matters which by law or the AoI are reserved to the authority of the general meeting.

The Swiss Federal Council's Ordinance Against Excessive Compensation at Listed Companies requires as of January 1, 2014, the AGM to elect or re-elect individually every member of the Board, the Chairman of the Board, the members of the Compensation Committee and the Independent Proxy, all of them on a yearly basis.

Shareholders may arrange to be represented at the AGM by their legal representative, another shareholder with the right to vote, a representative designated in an agreement with a nominee or the Independent Proxy. Based on the Swiss Federal Council's Ordinance Against Excessive Compensation at Listed Companies, the representation of shareholders by corporate bodies, banks or brokers is no longer allowed since January 1, 2014.

Votes are taken by electronic voting or on a show of hands unless the shareholders resolve to have a ballot or the Chairman of the meeting orders such ballot.

Pre-Emptive Rights

Under Swiss law, any share issue, whether for cash, non-cash consideration or no consideration, is subject to prior approval at the shareholders' meeting. As a rule, Syngenta shareholders have pre-emptive rights for all new issues of securities. However, these pre-emptive rights may be restricted or excluded by a resolution of a shareholders' meeting

on valid grounds. The resolution must be taken by a majority of two-thirds of the votes represented at the meeting and the absolute majority of the par value of the shares represented (unless provided otherwise in the AoI). Valid grounds include, for instance, the acquisition of all or part of the assets and liabilities or the acquisition of the shares of another company as well as the creation of employee participation plans. The shareholders may not be treated unequally in connection with any exclusion of pre-emptive rights. Moreover, it must be in the interest of the Company to exclude such pre-emptive rights in any given case. In the event of a conditional or authorized share capital increase, the shareholders' meeting may delegate the decision as to whether pre-emptive rights should be excluded to the Board provided the fundamental principles upon which the decision has to be made are determined pursuant to the shareholders' meeting.

Borrowing Power

Neither Swiss law nor the AoI of Syngenta restrict in any way Syngenta's power to borrow and to raise funds. The decision to borrow funds is passed by or under the direction of Syngenta's Board, with no shareholders' resolution required.

Duration and Liquidation

The AoI do not limit Syngenta's duration. Syngenta may be dissolved at any time by a shareholders' resolution which must be passed by (1) an absolute majority of the Syngenta shares represented at the meeting in the event Syngenta is dissolved by way of liquidation, and (2) a super-majority of two-thirds of the votes represented and the absolute majority of the nominal value of the Syngenta shares represented at the meeting for other events (for example a merger where Syngenta is not the surviving entity).

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Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid-up nominal value of Syngenta shares held by them.

Directors

According to article 24 of the AoI, the Board may pass resolutions with respect to all matters which are not reserved to the authority of the shareholders' meeting by law or by the AoI. The exercise of this power does not require shareholder approval.

The Swiss Federal Council's Ordinance Against Excessive Compensation at Listed Companies requires as of January 1, 2014, the AGM to elect or re-elect individually every member of the Board, the Chairman of the Board, the members of the Compensation Committee and the Independent Proxy, all of them on a yearly basis. The Directors shall automatically retire after the lapse of the twelfth year of office or, if earlier, after the expiry of the seventieth year of age, provided that the retirement shall become effective on the date of the next annual shareholders' meeting following such event.

The Syngenta Compensation Committee makes recommendations to the Board on the compensation of the Chairman, the CEO and the members of the Board. Pursuant to article 21 of Syngenta's AoI, the Board is conferred the final authority to determine the remuneration of its members. According to article 5 of the Regulations governing the Internal Organization of Syngenta, all Directors are obliged to leave the meeting room when business is dealt with that impinges on such Directors' own interests or those of a person or legal entity close to such Directors. In addition, Swiss law requires Directors and members of senior management to safeguard the interests of the Company and imposes a duty of care and a duty of loyalty on such persons. These duties are generally interpreted to mean that Directors and members of senior management may not participate in decisions that personally affect them. Directors and officers are personally liable to the Company for breach of these duties.

Syngenta's AoI contain no specific provisions permitting or prohibiting Directors from borrowing from the Company. However, Swiss law provides that a Director, or any other persons associated with a Director, must refund to the Company any payments made to such Director or persons by the Company, other than payments made at arm's length. The United States Sarbanes-Oxley Act, enacted in July 2002, makes it unlawful for the Company directly or indirectly to extend or maintain credit, to arrange for an extension of credit or to renew a credit, in the form of a personal loan, to or for its executive officers or Directors.

Notices

Under Swiss law, notices to shareholders are validly made by publication in the Swiss Official Commercial Gazette. The Board may designate other means of communication for publishing notices to shareholders instead.

Dividends

Swiss law requires that at least five percent of the annual net profits of the Company be retained by the Company as general statutory reserves for so long as these reserves amount to less than twenty percent of the Company's nominal share capital. Under Swiss law, dividends are paid out only if approved by the shareholders. In addition, the AoI provide that the allocation of profit shown on the Company's balance sheet is determined by shareholders at the shareholders' meeting. The Board may propose that a dividend be paid out, but cannot itself approve the dividend. In practice, the dividend proposal of the Board is usually approved at the AGM. Dividends are usually due and payable shortly after the shareholders' resolution relating to the allocation of profits has been passed. The Company only has one class of shares with a nominal value of CHF 0.10 each. Therefore, all shareholders are entitled to equal dividends. Holders of CDIs and ADSs will receive dividends in proportion to the number of Syngenta shares represented by the

CDIs or ADSs.

Liquidation

According to Swiss Law, each shareholder is entitled to receive the part of the assets of a company remaining after its liquidation which is proportional to its paid-in shareholding.

Redemption Provision

Swiss law limits the number of shares which the Company may hold or repurchase. The Company and its subsidiaries may repurchase shares only if (i) the Company has sufficient free reserves to pay the purchase price and (ii) the aggregate nominal value of such shares does not exceed ten percent of the nominal share capital of the Company. No dividend is paid on shares held by the Company and its subsidiaries. Furthermore, the Company must create a reserve on its balance sheet in the amount of the purchase price of the acquired shares.

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Mandatory Bid Rule

According to Swiss law, shareholders may pass a resolution to merge with another corporation at any time. In accordance with Swiss law, article 17 of Syngenta's AoI confers authority upon the shareholders to pass resolutions concerning all matters which by law or the AoI are reserved to the authority of the shareholders at the general meeting. However, article 18 of the AoI requires the approval of at least two-thirds of the votes represented at the general meeting in order for the shareholders to effect the dissolution of the Company without liquidation.

Under the Swiss Stock Exchange Act, shareholders and groups of shareholders acting in concert who hold more than one-third of the voting rights of a company incorporated in Switzerland of which at least one class of equity securities is listed on the Swiss Exchange must submit a takeover bid to all remaining shareholders. A mandatory takeover bid must be made under certain rules (including rules with respect to price and procedures) as set forth in the Swiss Stock Exchange Act.

Significant Differences

Please see the references to Swiss law throughout this Item 10 "Additional Information", which highlight certain significant differences between Swiss law and United States law.

Material Contracts

The following is a summary of Syngenta's material contracts. Because it is a summary, it may not contain all of the information about such contracts that is important to you. The summaries are qualified in their entirety by reference to the contracts, copies of which have been filed with the SEC.

Debt Instruments

Please refer to Notes 16 and 18 to the consolidated financial statements in Item 18 for a description of material contracts pertaining to Syngenta's current financial debt.

The Separation Agreements

At the time of Syngenta's foundation in 2000, the legacy companies Novartis and AstraZeneca, Syngenta and several of their affiliates entered into a series of separation agreements, each of which became effective at the completion of the Transactions, the purpose and effect of which was:

- to achieve the separation of the historic, current and possible future liabilities of Novartis agribusiness and Zeneca agrochemicals business from the historic, current and possible future liabilities of the remaining activities of Novartis and AstraZeneca;
- to properly allocate amongst the parties liabilities that may arise under relevant securities laws as a result of any misstatements or omissions contained in the various annual report documentation to be distributed to AstraZeneca and Novartis shareholders or as a result of the Transactions themselves;
- to provide for the provision of various services between Novartis, AstraZeneca and Syngenta on a transitional, and in certain instances a longer-term, basis; and
- to ensure all affected parties have access to necessary relevant information in the future and that, where relevant, such information is subject to appropriate confidentiality provisions.

Out of the initial agreements, the following material agreements are still currently performed in whole or in part or will continue being performed in the future:

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Environmental Matters Agreements

The Environmental Matters Agreements between Novartis and Syngenta and AstraZeneca and Syngenta specify the obligations of each party to indemnify each other in respect of liabilities relating to environmental and health and safety matters (other than product liability claims) against respective group companies and affiliates which arise through the historic, current and future operations of Syngenta. The purpose of the Environmental Matters Agreements is to address, in general terms, the rights and obligations of Novartis, AstraZeneca and Syngenta for environmental claims that have been or will be incurred and to identify special arrangements for environmental matters related to specific affiliates of each party. The parties are not obligated to reimburse each other for amounts which are covered under an insurance policy or otherwise from a third party.

Under the Environmental Matters Agreements, Syngenta and its subsidiaries indemnify AstraZeneca and Novartis for matters arising from Syngenta's sites and agribusinesses, with exceptions for certain sites and circumstances.

AstraZeneca and Novartis are allocated liability and indemnify Syngenta for such matters arising from their respective sites and businesses, including AstraZeneca's businesses (not including AstraZeneca's agrochemical business) and sites and Novartis' businesses (not including the Novartis agribusiness) and sites, with exceptions for certain specific sites and circumstances.

Intellectual Property Agreements

Under the Intellectual Property Agreements, Syngenta acquired title to all relevant intellectual property that is exclusive to or predominantly relates to its business. Syngenta will license or will be granted licenses for relevant intellectual property pertaining to the business of Syngenta that it shares with Novartis or AstraZeneca.

Licenses (other than the license of the Zeneca or Novartis house mark and domain names) are worldwide, exclusive in the field, royalty-free and perpetual. The licenses of the Novartis house mark and domain names are exclusive in the agribusiness field, royalty-free and expired three years after the date of the completion of the Transactions.

Exchange Controls

There are currently no Swiss laws, decrees or regulations restricting the payment of dividends or other payments to holders of Syngenta shares or ADSs who are non-Swiss residents. There are no limitations relating only to non-Swiss persons under Swiss law or the AoI of Syngenta on the right to be a holder of Syngenta shares or ADSs.

Taxation

This taxation summary addresses the material Swiss and United States tax consequences to shareholders in connection with the acquisition and disposition of Syngenta shares or ADSs. This summary does not discuss every aspect of taxation that may be relevant to a particular taxpayer under special circumstances or who is subject to special treatment under applicable law and is not intended to be applicable in all respects to all categories of investors. This summary also assumes that Syngenta's business will be conducted in the manner outlined in this annual report. Changes in Syngenta's organizational structure or the manner in which it conducts its business may invalidate this summary. The laws upon which this summary is based are subject to change, perhaps with retroactive effect. A change to these laws may invalidate the contents of this summary, which will not be updated to reflect changes in laws. Prospective investors should consult their tax advisors regarding the particular personal tax consequences of their acquiring, owning and disposing of shares or ADSs.

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Switzerland

The following is a summary of certain material tax considerations relevant to the acquisition and disposition of the Syngenta shares (not including the treatment of ADSs) under Swiss tax laws. The following summary does not purport to address all tax consequences of the ownership of Syngenta shares, and does not take into account the specific circumstances of any particular investor. This summary is based on the tax laws of Switzerland as in effect on the date hereof, which are subject to change (or changes in interpretation), possibly with retroactive effect. For purposes of the laws of Switzerland and the United States-Switzerland tax treaty, ADS holders will be treated as holders of the underlying Syngenta shares. The following summary does not address the tax consequences to holders that hold 20 percent or more of Syngenta's shares.

Withholding Tax on Dividends and Similar Distributions

Dividends paid and other cash or in kind taxable distributions made by Syngenta to a holder of Syngenta shares (including dividends on liquidation proceeds and stock dividends) are subject to a Swiss withholding tax at a rate of 35 percent. The withholding tax will be withheld by Syngenta on the gross distributions and will be paid to the Swiss Federal Tax Administration. A reduction of the shares' nominal value by means of a capital reduction does not represent a dividend or similar distribution for purposes of Swiss withholding tax. Furthermore, distributions of dividends to shareholders out of qualifying reserves from capital contributions for Swiss withholding tax purposes are as a matter of principle exempt from Swiss withholding tax (Kapitaleinlageprinzip).

Swiss resident recipients. Swiss resident individuals or legal entities are generally entitled to a full refund or tax credit for the 35 percent withholding tax if they are the beneficial owners of such distributions at the time the distribution is due and duly report the receipt thereof in the relevant income tax return. The 35 percent withholding tax on intercompany dividends paid from Syngenta to a Swiss "parent company" may be only reported (instead of the withholding and refund procedure).

Non-resident recipients. The recipient of a taxable distribution from Syngenta who is an individual or a legal entity not resident in Switzerland for tax purposes may be entitled to a partial or even a full refund of the withholding tax if either the country in which such recipient resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland or the bilateral treaty between Switzerland and the European Community regarding measures equivalent to the parent subsidiary directive is applicable and the further conditions of the respective treaty are met.

Holders of Syngenta shares not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time frame required for obtaining a refund) may differ from country to country. Holders of Syngenta shares not resident in Switzerland should consult their own legal, financial or tax advisors regarding the procedures for claiming a refund of the withholding tax.

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As of January 1, 2014, Switzerland had entered into bilateral treaties for the avoidance of double taxation with respect to income taxes with the following countries:

| | | | |
|----------------|-------------------|-------------|----------------------|
| Albania | France | Latvia | Singapore |
| Algeria | Georgia | Lithuania | Slovakia |
| Armenia | Germany | Luxembourg | Slovenia |
| Australia | Ghana | Macedonia | South Africa |
| Austria | Greece | Malaysia | Spain |
| Azerbaijan | Hong Kong | Malta | Sri Lanka |
| Bangladesh | Hungary | Mexico | Sweden |
| Belgium | Iceland | Moldova | Tadzhikistan |
| Belarus | India | Mongolia | Taiwan |
| Bulgaria | Indonesia | Montenegro | Thailand |
| Canada | Iran | Morocco | Trinidad and Tobago |
| Chile | Ireland | Netherlands | Tunisia |
| China | Israel | New Zealand | Turkey |
| Colombia | Italy | Norway | Turkmenistan |
| Croatia | Ivory Coast | Pakistan | Ukraine |
| Czech Republic | Jamaica | Philippines | United Arab Emirates |
| Denmark | Japan | Poland | United Kingdom |
| Ecuador | Kazakhstan | Portugal | United States |
| Egypt | Kyrgyzstan | Qatar | Uruguay |
| Estonia | Kuwait | Romania | Uzbekistan |
| Finland | Republic of Korea | Russia | Vietnam |
| | | Serbia | Venezuela |

Double tax treaties with Guernsey, Isle of Man, Jersey and Peru have been concluded; however, these treaties are not yet in force.

By exchange of notes, the 1954 Treaty with the United Kingdom applies to Antigua, Barbados, Belize, British Virgin Islands, Dominica, Gambia, Grenada, Malawi, Montserrat, St. Christopher, Nevis and Anguilla, St. Lucia, St. Vincent and Zambia. By exchange of letters, the 1973 Treaty with Denmark applies to the Faroe Islands.

Besides these bilateral treaties Switzerland has entered into an agreement with the European Community providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. This agreement contains in its Article 15 provisions on taxation of dividends which apply with respect to European Union member states, including, inter alia, Cyprus and Malta.

Residents of the United States. A non-resident holder who is a resident of the United States for purposes of the United States-Switzerland tax treaty, the "Treaty", is eligible for a reduced rate of withholding tax on dividends equal to 15 percent of the dividend, provided that such holder (i) qualifies for benefits under the Treaty, (ii) holds, directly and indirectly, less than 10 percent of Syngenta voting stock and (iii) does not conduct business through a permanent establishment or fixed base in Switzerland to which the shares or ADSs are attributable. Such an eligible holder must apply for a refund of the amount of the withholding tax in excess of the 15 percent Treaty rate. The claim for refund must be filed on Swiss Tax Form 82 (82C for corporations; 82I for individuals; 82E for other entities), which may be obtained from any Swiss Consulate General in the United States or from the Federal Tax Administration of Switzerland at the address below, together with an instruction form. The original form and three copies of the form must be duly completed, signed before a notary public of the United States, and sent to the Federal Tax Administration of Switzerland, Eigerstrasse 65, CH-3003 Berne, Switzerland. The form must be accompanied by

suitable evidence of deduction of Swiss tax withheld at source, such as certificates of deduction, signed bank vouchers or credit slips. The form should be filed no later than December 31 of the third year following the calendar year in which the dividend became payable.

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Income and Profit Tax on Dividends and Similar Distributions

Individuals An individual who is a Swiss resident for tax purposes, or is a non-Swiss resident holding Syngenta shares as part of a Swiss business operation or Swiss permanent establishment, is required to report the receipt of taxable distributions received on the Syngenta shares in his relevant Swiss tax returns. Furthermore, the Direct Federal Tax on dividends, shares in profits, liquidation proceeds and pecuniary benefits from shares (including bonus shares) is reduced to 60 percent (if shares are held as private assets) or 50 percent (if shares are held as business assets) of regular taxation (Teilbesteuerung), if the investment amounts to at least 10 percent of nominal capital of the participation. All cantons have introduced a similar partial taxation on cantonal and communal level. A reduction of the shares' nominal value by means of a capital reduction or a repayment out of qualifying reserves from capital contributions does not represent a taxable distribution received on the Syngenta shares to be reported in his relevant tax return for Swiss resident individuals for tax purposes holding Syngenta shares as private assets.

Legal entities Legal entities resident in Switzerland or non-Swiss resident legal entities holding Syngenta shares as part of a Swiss establishment are required to include taxable distributions received on the Syngenta shares in their income subject to Swiss corporate income taxes. Payments received under a share capital reduction of Syngenta also qualify as taxable distributions received on the Syngenta shares, as far as the capital reduction is not considered as a (partial) disinvestment (reduction of the book value) in the statutory annual accounts of the legal entity holding Syngenta shares. A Swiss corporation or co-operative or a non-Swiss corporation or co-operative holding Syngenta shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from a tax reduction with respect to dividends and income on capital repayments (participation relief / Beteiligungsabzug).

Non-resident recipients Recipients of dividends and similar distributions on shares who are neither residents of Switzerland for tax purposes nor hold Syngenta shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss income taxes in respect of such distributions.

Tax Treatment of Capital Gains Realized on Syngenta Shares

Individuals Swiss resident individuals who hold Syngenta shares as part of their private property generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realized upon the

sale or other disposal of Syngenta shares, unless such individuals are qualified as security trading professionals for income tax purposes. Gains realized upon a repurchase of Syngenta shares by Syngenta for the purpose of the capital reduction are recharacterized as taxable distributions. The same is true for gains realized upon a repurchase of Syngenta shares if Syngenta were not to dispose of the repurchased shares within six years after the repurchase. In principle, the taxable income would be the difference between the repurchase price and the nominal value of the shares.

Individuals who are Swiss residents for tax purposes and who hold the Syngenta shares as business assets, or are non-Swiss residents holding Syngenta shares as part of a Swiss business operation or Swiss permanent establishment, are required to include capital gains realized upon the disposal of Syngenta shares in their income subject to Swiss income tax. Certain reductions or partial taxations similar to those mentioned above for dividends (Teilbesteuerung) might be available if certain conditions are met (e.g. holding period of at least one year). Whether shareholders are entitled to these reductions needs to be assessed on an individual basis and shareholders should consult their own legal, financial or tax advisor.

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Legal entities Legal entities resident in Switzerland or non-Swiss resident legal entities holding Syngenta shares as part of a Swiss permanent establishment are required to include capital gains realized upon the disposal of Syngenta shares in their income subject to Swiss corporate income tax. Under certain circumstances including either a minimum holding of 10 percent or an entitlement to at least 10 percent of the profits and reserves of the issuer and cumulatively a holding period of at least 1 year of the Syngenta shares, they benefit from relief from taxation with respect to gains realized upon the disposal of shares (qualified participation) (Beteiligungsabzug).

Non-resident individuals and legal entities Individuals and legal entities which are not resident in Switzerland for tax purposes and do not hold Syngenta shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss income taxes on gains realized upon the disposal of the shares.

Net Worth and Capital Taxes

Individuals Individuals who are Swiss residents for tax purposes, or are non-Swiss residents holding Syngenta shares as part of a Swiss business operation or Swiss permanent establishment are required to include their Syngenta shares in their wealth which is subject to cantonal and communal net worth tax.

Legal entities Legal entities resident in Switzerland or non-Swiss resident legal entities holding Syngenta shares as part of a Swiss permanent establishment are required to include their Syngenta shares in their assets which are subject to cantonal and communal capital tax.

Non-resident individuals and legal entities Individuals and legal entities which are not resident in Switzerland for tax purposes and do not hold Syngenta shares as part of a Swiss business operation or a Swiss permanent establishment are not subject to Swiss cantonal and communal net worth and capital taxes.

Gift and Inheritance Tax

Transfers of Syngenta shares may be subject to cantonal and/or communal inheritance or gift taxes if the deceased or the donor or the recipient were resident in a Canton levying such taxes and, in international circumstances where residency requirements are satisfied, if the applicable tax treaty were to allocate the right to tax to Switzerland.

Stamp Tax upon Transfer of Securities (Umsatzabgabe)

The transfer of Syngenta shares, whether by a Swiss resident or non-resident holder, may be subject to a Swiss securities transfer tax in the amount of half of 0.15 percent of the sales proceeds for the seller if the sale occurs through or with a Swiss bank or other professional securities dealer as defined in the Swiss Federal Stamp Tax Act.

United States

The following discussion is a summary of the material United States federal income tax considerations relevant to the ownership by United States Holders described below of Syngenta shares or Syngenta ADSs, but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular investor's decision to acquire such securities. For purposes of this discussion, "United States Holders" are beneficial owners of Syngenta shares or Syngenta ADSs that, for United States federal income tax purposes are (i) United States citizens or residents, (ii) corporations, or other entities taxable as corporations, created or organized in or under the laws of the United States or any political subdivision thereof, or (iii) estates or trusts the income of which is subject to United States federal income taxation regardless of its source. In general, if you are the beneficial owner of Syngenta ADSs, you will be treated, for United States federal income tax purposes, as the beneficial owner of the Syngenta shares represented by those ADSs. Accordingly, no gain or loss will be recognized if you exchange Syngenta ADSs for the Syngenta shares.

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The United States Treasury has expressed concerns that parties to whom American depositary shares are pre-released may be taking actions that are inconsistent with the claiming of foreign tax credits by United States Holders. Such actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non-corporate holders. Accordingly, the creditability of Swiss withholding taxes and the availability of the reduced tax rate for dividends received by certain non-corporate holders, each described below, could be affected by actions taken by parties to whom the ADSs are pre-released.

This summary does not address all of the United States federal income tax considerations that may be relevant to the particular circumstances of a United States Holder of Syngenta shares or Syngenta ADSs, and does not discuss any aspect of state, local or non-United States tax law. Moreover, this summary deals only with United States Holders that will hold Syngenta shares or Syngenta ADSs as capital assets for United States federal tax purposes (generally, property held for investment), and it does not describe all of the US federal income tax considerations that may be relevant to United States Holders that are subject to special tax rules, such as certain financial institutions, insurance companies, dealers and traders in securities and foreign currencies, tax-exempt organizations, investors liable for alternative minimum tax, persons that hold Syngenta shares or Syngenta ADSs as part of a hedge or any similar transaction, partnerships or other entities classified as partnerships for US federal income tax purposes, persons owning, directly, indirectly or constructively, 10 percent or more of the voting stock of Syngenta and persons whose “functional currency” is not the US dollar. This summary is based on the United States Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as of the date hereof, and all of which are subject to change, possibly with retroactive effect. It is also based in part on representations by the Depositary and assumes that each obligation under the Deposit Agreement and any related agreements will be performed in accordance with their terms. Syngenta believes that it was not a Passive Foreign Investment Company (a “PFIC”) for United States federal income tax purposes for 2013. The following discussion assumes that Syngenta is not, and will not become, a PFIC. However, since PFIC status depends on the composition of a company’s income and assets and the market value of its assets from time to time, there can be no assurance that Syngenta will not be considered a PFIC in any taxable year. Shareholders should consult their own tax advisors as to the tax considerations relevant to the ownership of Syngenta shares or ADSs in light of their particular circumstances, including the effect of any state, local or non-United States laws and including their eligibility for benefits under the Treaty.

Distributions

A distribution received by a United States Holder in respect of Syngenta shares or Syngenta ADSs other than certain pro rata distributions of common shares, generally will be considered a taxable dividend to the extent paid out of Syngenta’s current or accumulated earnings and profits (as determined for United States federal income tax purposes). Because Syngenta does not maintain calculations of its earnings and profits under US federal income tax principles, it is expected that distributions will generally be reported to United States Holders as dividends.

United States Holders must include the gross amount of any taxable dividend (including any amount withheld in respect of Swiss income taxes) in gross income. The dividend will be subject to United States federal income tax as ordinary foreign source dividend income. Subject to certain limitations, and the discussion above regarding concerns expressed by the US Treasury, dividends paid to certain non-corporate United States Holders in taxable years beginning before January 1, 2014 may be taxable at favorable rates, provided that certain holding period and other requirements are met. Effective January 1, 2013, the American Taxpayer Relief Act raises the maximum rate to 20 percent for individuals with incomes over \$400,000. In addition, under the Patient Protection and Affordable Care Act, higher income taxpayers must pay an additional 3.8 percent tax on net investment income to the extent certain threshold amounts of income are exceeded. The holders should consult their own tax advisors regarding the availability of the reduced rate of tax based upon on their particular situation. Dividends will not be eligible for the dividends-received deduction generally available to United States corporations under the Code. Such dividends will

constitute foreign source dividend income for foreign tax credit purposes.

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Taxable dividends paid in Swiss or other foreign currency will be included in a United States Holder's gross income in a US dollar amount calculated by reference to the exchange rate in effect on the date the dividend is received by the United States Holder, in the case of Syngenta shares, or by the depository, in the case of Syngenta ADSs, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, US holders should not be required to recognize foreign currency gain or loss in respect of the dividend income. United States Holders may have foreign currency gain or loss if any such Swiss or foreign currency is converted into US dollars after the date of receipt. United States Holders should consult their own tax advisors concerning the possibility of foreign currency gain or loss if any such Swiss or other foreign currency is not converted into US dollars on the date of receipt.

Subject to certain conditions and limitations under United States federal income tax law, and subject to the discussion above regarding concerns expressed by the US Treasury, a United States Holder will be eligible to claim a foreign tax credit for Swiss withholding taxes imposed at the rate provided by the Treaty on distributions by Syngenta in respect of its Syngenta shares or Syngenta ADSs. Swiss taxes withheld in excess of a rate provided in the Treaty will not be eligible for credit against a United States Holder's federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. In lieu of claiming a foreign tax credit, a United States Holder may choose to deduct such Swiss withholding taxes in computing its United States federal taxable income (but only if such holder does not elect to claim a foreign tax credit in respect to any foreign income taxes paid or incurred for the taxable year). The United States federal income tax rules relating to foreign tax credits are extremely complex. United States Holders should consult their own tax advisors concerning the availability of foreign tax credits based upon their particular situations.

Dispositions

Upon a sale or other taxable disposition of Syngenta shares or Syngenta ADSs, a United States Holder will generally recognize gain or loss in an amount equal to the difference between the amount realized on the disposition and the United States Holder's tax basis in the Syngenta shares or Syngenta ADSs. Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the United States Holder held the Syngenta shares or Syngenta ADSs for more than one year at the time of disposition. A long-term capital gain of a non-corporate US Holder is generally taxed at a rate of 20 percent plus the net investment income rate of 3.8 percent, based on specific income thresholds, for a maximum rate of 23.8 percent. The deduction of capital losses is subject to certain limitations under the Code. Any gain recognized by a United States Holder on a sale or other taxable disposition of Syngenta shares or Syngenta ADSs generally will be treated as derived from United States sources for United States foreign tax credit purposes.

Backup Withholding and Information Reporting

Information reporting requirements may apply to a United States Holder with respect to the interest in specified foreign financial assets with a value above the applicable reporting threshold in addition to distributions by Syngenta, or to the proceeds of a sale or redemption of Syngenta shares or Syngenta ADSs. Backup withholding may apply to these payments if the United States Holder fails to furnish its correct taxpayer identification number and certify that such holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Any amounts withheld under the backup withholding rules will be allowed as a credit against such holder's United States federal income tax liability, and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

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Foreign Account Tax Compliance Act

On March 18, 2010, the United States enacted provisions commonly referred to as the Foreign Account Tax Compliance Act (FATCA), which introduce reporting and withholding requirements for Foreign Financial Institutions (FFIs) with respect to certain accounts and payments effective as from July 1, 2014. On February 14, 2013, Switzerland and the United States signed an Intergovernmental Agreement (IGA) regarding the implementation of FATCA with respect to Swiss Financial Institutions. According to the current understanding of the FATCA provisions, Syngenta AG should not qualify as an FFI and should therefore not be subject to any FATCA reporting or withholding obligations. It is however possible that one or several Syngenta group companies might qualify as FFI and might therefore be subject to FATCA obligations.

Where You Can Find More Information

Syngenta is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended. Accordingly, Syngenta will file reports and other information with the Commission. Such reports and other information may be inspected without charge, and copies thereof may be obtained at prescribed rates from, the public reference room of the Commission's principal office at 100 F Street, N.E., Washington, DC 20549, United States. The public may obtain information on the operation of the Commission's public reference room by calling the Commission in the United States at 1-800-SEC-0330. In addition, this report and other information Syngenta files with the SEC are available on the website maintained by it at <http://www.sec.gov>. Copies of reports and other information concerning Syngenta are also available for inspection at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005, United States.

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ITEM 11 — QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Overview

The nature of Syngenta's business and its global presence exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavorable changes in foreign exchange rates, interest rates, commodity prices and other market prices (equities, credit spreads etc.), (ii) counterparty risk and (iii) liquidity and refinancing risk.

A financial risk management framework is in place in the form of a Treasury policy, approved by the Board of Directors. This policy provides guidance over all Treasury and finance related matters, is underpinned by delegated authority guidelines and is additionally supported by detailed procedures in place across Syngenta. In accordance with its Treasury policy, Syngenta actively monitors and manages financial risk with the objectives of reducing fluctuations in reported earnings and cash flows from these risks and providing economic protection against cost increases. These objectives are achieved through (a) monthly assessment of the impact of market risks against defined risk limits (see following section), which take into account the risk appetite of Syngenta and (b) the use of a variety of derivative and non-derivative financial instruments.

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

Syngenta seeks to apply, wherever possible, hedge accounting to present its financial statements in accordance with the economic purpose of the hedging activity. Derivative financial instruments for which hedge accounting is not adopted either (a) do not meet the requirements for hedge accounting treatment under IFRS or (b) when combined with the accounting for the underlying hedged items, impact the financial statements in a manner aligned with the economic purpose of the hedging transaction, without the need to adopt hedge accounting treatment.

Assessment of the impact of market risks

The impact of market risks is assessed using a variety of Value-at-Risk (VaR) methods, including Earnings-at-Risk (EaR) methods. The exact method selected depends on the nature of the underlying risk. The specific methods used to assess the impact of financial risks are described below:

| Risk | Method | Exposure (financial statement item) | Time horizon (months) |
|---------------------------|--------|---|-----------------------|
| Foreign exchange risk | | | |
| Transaction – committed | VaR | Monetary asset and liability carrying amounts | 1 |
| Transaction – uncommitted | EaR | Operating income | 12 |
| Translation | VaR | Cumulative translation adjustment in OCI | 1 |
| Interest rate risk | EaR | Interest expense | 12 |
| Commodity price risk | EaR | Operating income | 12 |

VaR and EaR calculations are risk management tools designed to statistically estimate with a pre-set probability the maximum amount of potential losses in value (VaR) or earnings (EaR) over a specific (holding) time period given current and forecast positions and possible movements in market prices. The VaR and EaR methods used by Syngenta

estimate the gross impact on the consolidated financial statements if the underlying items were not hedged and the net impact of the combined underlying hedged items and the related hedging instruments. VaR and EaR calculations attempt to recognize that holding different assets and liabilities or incurring different future cash flow exposures may reduce portfolio risk through diversification. Such diversification effects are captured within the calculations, which aim to present the risk to the whole portfolio of the individual market risks. Using historical data, the VaR and EaR calculations are designed to predict possible changes in the markets in the future at a 99 percent confidence level, with a 1 percent probability that actual results will be worse than calculated.

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The assessment of the impact of market risks is performed monthly and the results are compared against annually defined risk limits. In cases where the net impact is higher than a risk limit, Syngenta enters into derivative financial instrument transactions to be in line with the risk limits. Breaches of risk limits, should they occur, are immediately reported to senior management.

Syngenta cannot accurately predict future movements in risk variables, therefore calculations of the impact of market risks neither represent actual losses nor consider the effects of potential favorable movements in underlying risk variables. Accordingly, these calculations may only be an indication of future movements to the extent the historic market patterns repeat in the future.

Foreign exchange risk

Operating worldwide in over 90 countries exposes Syngenta to foreign exchange transaction and translation risk at both the Group and subsidiary level. Syngenta's policy is to not hedge foreign exchange translation risk.

Foreign exchange transaction risk – committed

Syngenta's individual subsidiaries predominantly transact their operational activities in their respective functional currencies. However, the globally integrated nature of Syngenta's business results in its subsidiaries bearing some amount of transactional balance sheet risk, because some monetary items (including financial liabilities) are denominated in foreign currencies.

Such committed foreign currency exposures are largely generated by the routing of products from Syngenta's central manufacturing sites to its foreign locations. These committed exposures are normally fully hedged, unless otherwise approved by Group Treasury, for example where not deemed cost-effective or where there is no forward market for a specific currency. The committed exposures are hedged using foreign exchange forward contracts and cross-currency swaps.

Net committed transactional currency exposures are identified and reported on a monthly basis by business units. VaR calculations for committed exposures relate to the revaluation of exposures relative to spot rates over a monthly period. The impact of interest differentials and other factors is not included in these calculations.

| (\$m) | December 31, 2013 | | | December 31, 2012 | | | | |
|--|-------------------|------------|----------------|-------------------|--------------|------------|----------------|--|
| | Value-at-Risk | | | Value-at-Risk | | | | |
| Underlying currency (1-month holding period) | Gross impact | Net impact | Risk reduction | | Gross impact | Net impact | Risk reduction | |
| Swiss franc | 114 | 1 | 99 % | | 113 | 0 | 100 % | |
| Brazilian real | 55 | 6 | 89 % | | 31 | 1 | 97 % | |
| Euro | 32 | 4 | 88 % | | 21 | 1 | 95 % | |
| British pound sterling | 30 | 2 | 93 % | | 17 | 1 | 94 % | |
| Other core currencies ¹ | 27 | 1 | 96 % | | 13 | 0 | 100 % | |
| Rest of world | 109 | 20 | 82 % | | 61 | 11 | 84 % | |
| Total undiversified | | 368 | 33 | 91 % | 256 | 14 | 95 % | |
| Diversification | | (258) | (25) | 90 % | (178) | (11) | 94 % | |
| Net VaR | | 110 | 8 | 93 % | 78 | 2 | 97 % | |

1 Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

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At December 31, 2013, the Value-at-Risk for a one month holding period, after hedges, at a 99 percent confidence level was \$8 million (December 31, 2012: \$2 million).

The net resulting Value-at-Risk at December 31, 2013 is higher compared with December 31, 2012 mainly due to growth of the business, particularly in emerging markets. The largest exposures arise in Swiss franc, Brazilian real, British pound sterling and Euro. Switzerland and Great Britain house large research and manufacturing sites, whereas the Euro zone represents a large sales market. In recent years, due to the growth of Syngenta sales, exposures are increasing in emerging markets (particularly Brazil).

The average Value-at-Risk, after hedges, at a 99 percent confidence level, for the year ended December 31, 2013 was \$9 million (December 31, 2012: \$6 million), and before hedges was \$134 million (December 31, 2012: \$95 million).

Foreign exchange transaction risk – uncommitted

Syngenta also manages transactional risk by protecting future uncommitted cash flows with foreign exchange forward and currency option contracts. Uncommitted cash flows are highly probable future cash flows from expected future transactions for which Syngenta does not yet have a contractual right or obligation. The objective is to minimize the impact of changes in foreign exchange rates on the cash flows and operating income forecasted to result from these transactions.

The US dollar represents the biggest single currency for both sales and costs. However, currency mismatches arise from Syngenta having a centralized cost base, denominated mainly in Swiss francs, British pounds and US dollars, against a local selling base, denominated mainly in US dollars, Euros and various other currencies, including those in emerging markets. In addition, due to the seasonality of Syngenta's business, the majority of sales occur during the first half of the year whereas costs tend to occur more linearly throughout the year. Syngenta collects information about anticipated cash flows over a twelve-month future period for major currencies at Group level and hedges significant mismatches in currency flows within clearly defined risk limits.

The Earnings-at-Risk calculation is performed for anticipated net transactional currency flows for the following year taking into account related currency hedges.

| (\$m) | December 31, 2013 | | | December 31, 2012 | | | | |
|---|-------------------|------------|----------------|-------------------|--------------|------------|----------------|--|
| | Earnings-at-Risk | | | Earnings-at-Risk | | | | |
| Underlying currency (12-month holding period) | Gross impact | Net impact | Risk reduction | | Gross impact | Net impact | Risk reduction | |
| Swiss franc | 157 | 99 | 37 % | | 123 | 81 | 34 % | |
| Brazilian real | 172 | 138 | 20 % | | 85 | 58 | 32 % | |
| Euro | 38 | 41 | (8)% | | 45 | 41 | 9 % | |
| British pound sterling | 29 | 25 | 14 % | | 23 | 9 | 61 % | |
| Other core currencies ¹ | 43 | 34 | 21 % | | 43 | 28 | 35 % | |
| Rest of world | | 124 | 122 | 2 % | 149 | 148 | 1 % | |
| Total undiversified | | 563 | 459 | 18 % | 468 | 365 | 22 % | |
| Diversification | | (296) | (262) | 11 % | (295) | (232) | 21 % | |
| Net EaR | | 267 | 197 | 26 % | 173 | 133 | 23 % | |

1 Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

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At December 31, 2013, the total potential adverse movement for 2014 net transactional flows after hedges relative to year-end at spot levels, at a 99 percent confidence level, was \$197 million (December 31, 2012: \$133 million). In line with the objective of the hedging program, Syngenta aims to minimize the potential adverse movement for the entire portfolio of the net transactional flows, rather than on an individual currency basis. As a result, negative risk reduction for a single currency can occur.

The net resulting Earnings-at-Risk figures at December 31, 2013 increased compared with December 31, 2012 due to higher volatilities and the growth of the business. Earnings-at-Risk exposures are greatest for the Swiss franc, where Syngenta has a significant cost base in Switzerland with no material offsetting sales, and the Brazilian real, where a significant cost base is only partially offset by sales because sales in Brazil are largely dollarized.

Foreign exchange translation risk

Translation exposure arises from consolidation of foreign currency denominated financial statements of Syngenta's subsidiaries. This is reported as currency translation effects in OCI.

Translation risk can be significant; however, Syngenta regards its equity base to be of sufficient magnitude generally to absorb the short- to medium-term impact of exchange rate movements.

Syngenta can use both foreign currency denominated debt and net investment hedging to manage this exposure. The latter incorporates specific actions to protect the value of temporary excess foreign currency denominated cash positions. The exposure is deemed to be mitigated by the large net asset base of Syngenta and consequently no additional management of the exposure was undertaken in 2013 and 2012.

The table below presents the 1-month translation Value-at-Risk:

| (\$m) Currency of net investment in subsidiary (1-month holding period) | December 31, 2013 | December 31, 2012 |
|---|----------------------------------|----------------------------------|
| | Value-at-Risk Gross impact | Value-at-Risk Gross impact |
| Brazilian real | 107 | 76 |
| Swiss franc | 286 | 163 |
| Euro | 29 | 37 |
| British pound sterling | 61 | 44 |
| Other core currencies ¹ | 13 | 14 |
| Rest of world | 101 | 68 |
| Total undiversified | 597 | 402 |
| Diversification | (182) | (91) |
| Net VaR | 415 | 311 |

1 Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

At December 31, 2013, the Value-at-Risk for a one month holding period at a 99 percent confidence level was \$415 million (December 31, 2012: \$311 million). The Value-at-Risk at December 31, 2013 increased compared with December 31, 2012 due to higher volatilities and exposure volumes.

The two largest single exposures arise in the Swiss franc and Brazilian real, driven by the large operations and investments in facilities in Switzerland and Brazil.

The average Value-at-Risk after hedges, at a 99 percent confidence level, for the year ended December 31, 2013 was \$383 million (December 31, 2012: \$374 million).

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Interest rate risk

Syngenta is exposed to fluctuations in interest rates on its borrowings (including forecasted borrowings) and excess cash. While the majority of Syngenta's borrowings have fixed interest rates, portions of Syngenta's net borrowings, including its short-term commercial paper program and local borrowings, are subject to changes in short-term interest rates.

Syngenta monitors its interest rate exposures, analyzes the potential impact of interest rate movements on net interest expense and enters into derivative transactions with the objective to manage its interest rate risk within approved risk limits. At December 31, 2013, the net amount of Earnings-at-Risk on floating rate debt due to potential changes in interest rates (a parallel shift of 100 bps was applied) was \$12 million (2012: \$4 million). The net amount of Earnings at Risk on net debt, as defined in Note 27 to the consolidated financial statements in Item 18, due to potential changes in interest rates was immaterial at December 31, 2013 and 2012.

Commodity price risks

Operating in the agribusiness sector, changes in certain commodity prices affect Syngenta's reported operating results and cash flows. On a limited basis, Syngenta enters into derivative transactions to hedge the exposure of its cost base to commodity prices. This activity comprises oil and natural gas hedging in the UK and USA, as well as soft commodity hedging for corn and soybean purchases by the Seeds business in the USA, Canada, Brazil and Argentina, where Syngenta contracts to purchase various seed crops from growers and hedges the cost of the purchases. In barter arrangements where Syngenta sells products in exchange for receiving a certain amount of a commodity crop, Syngenta hedges the value of the crop.

Syngenta has indirect exposure to oil price fluctuations mainly through the impact of oil prices on the cost of both raw materials, especially chemical intermediates in the Crop Protection business, and distribution activities. Natural gas exposure occurs in Syngenta's primary manufacturing sites.

The main objective of managing commodity price risk is to reduce the impact of commodity price changes on operating income and to provide economic protection against future cost increases. Syngenta uses fixed price contracts and derivatives (both Over-the-Counter (OTC) and exchange traded instruments, including commodity option and futures contracts) to achieve this objective.

At December 31, 2013, there was no hedge protection in place for oil for 2014 (December 31, 2012: no hedge protection in place for oil for 2013). As the exposure to oil is indirect, Syngenta does not calculate the Earnings-at-Risk due to potential changes in oil prices. Earnings-at-Risk due to potential changes in natural gas and soft commodity prices assuming a 12-month holding period are presented below.

| | December 31, 2013 | | | | December 31, 2012 | | | |
|---------------------|-------------------|------------|----------------|---|-------------------|------------|----------------|---|
| | Earnings-at-Risk | | | | Earnings-at-Risk | | | |
| | Gross impact | Net impact | Risk reduction | | Gross impact | Net impact | Risk reduction | |
| Natural gas (\$m) | | | | % | | | | % |
| Total undiversified | 12 | 4 | 67 | % | 14 | 6 | 57 | % |
| Diversification | (2) | (1) | 50 | % | (4) | (1) | 75 | % |
| Net EaR | 10 | 3 | 70 | % | 10 | 5 | 50 | % |

| | December 31, 2013 | | | December 31, 2012 | | |
|------------------------|-------------------|-----|------|-------------------|-----|------|
| | Earnings-at-Risk | | | Earnings-at-Risk | | |
| | Gross | Net | Risk | Gross | Net | Risk |
| Soft commodities (\$m) | | | | | | |

| | impact | impact | reduction | | impact | impact | reduction | |
|----------------------------------|--------|--------|-----------|---|--------|--------|-----------|---|
| Total undiversified ¹ | 54 | 35 | 35 | % | 119 | 101 | 15 | % |

1 As the main soft commodities are largely correlated to each other, the impact of diversification is immaterial

The Earnings-at-Risk of soft commodities is driven by their high price volatility compared to other asset classes. The hedging program reduces overall 12-month Earnings-at-Risk at December 31, 2013 to \$35 million (December 31, 2012: \$101 million). The decrease in net risk in 2013 is mainly due to lower price levels and lower exposure volumes.

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ITEM 12 — DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

ITEM 12.D.3 — FEES AND CHARGES FOR HOLDERS OF AMERICAN DEPOSITARY RECEIPTS

The Bank of New York Mellon, as depositary for the ADSs (the depositary) collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deductions from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them.

| Persons depositing or withdrawing shares must pay: | For: | |
|--|------|--|
| \$5.00 (or less) per 100 ADSs (or portion of 100 ADSs) | – | Issuance of ADSs, including issuances resulting from a distribution, sale or exercise of shares or rights or other property |
| | – | Cancellation of ADSs for the purpose of withdrawal including if the deposit agreement terminates |
| \$0.02 (or less) per ADS | – | Any cash distribution to ADS holders |
| A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs | – | Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders |
| \$0.02 (or less) per ADS per calendar year | – | Depositary services |
| Registration or transfer fees | – | Transfer and registration of shares on the Company's share register to or from the name of the depositary or its agent when you deposit or withdraw shares |
| Expenses of the depositary | – | Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement) |
| | – | Converting foreign currency to US dollars |
| Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes | – | As necessary |
| Any charges incurred by the depositary or its agents for servicing the deposited securities | – | As necessary |

ITEM 12.D.4— FEES MADE BY DEPOSITARY TO THE COMPANY

The Bank of New York Mellon, as depositary, has agreed to reimburse Syngenta for certain expenses it incurs that are related to establishment and maintenance expenses of the ADS program. The depositary has also agreed to pay the standard out-of-pocket maintenance costs for the ADSs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of US federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse the Company annually for certain investor relationship programs or special investor relations promotional activities. In certain instances, the depositary has agreed to provide additional payments to Syngenta based on any applicable performance indicators relating to the ADS facility. There are limits on the amount of expenses for which the depositary will reimburse Syngenta, but the amount of reimbursement available to Syngenta is not necessarily tied to the amount of fees the depositary collects from investors.

From January 1, 2013, to December 31, 2013, Syngenta received from the depositary \$772,300 as reimbursement of the above mentioned fees, costs and expenses.

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PART II

ITEM 13 — DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14 — MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15 — CONTROLS AND PROCEDURES

a. Syngenta's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as at December 31, 2013, have concluded that the Company's disclosure controls and procedures (i) were effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (ii) ensured that information required to be disclosed in the reports that the Company files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

b. Syngenta's Board of Directors and management are responsible for establishing and maintaining adequate internal control over financial reporting. Syngenta's internal control system was designed to provide reasonable assurance to Syngenta's management and Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Syngenta's management assessed the effectiveness of the Group's internal control over financial reporting as of December 31, 2013. In making this assessment, it used the criteria established in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2013, Syngenta's internal control over financial reporting was effective based on those criteria.

Ernst & Young AG, Switzerland, an independent registered public accounting firm, has issued an opinion on the effectiveness of the Group's internal control over financial reporting which is included in this annual report.

c. See the attestation report of Ernst & Young AG, an independent registered public accounting firm, included under Item 18 on page F-1.

d. There have been no changes in Syngenta's internal controls over financial reporting that occurred during the period covered by this Form 20-F that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16 — [RESERVED]

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ITEM 16A — AUDIT COMMITTEE FINANCIAL EXPERT

Syngenta’s Audit Committee consists of at least three independent non-executive directors: Gunnar Brock (Chairman), Stefan Borgas and David Lawrence. Syngenta’s Board of Directors has carefully considered the definition of “audit committee financial expert” adopted by the United States Securities and Exchange Commission and has determined that, while each of the directors on the Audit Committee satisfies certain aspects of that definition, none of such directors, individually, qualifies as an audit committee financial expert. Syngenta’s Board believes that the collective experience of such members enables them, as a group, to act as an effective Audit Committee and that the Audit Committee has functioned, and can continue to function, effectively without appointing an additional member that would qualify as an audit committee financial expert.

ITEM 16B — CODE OF ETHICS

Syngenta has adopted a Code of Ethics applicable to its Chairman, Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Head of Group Financial Reporting & SOX Compliance, Head of Internal Audit, Head Group Treasury and all members of the Syngenta Executive Committee. A copy of Syngenta’s Code of Ethics has been filed with the Securities and Exchange Commission and is included as Exhibit 11.1 to this annual report. During 2013, no amendments were made to a provision of the Code of Ethics that applies to any of the above-mentioned officers and / or members of the Syngenta Executive Committee and no waivers were explicitly or implicitly granted to any of them, in each case that would be required to be disclosed herein.

ITEM 16C — PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees Paid to the Independent Registered Public Accounting Firm

The Board of Directors engaged Ernst & Young AG to perform an annual audit of the Company’s financial statements in 2013 and 2012. The following table presents information concerning fees paid to Ernst & Young AG in each of those years.

| (\$m) | 2013 | 2012 |
|---------------------------------|------|------|
| Audit fees ¹ | 9.6 | 7.0 |
| Audit-related fees ² | 0.5 | 0.4 |
| Tax fees ³ | 0.5 | 0.5 |
| All other fees ⁴ | 0.1 | 0.2 |
| Total | 10.7 | 8.1 |

¹ Audit services are defined as the audit work required to allow the external auditor to issue an opinion on the statutory and regulatory filings of the Group and its subsidiaries. This category therefore includes services such as statutory and other legally required audits, attest services, comfort letters, consents and assistance with and review of documents filed with the US Securities and Exchange Commission.

² Audit-related services include assurance and associated services provided by auditors but which are not necessarily provided by the external auditor. These services include audits of pension funds and employee benefit plans, due diligence and related audits, internal control reviews and consultation concerning financial accounting and reporting standards.

Tax services include all services performed by the external auditor's tax department except those services related to the audit. It includes tax compliance, tax planning, and tax advice.

4 Other services/additional fees include advice relating to process improvements, training and subscription fees for accounting, and reporting updates.

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Pre-Approval of Services Provided by Ernst & Young AG (“EY”)

The Audit Committee has adopted policies and procedures for pre-approving all audit and non-audit work performed by EY. Specifically, the policies and procedures prohibit EY from performing any services for the Company or its subsidiaries without the prior approval of the Audit Committee.

All of the services provided by EY in 2013 and 2012 were approved by the Audit Committee pursuant to the approval policies described above, and none of such services were approved pursuant to the procedures described in Rule 2-01(c)(7)(i)(C) of Regulation S-X, which waives the general requirement for pre-approval in certain circumstances.

ITEM 16D — EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E — PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

| Month in the year ended December 31, 2013 | Total number of shares purchased ¹ | Average price paid per share (\$) ² | Total number of shares purchased as part of publicly announced plans or programs ³ | Maximum number of shares that may yet be purchased under the plans or programs ³ |
|---|---|--|---|---|
| January | — | — | | |
| February | — | — | | |
| March | — | — | | |
| April | — | — | | |
| May | — | — | | |
| June | — | — | | |
| July (25th – 31st) | 30,000 | 391.53 | 10,000 | 9,302,614 |
| August (2nd – 30th) | 133,000 | 396.77 | 42,000 | 9,260,614 |
| September (2nd – 18th) | 78,000 | 398.27 | 26,000 | 9,234,614 |
| October (18th – 25th) | 21,503 | 392.22 | 9,000 | 9,225,614 |
| November (1st – 29th) | 105,103 | 390.97 | 46,500 | 9,179,114 |
| December (2nd – 10th) | 77,894 | 384.43 | 33,500 | 9,145,614 |
| Total | 445,500 | 392.94 | 4 167,000 | 9,145,614 |

1 278,500 shares were purchased in 2013 in the open market to meet the future requirements of share-based payment plans.

2 Amounts shown reflect the conversion of the applicable CHF amounts into \$ based on month-end CHF/\$ exchange rates.

3 In April 2012, at the Annual General Meeting (AGM) of shareholders, the shareholders approved the request of the Board of Directors to authorize share repurchases starting in 2013 of up to 10 percent of Syngenta's total share capital. The number of shares authorized for share repurchase under this program total 9,312,614 and repurchases under the program commenced on July 25, 2013. In accordance with the requirements for share repurchase programs

established by the Swiss Takeover Board ("Übernahmekommission (UEK)", the authorization term is limited to three years and therefore will expire on July 22, 2016.

4 Purchase price reflects the weighted-average price paid per share (\$) during 2013.

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ITEM 16F — CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

At a meeting held on July 23, 2013, the Board of Directors of the Company decided to propose to its shareholders, the engagement of KPMG AG as its independent registered public accounting firm for the fiscal year ending December 31, 2014. At the same meeting, the Board of Directors of the Company decided to ask Ernst & Young AG (“EY”) to resign as independent registered public accounting firm of the Company. The proposal for KPMG AG to replace EY, will be put to the shareholders at the Annual General Meeting of shareholders on April 29, 2014 and if agreed by the shareholders will be effective from that date. The audit committee of the Board of Directors made the initial recommendations to the Board prior to the Board meeting held on July 23, 2013.

The reports of EY on the Company's financial statements for the past two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

In connection with the audits of the Company's financial statements for each of the two fiscal years ended December 31, 2013 and December 31, 2012 and in the subsequent interim period through February 13, 2014, (i) there were no disagreements with EY on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures which, if not resolved to the satisfaction of EY would have caused EY to make reference to the matter in their report; and (ii) there were no "reportable events" as that term is described in Item 304(a)(1)(v) of Regulation S-K. The Company has requested EY to furnish it a letter addressed to the Commission stating whether it agrees with the above statements. A copy of that letter, dated February 13, 2014 is filed as Exhibit 15.2 to this Form 20-F.

ITEM 16G — CORPORATE GOVERNANCE

As permitted by section 303A of the NYSE Listed Company Manual, Syngenta’s corporate governance practices differ from those of domestic companies in the following ways:

| NYSE Corporate Governance Standards (Rules) | Practice at Syngenta |
|--|---|
| Paragraph 3 of section 303A (Corporate Governance Standards) of the NYSE Listed Company Manual requires non-executive, independent Directors to schedule regular meetings without management participation. | At Syngenta, the Board of Directors is currently composed of nine non-executive, independent Directors plus one executive Director, who concurrently is the Chief Executive Officer (CEO); the CEO is the Head of Syngenta’s managing Executive Committee. Because he is a member of the Board of Directors, the CEO attends all meetings of the Board. |
| According to paragraph 8 of section 303A (Corporate Governance Standards) of the NYSE Listed Company Manual, shareholders must be given the opportunity to vote on all equity-based compensation plans and material revisions thereto (with limited exemptions). | With the entry into force on January 1, 2014, of the Swiss Federal Council’s Ordinance Against Excessive Compensation at Listed Companies, the articles of incorporation of listed companies must contain, among others, provisions on the basic principles concerning performance-based compensation and the |

award or allocation of equity securities, conversion or option rights to members of the Board of Directors and the

Executive Committee. In order to become effective, these provisions and any material revisions thereto require the approval of shareholders. At Syngenta, these provisions will be submitted for approval at the Annual General Meeting of April 29, 2014. After approval, Syngenta's practice will be aligned with paragraph 8 of section 303A of the NYSE Listed Company Manual.

According to the new subsection (c) to paragraph 5 of section 303A (Corporate Governance Standards) of the NYSE Listed Company Manual, the Compensation Committee may select a compensation consultant, legal counsel or other adviser only after considering all factors relevant to independence from management.

Syngenta currently adheres to the recommendations of paragraph 7 of Appendix 1 of the Swiss Code of Best Practice for Corporate Governance which states that, "If the Committee brings in external consultants to make comparisons and recommendations in the area of senior executive compensation, the Committee itself decides on the consultant to use, issues the mandate, and determines the fee. It evaluates the results critically."

ITEM 16H — MINE SAFETY DISCLOSURE

Not applicable.

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PART III

ITEM 17 — FINANCIAL STATEMENTS

Syngenta has responded to Item 18 in lieu of responding to this item.

ITEM 18 — FINANCIAL STATEMENTS

The following financial statements, together with the Reports of Independent Registered Public Accounting Firm thereon of February 4, 2014, are filed as part of this annual report:

| | Page |
|--|------|
| <u>Report of Independent Registered Public Accounting Firm</u> | F-1 |
| <u>Report of Independent Registered Public Accounting Firm</u> | F-2 |
| <u>Consolidated Income Statement</u> | F-3 |
| <u>Consolidated Statement of Comprehensive Income</u> | F-4 |
| <u>Consolidated Balance Sheet</u> | F-5 |
| <u>Consolidated Cash Flow Statement</u> | F-6 |
| <u>Consolidated Statement of Changes in Equity</u> | F-7 |
| <u>Notes to the Syngenta Group Consolidated Financial Statements</u> | F-8 |

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ITEM 19 — EXHIBITS

The following documents are exhibits to this annual report:

| Exhibit Number | Description of Document |
|----------------|--|
| 1.1 | English Translation of the Articles of Incorporation of Syngenta AG* |
| 2.1 | Deposit Agreement between The Bank of New York Mellon and Syngenta AG** |
| 2.2 | Amended and Restated Trust Deed dated September 30, 2008 among Syngenta Finance N.V., Syngenta Finance AG, Syngenta AG and BNY Corporate Trustee Services Limited, as Trustee*** |
| 2.3 | Indenture dated as of March 28, 2012 among Syngenta N.V., Syngenta AG and The Bank of New York Mellon†††† |
| 4.3 | Environmental Matters Agreement dated September 12, 2000 between Syngenta AG and AstraZeneca PLC‡ |
| 4.4 | Environmental Matters Agreement dated September 12, 2000 between Syngenta AG and Novartis AG‡ |
| 4.5 | Environmental Matters Agreement dated September 12, 2000 among Zeneca AG Products Holdings Inc. and Zeneca Holdings Inc. and Stauffer Management Company‡ |
| 4.6 | Environmental Matters Agreement dated September 12, 2000 among Syngenta Crop Protection Inc., Novartis Corporation and Novartis Agribusiness Holding, Inc.‡ |
| 4.11 | License of Intellectual Property Rights Excluding Rights in Trade Marks and Software dated January 4, 2000 between AstraZeneca UK Limited and Zeneca Limited‡ |
| 4.12 | License of Intellectual Property Rights Excluding Rights in Trade Marks and Software dated January 4, 2000 between Zeneca Limited and AstraZeneca UK Limited‡ |
| 4.13 | Trade Mark License dated January 4, 2000 between AstraZeneca UK Limited and Zeneca Limited‡ |
| 4.14 | Software License dated January 4, 2000 between AstraZeneca UK Limited and Zeneca Limited‡ |
| 4.15 | General Principles for the Separation of Intellectual Property between Novartis and Novartis Agribusiness (Syngenta)‡ |
| 4.19 | Master Sharing Agreement dated September 12, 2000 between AstraZeneca UK Limited and Zeneca Limited‡ |
| 4.20 | Multicurrency Revolving Facilities Agreement dated November 2, 2012 for Syngenta AG and the companies named therein as Borrowers, arranged by Banc of America Securities Limited, Banco Santander, S.A., Citigroup Global Markets Limited, Credit Suisse AG, Deutsche Bank AG, HSBC Bank PLC, UBS AG and Unicredit Bank AG, with Banc of America Securities Limited acting as agent and the financial institutions set forth in Schedule I thereto (“the Multicurrency Revolving Facilities Agreement”)* |
| 4.21 | First Extension Request dated September 16, 2013 and Lenders Consent dated October 18, 2013 under the Multicurrency Revolving Facilities Agreement |
| 4.22 | Syngenta Long-Term Incentive Plan - USA (Stock Options and Restricted Stock Units)* |
| 4.23 | Syngenta Deferred Share Plan (Share Awards)* |
| 4.24 | Syngenta Corporation Employee Stock Purchase Plan* |

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| | |
|------|--|
| 4.25 | Syngenta Share Plan for Non-Executive Directors‡‡‡‡ |
| 8.1 | Subsidiaries of Syngenta AG‡ |
| 11.1 | Syngenta Code of Ethics for Senior Executive Officers‡‡ |
| 12.1 | Certification by CEO pursuant to Section 302 |
| 12.2 | Certification by CFO pursuant to Section 302 |
| 13.1 | Certification by CEO and CFO pursuant to Section 906 |
| 15.1 | Consent of Independent Registered Public Accounting Firm |
| 15.2 | Letter from EY commenting upon its reading of Item 16-F to Syngenta's annual report on Form 20-F for the fiscal year ended December 31, 2013 |

* Exhibit incorporated by reference to Annual Report on Form 20-F filed February 14, 2013 (File No. 001-15152).

** Exhibit incorporated by reference to the Registration Statement on Form F-6 filed November 20, 2008 (File No. 333-155523).

*** Exhibit incorporated by reference to Annual Report on Form 20-F filed February 18, 2009 (File No. 001-15152).

**** Exhibits incorporated by reference to the Registration Statement on Form S-4 filed September 12, 2000 (File No. 333-125222).

‡ The subsidiaries of Syngenta are set forth in Item 4 of this annual report.

‡‡ Exhibit incorporated by reference to Annual Report on Form 20-F filed March 25, 2004 (File No. 001-15152).

‡‡‡ Exhibit incorporated by reference to Annual Report on Form 20-F filed February 16, 2012 (File No. 001-15152).

‡‡‡‡ Exhibit incorporated by reference to Exhibit 4.1 of Report on Form 6-K filed on March 29, 2012 (File No. 001-15152).

Syngenta hereby agrees to furnish copies of certain long-term debt instruments to the Securities and Exchange Commission upon request of the Commission; therefore such instruments are not being filed as exhibits to this Form 20-F for the year ended December 31, 2012. The amount of debt authorized under each long-term debt instrument does not exceed 10 percent of Syngenta's total assets.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Syngenta AG

By: /s/ Michael Mack
Name: Michael Mack
Title: Chief Executive
Officer

By: /s/ John Ramsay
Name: John Ramsay
Title: Chief Financial
Officer

Dated: February 13, 2014

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To the Board of Directors and Shareholders of
Syngenta AG, Basel

Report of Independent Registered Public Accounting Firm

We have audited Syngenta AG's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) (the COSO criteria). Syngenta AG's Board of Directors and management are responsible for maintaining effective internal control over financial reporting and management is responsible for its assessment of the effectiveness of internal control over financial reporting included in Item 15 of Syngenta AG's Annual Report on Form 20-F for the year ended December 31, 2013. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Syngenta AG maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Syngenta AG as of December 31, 2013, 2012 and 2011 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2013 and our report dated February 4, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young AG

Basel, Switzerland
February 4, 2014

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To the Board of Directors and Shareholders of
Syngenta AG, Basel

Report of Independent Registered Public Accounting Firm

We have audited the accompanying consolidated balance sheets of Syngenta AG as of December 31, 2013, 2012 and 2011 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of Syngenta AG's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Syngenta AG at December 31, 2013, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2013, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Syngenta AG's internal control over financial reporting as of December 31, 2013, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 Framework) and our report dated February 4, 2014 expressed an unqualified opinion thereon.

/s/ Ernst & Young AG
Basel, Switzerland
February 4, 2014

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Syngenta Group Consolidated Financial Statements

Consolidated Income Statement
(for the years ended December 31, 2013, 2012 and 2011)

| (\$m, except share and per share amounts) | Notes | 2013 | 2012 | 1 | 2011 | 1 |
|---|-------|------------|------------|---|------------|---|
| Sales | 4, 5 | 14,688 | 14,202 | | 13,268 | |
| Cost of goods sold | | (7,986) | (7,223) | | (6,790) | |
| Gross profit | | 6,702 | 6,979 | | 6,478 | |
| Marketing and distribution | | (2,394) | (2,423) | | (2,390) | |
| Research and development | | (1,376) | (1,257) | | (1,194) | |
| General and administrative: | | | | | | |
| Restructuring | 6 | (175) | (233) | | (307) | |
| Divestment (losses)/gains | | (4) | (25) | | 76 | |
| Other general and administrative | | (667) | (785) | | (654) | |
| Operating income | | 2,086 | 2,256 | | 2,009 | |
| Income from associates and joint ventures | | 48 | 7 | | 15 | |
| Interest income | 28 | 120 | 116 | | 93 | |
| Interest expense | 28 | (164) | (142) | | (152) | |
| Other financial expense | | (22) | (20) | | (20) | |
| Currency gains/(losses), net | 28 | (134) | (101) | | (86) | |
| Financial expense, net | | (200) | (147) | | (165) | |
| Income before taxes | | 1,934 | 2,116 | | 1,859 | |
| Income tax expense | 7 | (285) | (266) | | (289) | |
| Net income | | 1,649 | 1,850 | | 1,570 | |
| Attributable to: | | | | | | |
| Syngenta AG shareholders | 8 | 1,644 | 1,847 | | 1,569 | |
| Non-controlling interests | | 5 | 3 | | 1 | |
| Net income | | 1,649 | 1,850 | | 1,570 | |
| Earnings per share (\$): | | | | | | |
| Basic earnings per share | 8 | 17.88 | 20.16 | | 17.07 | |
| Diluted earnings per share | 8 | 17.78 | 20.05 | | 16.98 | |
| Weighted average number of shares: | | | | | | |
| Basic | | 91,952,222 | 91,644,190 | | 91,892,275 | |
| Diluted | | 92,459,306 | 92,132,922 | | 92,383,611 | |

1 After effect of accounting policy change for employee benefits described in Note 2 below

The accompanying notes form an integral part of the consolidated financial statements.

All activities were in respect of continuing operations.

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Syngenta Group Consolidated Financial Statements

Consolidated Statement of Comprehensive Income
(for the years ended December 31, 2013, 2012 and 2011)

| (\$m) | Notes | 2013 | 2012 | 1 | 2011 | 1 |
|--|-------|-------|--------|---|--------|---|
| Net income | | 1,649 | 1,850 | | 1,570 | |
| Components of other comprehensive income (OCI) | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | |
| Actuarial gains/(losses) of defined benefit post-employment plans | 22 | 146 | (118) | | (170) | |
| Income tax relating to items that will not be reclassified to profit or loss | 7 | (55) | 20 | | 51 | |
| | | 91 | (98) | | (119) | |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Unrealized gains/(losses) on available-for-sale financial assets | 28 | 17 | (1) | | 3 | |
| Gains/(losses) on derivatives designated as cash flow and net investment hedges | 29 | 14 | 108 | | (150) | |
| Currency translation effects | | (39) | 86 | | (186) | |
| Income tax relating to items that may be reclassified subsequently to profit or loss | 7 | (62) | (22) | | (14) | |
| | | (70) | 171 | | (347) | |
| Total comprehensive income | | 1,670 | 1,923 | | 1,104 | |
| Attributable to: | | | | | | |
| Syngenta AG shareholders | | 1,666 | 1,921 | | 1,104 | |
| Non-controlling interests | | 4 | 2 | | – | |
| Total comprehensive income | | 1,670 | 1,923 | | 1,104 | |

1 After effect of accounting policy change for employee benefits described in Note 2 below

The accompanying notes form an integral part of the consolidated financial statements.

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Syngenta Group Consolidated Financial Statements

Consolidated Balance Sheet

(at December 31, 2013 and 2012 and January 1, 2012)

| (\$m, except share amounts) | Notes | Dec 31, 2013 | Dec 31, 2012 | Jan 1, 2012 |
|---|-------------------|------------------|------------------|-----------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | | 902 | 1,599 | 1,666 |
| Trade receivables | 9, 28 | 3,445 | 3,191 | 2,736 |
| Other accounts receivable | 9, 28 | 979 | 932 | 690 |
| Inventories | 11 | 5,576 | 4,734 | 4,190 |
| Derivative and other financial assets | 28 | 195 | 251 | 269 |
| Other current assets | 10 | 249 | 257 | 199 |
| Total current assets | | 11,346 | 10,964 | 9,750 |
| Non-current assets: | | | | |
| Property, plant and equipment | 12 | 3,506 | 3,193 | 3,025 |
| Intangible assets | 13 | 3,381 | 3,501 | 2,869 |
| Deferred tax assets | 7 | 960 | 1,075 | 930 |
| Financial and other non-current assets | 14, 28 | 819 | 562 | 536 |
| Investments in associates and joint ventures | 14 | 204 | 143 | 131 |
| Total non-current assets | | 8,870 | 8,474 | 7,491 |
| Total assets | | 20,216 | 19,438 | 17,241 |
| Liabilities and equity | | | | |
| Current liabilities: | | | | |
| Trade accounts payable | 15, 28 16, 27, | (3,817) | (3,409) | (2,881) |
| Current financial debt and other financial liabilities | 28 | (1,591) | (1,048) | (955) |
| Income taxes payable | | (687) | (574) | (547) |
| Other current liabilities | 17, 28 | (973) | (1,160) | (1,028) |
| Provisions | 19 | (288) | (236) | (232) |
| Total current liabilities | | (7,356) | (6,427) | (5,643) |
| Non-current liabilities: | | | | |
| Financial debt and other non-current liabilities | 18, 27, 28 | (1,796) | (2,514) | (2,374) |
| Deferred tax liabilities | 7 | (794) | (871) | (761) |
| Provisions | 19 | (766) | (841) | (928) |
| Total non-current liabilities | | (3,356) | (4,226) | (4,063) |
| Total liabilities | | (10,712) | (10,653) | (9,706) |
| Shareholders' equity: | | | | |
| Issued share capital: 2013: 93,126,149 ordinary shares (2012: 93,126,149; 2011: 93,762,899) | 20 | (6) | (6) | (6) |
| Retained earnings | | (6,151) | (5,295) | (4,466) |
| Reserves | | (3,815) | (3,884) | (3,736) |
| Treasury shares: 2013: 1,375,688 ordinary shares (2012: 1,387,266; 2011: 2,508,759) | 20 | 481 | 411 | 682 |
| Total shareholders' equity | | (9,491) | (8,774) | (7,526) |

| | | | |
|------------------------------|-----------|-----------|-----------|
| Non-controlling interests | (13) | (11) | (9) |
| Total equity | (9,504) | (8,785) | (7,535) |
| Total liabilities and equity | (20,216) | (19,438) | (17,241) |

1 After effect of accounting policy change for employee benefits described in Note 2 below

The accompanying notes form an integral part of the consolidated financial statements.

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Syngenta Group Consolidated Financial Statements

Consolidated Cash Flow Statement
(for the years ended December 31, 2013, 2012 and 2011)

| (\$m) | Notes | 2013 | 2012 | 1 | 2011 | 1 |
|--|-------|----------|----------|---|----------|---|
| Income before taxes | | 1,934 | 2,116 | | 1,859 | |
| Reversal of non-cash items | 21 | 910 | 1,020 | | 843 | |
| Cash (paid)/received in respect of: | | | | | | |
| Interest received | | 104 | 135 | | 96 | |
| Interest paid | | (187) | (162) | | (174) | |
| Other financial receipts | | 112 | 62 | | 216 | |
| Other financial payments | | (247) | (260) | | (252) | |
| Income taxes | | (292) | (378) | | (282) | |
| Restructuring costs | 19 | (37) | (55) | | (71) | |
| Contributions to pension plans, excluding restructuring costs | 19 | (128) | (78) | | (198) | |
| Other provisions | 19 | (71) | (182) | | (116) | |
| Cash flow before change in net working capital | | 2,098 | 2,218 | | 1,921 | |
| Change in net working capital: | | | | | | |
| Change in inventories | | (884) | (555) | | (478) | |
| Change in trade and other working capital assets | | (365) | (814) | | (120) | |
| Change in trade and other working capital liabilities | | 365 | 510 | | 548 | |
| Cash flow from operating activities | | 1,214 | 1,359 | | 1,871 | |
| Additions to property, plant and equipment | 12 | (625) | (508) | | (479) | |
| Proceeds from disposals of property, plant and equipment | | 24 | 30 | | 20 | |
| Purchases of intangible assets | 13 | (75) | (112) | | (62) | |
| Purchases of investments in associates and other financial assets | | (27) | (59) | | (34) | |
| Proceeds from disposals of intangible and financial assets | | 14 | 21 | | 22 | |
| Net cash flows from (purchases)/disposals of marketable securities | | 7 | (8) | | 11 | |
| Business acquisitions (net of cash acquired) | | (101) | (654) | | (19) | |
| Business divestments | | 11 | 72 | | 69 | |
| Cash flow used for investing activities | | (772) | (1,218) | | (472) | |
| Increases in third party interest-bearing debt | | 714 | 1,256 | | 305 | |
| Repayments of third party interest-bearing debt | | (775) | (721) | | (906) | |
| Sales of treasury shares and options over own shares | | 83 | 105 | | 45 | |
| Acquisitions of non-controlling interests | | (39) | – | | – | |
| Purchases of treasury shares | | (176) | (81) | | (422) | |
| Distributions paid to shareholders | | (921) | (791) | | (706) | |
| Cash flow used for financing activities | | (1,114) | (232) | | (1,684) | |
| Net effect of currency translation on cash and cash equivalents | | (25) | 24 | | (16) | |
| Net change in cash and cash equivalents | | (697) | (67) | | (301) | |
| Cash and cash equivalents at the beginning of the year | | 1,599 | 1,666 | | 1,967 | |
| Cash and cash equivalents at the end of the year | | 902 | 1,599 | | 1,666 | |

1 After effect of accounting policy change for employee benefits described in Note 2 below

Of total cash and cash equivalents of \$902 million (2012: \$1,599 million; 2011: \$1,666 million), \$153 million (2012: \$125 million; 2011: \$175 million) is required to meet insurance solvency requirements of the Group's insurance subsidiaries and \$nil (2012: \$59 million; 2011: \$nil) was held in escrow pursuant to Syngenta's takeover offer for Devgen. These amounts therefore were not readily available for the general purposes of the Group. There are no other significant restrictions on Syngenta's ability to use assets or settle liabilities.

At December 31, 2013, cash equivalents totalled \$518 million (2012: \$868 million; 2011: \$892 million) and consisted of bank and money market fund deposits.

The accompanying notes form an integral part of the consolidated financial statements.

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Syngenta Group Consolidated Financial Statements

Consolidated Statements of Changes in Equity
(for the years ended December 31, 2013, 2012 and 2011)

| (\$m) | Attributable to Syngenta AG shareholders | | | | | | | | Total equity |
|--|--|----------------------------|--------------------------|---------------------|-----------------------------------|-------------------|----------------------------|---------------------------|--------------|
| | Par value of ordinary shares | Additional paid-in capital | Treasury shares, at cost | Fair value reserves | Cumulative translation adjustment | Retained earnings | Total shareholders' equity | Non-controlling interests | |
| January 1, 2011 | 6 | 3,491 | (489) | (36) | 658 | 3,809 | 7,439 | 10 | 7,449 |
| Net income | | | | | | 1,569 | 1,569 | 1 | 1,570 |
| OCI | | | | (113) | (233) | (119) | (465) | (1) | (466) |
| Total comprehensive income | – | – | – | (113) | (233) | 1,450 | 1,104 | – | 1,104 |
| Share based compensation | | | 34 | | | 65 | 99 | | 99 |
| Dividends paid | | | | | | (705) | (705) | (1) | (706) |
| Share repurchases | | | (422) | | | | (422) | | (422) |
| Cancellation of treasury shares | | (31) | 195 | | | (164) | – | | – |
| Other and income taxes on share based compensation | | | | | | 11 | 11 | | 11 |
| December 31, 2011 | 6 | 3,460 | (682) | (149) | 425 | 4,466 | 7,526 | 9 | 7,535 |
| Net income | | | | | | 1,847 | 1,847 | 3 | 1,850 |
| OCI | | | | 97 | 74 | (97) | 74 | (1) | 73 |
| Total comprehensive income | – | – | – | 97 | 74 | 1,750 | 1,921 | 2 | 1,923 |
| Share based compensation | | | 153 | | | 26 | 179 | | 179 |
| Dividends paid | | | | | | (791) | (791) | | (791) |
| Share repurchases | | | (81) | | | | (81) | | (81) |
| Cancellation of treasury shares | | (23) | 199 | | | (176) | – | | – |
| Other and income taxes on share based compensation | | | | | | 20 | 20 | | 20 |
| December 31, 2012 | 6 | 3,437 | (411) | (52) | 499 | 5,295 | 8,774 | 11 | 8,785 |
| Net income | | | | | | 1,644 | 1,644 | 5 | 1,649 |
| OCI | | | | 17 | (86) | 91 | 22 | (1) | 21 |
| Total comprehensive income | | | | 17 | (86) | 1,735 | 1,666 | 4 | 1,670 |
| Share based compensation | | | 106 | | | 44 | 150 | | 150 |
| Dividends paid | | | | | | (921) | (921) | | (921) |
| Share repurchases | | | (176) | | | | (176) | | (176) |

| | | | | | | | | | |
|--|---|-------|--------|-------|-----|-------|-------|------|-------|
| Other and income taxes on share based compensation | | | | | | (2) | (2) | (2) | (4) |
| December 31, 2013 | 6 | 3,437 | (481) | (35) | 413 | 6,151 | 9,491 | 13 | 9,504 |

1 After effect of accounting policy change for employee benefits described in Note 2 below

The accompanying notes form an integral part of the consolidated financial statements.

The amount available for dividend distribution is based on Syngenta AG's shareholders' equity determined in accordance with the legal provisions of the Swiss Code of Obligations. In 2011, a dividend of 7.00 Swiss francs ("CHF") (\$7.64) per share was paid in respect of 2010. In 2012, a dividend of 8.00 Swiss francs (\$8.82) per share was paid in respect of 2011. In 2013, a dividend of CHF 9.50 (\$10.01) per share was paid in respect of 2012.

The Board of Directors recommends a dividend payment of CHF 10.00 per share (equivalent to \$11.22 per share translated at the December 31, 2013 exchange rate) subject to shareholder approval at the Annual General Meeting (AGM) on April 29, 2014.

Included within the fair value reserves are (i) cash flow hedge reserves, which comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged items that have not yet been recognized in profit or loss, and (ii) fair value reserves, which comprise the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired. Movements in the cash flow hedge reserves are shown in Note 29. Neither the fair value reserves for available-for-sale financial assets nor any components of the movements in the fair value reserves for available-for-sale financial assets during the periods presented were material.

The cumulative translation adjustment comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of long-term monetary items that are part of net investments in foreign subsidiaries.

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Notes to the Syngenta Group Consolidated Financial Statements

1. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS or IFRSs) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on an historical cost basis, except for items that are required by IFRSs to be measured at fair value, principally derivative financial instruments, available-for-sale financial assets and biological assets, which are valued at fair value less costs to sell.

The consolidated financial statements incorporate the financial statements of Syngenta AG, a company domiciled and incorporated in Switzerland, and all of its more than 150 subsidiaries globally (together referred to as “Syngenta”) and Syngenta’s interests in associates and joint ventures. Approximately 25 subsidiaries are significant legal entities. There are no material non-controlling interests or structured entities. Syngenta’s main research and development facilities are located in Switzerland, UK, USA and India and its main production sites are in Switzerland, UK, USA, France, China, India and Brazil. Syngenta AG’s principal executive offices are at Schwarzwaldallee 215, 4058 Basel, Switzerland.

The consolidated financial statements are presented in United States dollars (“\$”) as this is the major currency in which revenues are denominated. “\$m” refers to millions of United States dollars. The functional currency of Syngenta AG is the Swiss franc (“CHF”).

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 products.

Syngenta has global, integrated risk management processes. Within the scope of these processes, the Board of Directors of Syngenta AG evaluates the risks once a year in accordance with article 663b paragraph 12 of the Swiss Code of Obligations and discusses if any corresponding actions are necessary.

The preparation of financial statements requires management to exercise judgment when applying accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 below includes further discussion of certain critical accounting estimates.

The consolidated financial statements were approved by the Board of Directors on February 4, 2014.

2. Significant accounting policy changes, judgments and estimates

This note describes the impact on Syngenta’s consolidated financial statements of new IFRSs and changes in other accounting policies that have had a material effect, significant accounting judgments made when applying IFRSs, critical assumptions and accounting estimates. Other new IFRSs and accounting policies are described in Note 30.

Adoption of IAS 19 (revised June 2011)

Syngenta adopts new IFRSs by following the transitional requirements of each new standard or, if there are no transitional requirements specified, by using the full retrospective application method, as required by IAS 8. Other changes in accounting policies are also implemented using the full retrospective application method. If full retrospective application of a change is impracticable, it is applied from the earliest period which is practicable. Retrospective application requires that the results of comparative periods and the opening balances of the earliest period shown be restated as if the new accounting policy had always been applied.

In these consolidated financial statements, Syngenta has adopted IAS 19 “Employee Benefits” (revised June 2011). Syngenta has also early adopted “Defined Benefit Plans: Employee Contributions”, Amendments to IAS 19, issued November 2013. The main changes which the revised IAS 19 introduces are as follows:

–In respect of defined benefit (DB) post-employment plans and other post-retirement benefits:

- actuarial gains and losses must be recognized in full in OCI, which was already Syngenta’s accounting policy. Consequently, adoption of IAS 19 (revised) has changed neither when nor where Syngenta recognizes actuarial gains and losses, although the revised requirements described below have changed the amount of actuarial gains and losses recognized;
- interest on the net recognized asset or liability must be recognized in profit or loss, in place of the previously separate recognition of interest cost on the benefit obligation and of an expected return on plan assets. This change increased pre-tax benefit expense for the year ended December 31, 2012 by \$33 million (December 31, 2011: \$38 million), with a corresponding increase in actuarial gains recognized in OCI. Deferred income tax related to these amounts was also recognized;
- past service cost arising from plan amendments must be recognized in full in profit or loss in the period in which the plan amendment occurs, in place of the previous requirement to recognize such costs over the vesting period for the amended benefits. At January 1, 2011, Syngenta had a \$21 million pre-tax liability for unrecognized past service gains, mainly in respect of its Swiss pension plan. Upon adoption of the revised IFRS, this past service gain has been recognized retrospectively. Syngenta has not recognized this amount as an increase in its defined benefit pension asset because of the pension asset ceiling test described below under ‘application of critical accounting policies’. For that reason, consolidated retained earnings brought forward at January 1, 2011 are unaffected by the new requirements for immediate recognition of past service cost. The impacts on Syngenta’s profit or loss for the years ended December 31, 2012 and 2011 were immaterial;

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2. Significant accounting policy changes, judgments and estimates continued

–for plans with employee contributions which vary with the employee’s age or length of service, actuarial calculations now allocate both gross benefits and employee contributions to accounting periods separately in accordance with the projected unit credit actuarial method, rather than allocating only the gross benefit before deducting member contributions, and recognizing member contributions when paid, as has previously been actuarial practice. For Syngenta’s Swiss pension plan, which has an age dependent scale of employee contribution rates, this requirement reduced the amount recognized for its defined benefit obligation by \$25 million at December 31, 2012 (December 31, 2011: \$24 million), before related deferred income tax effects. Syngenta has recognized this accounting change retrospectively, but there was no effect on retained earnings brought forward at January 1, 2011, for the same reason as for the past service cost change described above. The related impact on Syngenta’s profit or loss for 2012 and 2011 were immaterial. For plans where employee contributions throughout service are a constant percentage of pensionable pay, such as its UK pension plan, Syngenta has used the permitted practical expedient in IAS 19 and has reduced the service cost of the period in which the contributions are paid and the service is rendered. Syngenta believes the impact of applying this expedient, compared to allocating gross benefits and employee contributions separately, is not material and that the costs of separately allocating benefits and employee contributions would outweigh any related benefits;

–additional disclosures are required and have been provided in Note 22.

–In respect of termination benefits, restructuring costs incurred to retain the services of employees during a transition period in excess of applicable legal minimums will now be expensed over the required retention period, instead of being recognized in full when the restructuring and the retention benefits are communicated to employees. The impact of adopting this requirement on restructuring expense and provisions for the periods presented in these consolidated financial statements is immaterial.

IAS 19, “Employee Benefits” (revised June 2011), has been applied retrospectively and the effect on the comparative information presented for each financial statement line item is set out in the following tables. As explained above, there was no impact on consolidated retained earnings at January 1, 2011. Except for the effect on the accounting for the 2013 amendment to Syngenta’s Swiss pension plan described in Note 22, the effect of adopting IAS 19 (revised June 2011) on each financial statement line item for the year ended December 31, 2013 is not materially different from the effect on the respective financial statement line item for the year ended December 31, 2012.

Adjustments to the consolidated income statement for the year ended December 31, 2012

| | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|---|-------------|--------------------|--------------------------|
| (\$m, except share and per share amounts) | | | |
| Sales | 14,202 | - | 14,202 |
| Cost of goods sold | (7,218) | (5) | (7,223) |
| Gross profit | 6,984 | (5) | 6,979 |
| Marketing and distribution | (2,418) | (5) | (2,423) |
| Research and development | (1,253) | (4) | (1,257) |
| General and administrative | (1,021) | (22) | (1,043) |
| Operating income | 2,292 | (36) | 2,256 |
| Income from associates and joint ventures | 7 | - | 7 |
| Financial expense, net | (147) | - | (147) |
| Income before taxes | 2,152 | (36) | 2,116 |
| Income tax expense | (277) | 11 | (266) |

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| | | | |
|----------------------------|-------|---------|-------|
| Net income | 1,875 | (25) | 1,850 |
| Attributable to: | | | |
| Syngenta AG shareholders | 1,872 | (25) | 1,847 |
| Non-controlling interests | 3 | - | 3 |
| Net income | 1,875 | (25) | 1,850 |
| Earnings per share (\$): | | | |
| Basic earnings per share | 20.43 | (0.27) | 20.16 |
| Diluted earnings per share | 20.32 | (0.27) | 20.05 |

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2. Significant accounting policy changes, judgments and estimates continued

Adjustments to the consolidated statement of comprehensive income for the year ended December 31, 2012

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|--|----------------|-----------------------|--------------------------------|
| Net income | 1,875 | (25) | 1,850 |
| Components of other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Actuarial gains/(losses) of defined benefit post-employment plans | (151) | 33 | (118) |
| Income tax relating to items that will not be reclassified to profit or loss | 31 | (11) | 20 |
| | (120) | 22 | (98) |
| Items that may be reclassified subsequently to profit or loss | 171 | - | 171 |
| Total comprehensive income | 1,926 | (3) | 1,923 |
| Attributable to: | | | |
| Syngenta AG shareholders | 1,924 | (3) | 1,921 |
| Non-controlling interests | 2 | - | 2 |
| Total comprehensive income | 1,926 | (3) | 1,923 |

Adjustments to the consolidated balance sheet at December 31, 2012

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|--|----------------|-----------------------|--------------------------------|
| Assets | | | |
| Total current assets | 10,964 | - | 10,964 |
| Non-current assets: | | | |
| Deferred tax assets | 1,075 | - | 1,075 |
| Financial and other non-current assets | 525 | 37 | 562 |
| Other non-current assets | 6,837 | - | 6,837 |
| Total non-current assets | 8,437 | 37 | 8,474 |
| Total assets | 19,401 | 37 | 19,438 |
| Liabilities and equity | | | |
| Total current liabilities | (6,427) | - | (6,427) |
| Non-current liabilities: | | | |
| Financial debt and other non-current liabilities | (2,514) | - | (2,514) |
| Deferred tax liabilities | (863) | (8) | (871) |
| Provisions | (841) | - | (841) |
| Total non-current liabilities | (4,218) | (8) | (4,226) |
| Total liabilities | (10,645) | (8) | (10,653) |
| Shareholders' equity: | | | |
| Total shareholders' equity | (8,745) | (29) | (8,774) |
| Non-controlling interests | (11) | - | (11) |
| Total equity | (8,756) | (29) | (8,785) |
| Total liabilities and equity | (19,401) | (37) | (19,438) |

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2. Significant accounting policy changes, judgments and estimates continued

Adjustments to the consolidated cash flow statement for the year ended December 31, 2012

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|-------------------------------------|-------------|--------------------|--------------------------|
| Income before taxes | 2,152 | (36) | 2,116 |
| Reversal of non-cash items | 984 | 36 | 1,020 |
| Cash flow from operating activities | 1,359 | - | 1,359 |

Adjustments to the consolidated income statement for the year ended December 31, 2011

| (\$m, except share and per share amounts) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|---|-------------|--------------------|--------------------------|
| Sales | 13,268 | - | 13,268 |
| Cost of goods sold | (6,786) | (4) | (6,790) |
| Gross profit | 6,482 | (4) | 6,478 |
| Marketing and distribution | (2,387) | (3) | (2,390) |
| Research and development | (1,191) | (3) | (1,194) |
| General and administrative | (853) | (32) | (885) |
| Operating income | 2,051 | (42) | 2,009 |
| Income from associates and joint ventures | 15 | - | 15 |
| Financial expense, net | (165) | - | (165) |
| Income before taxes | 1,901 | (42) | 1,859 |
| Income tax expense | (301) | 12 | (289) |
| Net income | 1,600 | (30) | 1,570 |
| Attributable to: | | | |
| Syngenta AG shareholders | 1,599 | (30) | 1,569 |
| Non-controlling interests | 1 | - | 1 |
| Net income | 1,600 | (30) | 1,570 |
| Earnings per share (\$): | | | |
| Basic earnings per share | 17.40 | (0.33) | 17.07 |
| Diluted earnings per share | 17.31 | (0.33) | 16.98 |

Adjustments to the consolidated statement of comprehensive income for the year ended December 31, 2011

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|--|-------------|--------------------|--------------------------|
| Net income | 1,600 | (30) | 1,570 |
| Components of other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Actuarial gains/(losses) of defined benefit post-employment plans | (252) | 82 | (170) |
| Income tax relating to items that will not be reclassified to profit or loss | 71 | (20) | 51 |
| | (181) | 62 | (119) |
| Items that may be reclassified subsequently to profit or loss | (347) | - | (347) |
| Total comprehensive income ¹ | 1,072 | 32 | 1,104 |

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Table of Contents2. Significant accounting policy changes, judgments and estimates *continued*

Adjustments to the consolidated balance sheet at January 1, 2012

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|--|-------------|-----------------------|--------------------------------|
| Assets | | | |
| Total assets | 17,241 | - | 17,241 |
| Liabilities and equity | | | |
| Total current liabilities | (5,643) | - | (5,643) |
| Non-current liabilities: | | | |
| Financial debt and other non-current liabilities | (2,374) | - | (2,374) |
| Deferred tax liabilities | (753) | (8) | (761) |
| Provisions | (968) | 40 | (928) |
| Total non-current liabilities | (4,095) | 32 | (4,063) |
| Total liabilities | (9,738) | 32 | (9,706) |
| Shareholders' equity: | | | |
| Total shareholders' equity | (7,494) | (32) | (7,526) |
| Non-controlling interests | (9) | - | (9) |
| Total equity | (7,503) | (32) | (7,535) |
| Total liabilities and equity | (17,241) | - | (17,241) |

Adjustments to the consolidated cash flow statement for the year ended December 31, 2011

| (\$m) | As reported | Adoption of IAS 19 | After adoption of IAS 19 |
|-------------------------------------|-------------|-----------------------|--------------------------------|
| Income before taxes | 1,901 | (42) | 1,859 |
| Reversal of non-cash items | 801 | 42 | 843 |
| Cash flow from operating activities | 1,871 | - | 1,871 |

Application of critical accounting policies

Royalty and license income

Individual agreements licensing to third parties the right to use Syngenta technology can and do have unique terms and, consequently, the accounting judgments required to apply IAS 18 "Revenue" to each such agreement can differ significantly. Effective January 1, 2011, Syngenta granted Pioneer Hi-Bred International Inc. ("Pioneer"), a subsidiary of E.I. DuPont de Nemours and Co. ("DuPont") a non-exclusive, global license to its corn rootworm trait MIR604 (AGRISURE®) for corn seed. During 2012, Pioneer received U.S. EPA approval for a seed stack containing the MIR604 trait. That approval was the last substantive milestone relating to the cumulative contractual minimum consideration amount in the license agreement, which is measured in terms of a January 1, 2011 present value. As a result, Syngenta is virtually certain to receive at least that consideration in cash over the period to October 2016, with no remaining substantive performance obligations. Prior to the U.S. EPA approval, Syngenta had recognized non-refundable upfront payments received from Pioneer of \$50 million as royalty revenue in each of 2011 and 2012. As specified in the agreement, actual royalty payments are discounted at 10 percent to determine how much of the minimum consideration they settle. Syngenta recognized the \$206 million present value of the outstanding minimum consideration as revenue in 2012. Accretion of this amount to reflect the passage of time is recognized as financial income. \$40 million of the corresponding receivable balance is included in other current assets at December 31, 2013 (2012: \$50 million) and was received in cash in January following the year end. The remaining amount is included in

financial and other non-current assets.

Impairment

For purposes of testing goodwill for impairment, goodwill is allocated to cash generating units (CGUs). Syngenta generally defines each crop protection product active ingredient and each seed crop as a CGU. However, where one active ingredient is sold in mixture with other active ingredients to a significant extent, the active ingredients concerned are grouped together into a single CGU because independent cash inflows only exist at this higher level. Each CGU is generally defined on a global basis, reflecting the international nature of the business, and contains tangible assets such as plant and equipment as well as intangible assets such as product and patent rights.

North America corn and soybean seeds are defined as a single CGU because of common intellectual property and other interdependencies between these two crops, which do not apply to other crops. Goodwill on certain major acquisitions, principally Zeneca agrochemicals business goodwill of \$548 million, was allocated to each Syngenta operating segment in proportion to each such segment's relative value at the time Syngenta established its current basis of segmentation, and is tested for impairment at those levels by relating the allocated amount for each segment to the total cash flows of the respective segment. The goodwill amounts allocated to segments and significant other CGUs are disclosed in Note 13.

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2. Significant accounting policy changes, judgments and estimates *continued*

For CGUs to which no goodwill is allocated, a reduction in forecast sales within management's five year forecast horizon compared with the previous year's five year forecast cycle combined with a reduction in latest forecasts of current year sales compared with the current year budget, is considered an indicator of market related impairment and results in the performance of detailed impairment tests. Syngenta also performs detailed impairment tests when there are asset specific indicators of impairment such as withdrawal of or restrictions placed upon product registrations, plans to divest products or, for property, plant and equipment, plans to restructure or close a site. Higher discount rates are used to test property, plant and equipment for impairment in the case of restructuring because of the higher risk associated with remaining cash flows when operations are being physically relocated. The value in use calculation takes account of cash flows from the remaining period of operations and decommissioning costs.

If a CGU becomes impaired, the impairment loss is allocated first to any goodwill in the CGU, and then to reduce the CGU's other assets pro rata.

Pension asset ceiling

IFRSs require Syngenta to estimate the economic benefit it can obtain from the amount by which the fair value of assets held in a defined benefit plan exceeds the defined benefit obligation (DBO) measured in accordance with IAS 19 ("pension surplus"). This applies both when a surplus exists at the reporting date and when a surplus would arise when Syngenta meets an existing minimum funding obligation. Accounting recognition of a surplus in Syngenta's UK defined benefit pension plan is supported by the economic benefit of future contribution savings and, when this benefit is less than the surplus, also by the future refund, net of applicable taxes, which Syngenta believes will be unconditionally available to it when all liabilities have been settled. At December 31, 2013, pension provisions have been increased by \$nil (2012: \$45 million), representing the part of the projected UK plan surplus which does not meet the accounting recognition criteria. The surplus in Syngenta's Swiss and US plans is supported by the economic benefit of future contribution savings, measured as the excess of future service cost, net of employee contributions, over the present value of required employer contributions for future service ("excess service cost"). At December 31, 2013, in accordance with the guidance agreed between the Swiss audit and actuarial professions on applying the pension asset ceiling to Swiss DB pension plans, the economic benefit to Syngenta of the estimated excess service cost, capitalized as a perpetuity at the 2.25 percent discount rate used to measure the DBO, exceeds the \$192 million reported surplus. The surplus has therefore been recognized in full as an asset at December 31, 2013. The result of the Swiss asset ceiling test is sensitive to the discount rate assumption. An increase in the discount rate would reduce excess service cost. At a 2.5 percent discount rate, the December 31, 2013 Swiss surplus would not have been recognized as an asset, and OCI would have been reduced by that amount, net of income taxes. At December 31, 2012, no asset ceiling restriction applied because the main Swiss plan was in deficit. The surplus disclosed for that balance sheet date in Note 22 relates to another Swiss plan.

Foreign currency translation

Syngenta has to make judgments on whether loans between subsidiaries are likely to be repaid in the foreseeable future in order to allocate foreign currency translation differences on those items to profit or loss if the loan will be repaid or to OCI if the loan is effectively part of the net investment in the borrowing subsidiary. When the functional currency of a subsidiary changes, the capital structure of the subsidiary, including the continuation of loans that are effectively part of the Group's investment in that subsidiary, may require review. In such cases, Syngenta applies any resulting change in the accounting treatment of foreign currency translation gains and losses on the loan from the same date that it applies the functional currency change.

Critical accounting estimates

Acquisition accounting

Applying the acquisition method of accounting requires significant management judgment to estimate the fair values and useful lives of the acquired assets, in particular intellectual property related to currently marketed products and in-process research and development (IPR&D). Fair value measurements are based on the forecast cash flows which Syngenta believes a typical potential buyer would use to value the assets, excluding any synergy benefits which are considered specific to Syngenta. Key assumptions for technologies under development include:

–the outcomes of research and development activities;

–the probability and likely timing of obtaining regulatory approvals for products based on the technology;

–market size and share;

–sales pricing trends and competitors' reaction;

–cost and efficiency of the production process for the products; and

–the period over which the products are likely to generate economic benefits given the likely impact of patent expirations.

Forecast cash flows for each asset are discounted using a rate developed from the estimated Weighted Average Cost of Capital (WACC) of the acquired company. The specific discount rates are estimated separately for each intangible asset and may vary significantly from one asset to another. Where Syngenta considers the risks applicable to an asset are not fully reflected in the forecast data available, it incorporates a risk premium into the discount rate. If actual cash flows are materially different from those used in calculating fair values, this may lead to changes in amortization expense or asset specific impairment losses in future periods.

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2. Significant accounting policy changes, judgments and estimates *continued*

Technology based companies acquired by Syngenta may have significant deferred tax assets, related in particular to tax losses carried forward resulting from research and development expenditure. The amount of tax losses available for carry forward upon acquisition is often affected by events which occurred several years before acquisition, which may make estimation difficult. IFRS requires recognition of a deferred tax asset for these losses at the acquisition date to the extent that Syngenta is more likely than not to utilize the losses before they expire, through offset against future taxable profits. Management judgment is required about whether possible tax planning strategies are likely to be acceptable to tax authorities in the relevant jurisdictions. If actual taxable profits and outcomes of tax rulings are materially different from the assumptions made at the acquisition date, the income tax expense of future periods could be materially affected.

The acquisition accounting values recognized for intangible assets and deferred tax assets for acquisitions made during the periods presented in these financial statements are given in Note 3 below.

Impairment review

The recoverable amount for goodwill has been determined based on value in use of the relevant segment, CGU or group of CGUs to which the goodwill is allocated. The recoverable amounts of all material intangible assets and property, plant and equipment have also been based on their value in use.

The main assumptions used in determining the recoverable amounts for operating segments and other CGUs include market size and Syngenta's market share, future sales prices and volumes, future development expenditures required to maintain products' marketability and registration in the relevant jurisdictions, and products' lives. At operating segment level, the key assumptions related to sales volume and value are expressed separately for each product line, market segment and crop, and assumptions related to expenses are expressed by region. At CGU level, assumptions are expressed by product. The assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These assumptions can be subject to significant adjustment from such factors as changes in crop growing patterns in major markets (for example, as a result of movements in crop prices), changes in product registration, or pressure from competitor products. Estimated cash flows for operating segments and other CGUs are based on Syngenta management forecasts, cover a five year horizon and include a terminal value which assumes a 2.0 percent long-term growth rate (2012: 2.0 percent). Syngenta's forecasts for the North America corn and soybean seed CGU also include the following key assumptions for revenue from seed sales:

- for each of the two crops, market size expressed as acres planted, Syngenta's market share, crop commodity prices, and licensing revenues;
- for new genetic traits, the timing of regulatory approval and marketing launch, and seed pricing compared with existing products.

Management believes, based on recent and expected future growth in agricultural markets, that there are long-term prospects for continued growth in Syngenta's business.

The discount rates used to discount the estimated future cash flows included in the value in use calculations are based on a post-tax WACC of 7.2 percent (2012: 6.4 percent). There is considerable debate among financial market participants about what are the most appropriate input values, such as risk-free rate of return and equity risk premium, to use in a WACC calculation under current market conditions. In 2013, as in 2012, when calculating the discount rate, Syngenta has assumed a risk free rate equal to market yields on 10-year government bonds at the date of performing the annual impairment test and a 5.0 percent equity risk premium (2012: 5.0 percent). The discount rate determined in this way is considered to include market estimates of industry sector risk premium. Syngenta's CGUs

generally reflect the global nature of its Crop Protection and Seeds product sales, and a country risk premium is applied only to those CGUs where the geographical scope of operations and cash flows is limited. The pre-tax discount rates used for all segments, CGUs and groups of CGUs ranged from 7.8 percent to 16.0 percent (2012: 7.2 percent to 10.7 percent).

At December 31, 2013, the largest amounts of goodwill were allocated to the Asia Pacific segment (\$355 million) and the North America corn and soybean CGU (\$315 million). The amount allocated to Asia Pacific increased compared with 2012 because of the allocation of \$269 million goodwill in 2013 when the Devgen acquisition accounting measurements were finalized. The pre-tax discount rate used to test Asia Pacific goodwill for impairment was 8.8 percent (2012: 7.8 percent) and the forecast terminal growth rate was 2.0 percent (2012: 2.0 percent). The pre-tax discount rate used to test the North America corn and soybean CGU for impairment was 8.7 percent (2012: 7.5 percent) and the forecast terminal growth rate was 2.0 percent (2012: 2.0 percent).

In the opinion of Syngenta, the outcomes of the impairment tests are not sensitive to reasonably likely changes in any of the assumptions underlying the cash flow projections used for the impairment tests or in the discount rate in the periods presented for any segment, CGU or group of CGUs for which the carrying amount of goodwill is significant except as described below.

At December 31, 2013, one CGU included goodwill of \$13 million and other intangible assets of \$53 million. The value in use forecasts for this CGU were prepared using a 7.7 percent post-tax discount rate, equivalent to a 9.4 percent pre-tax discount rate. The recoverable amount of this CGU would be equal to its carrying amount if sales prices reduced by 4 percent, sales volumes by 6 percent, or cost of goods sold increased by 5 percent, compared to the assumptions in the 5 year forecast.

At December 31, 2013, one CGU located in Latin America included intangible assets of \$nil (2012: \$nil) and property, plant and equipment of \$47 million (2012: \$74 million). The value in use forecasts for this CGU were prepared using an 11.2 percent pre-tax discount rate (2012: 10.7 percent). The recoverable amount of the CGU would be equal to its carrying amount if forecast sales volumes and prices both decreased by 25 percent together with a 40 percent increase in forecast cost of goods sold.

For the year ended December 31, 2013, \$23 million of impairment losses were reported for two intangible assets (2012: \$13 million for two intangible assets). There were no impairments of property, plant and equipment (2012: \$21 million on the retirement from use of production plant machinery in Brazil).

Table of Contents2. Significant accounting policy changes, judgments and estimates *continued*

Adjustments to revenue and trade receivables

Syngenta's products are consumed mainly by growers. The timing and amount of cash inflows received by growers is impacted by a broad range of economic and political risks, including crop yields and prices, the availability of credit, and the cost of agricultural inputs such as the products sold by Syngenta and its competitors. The cash flows of distributors that supply Syngenta's products to growers and represent the majority of Syngenta's customers are also impacted by these factors. These distributors vary in size and nature from large publicly owned entities to small or medium sized owner-managed businesses. Syngenta's customer base reflects the geographical diversity of its operations, which encompass more than 90 countries and all significant agriculture areas. Considerable management effort and judgment is applied to actively manage and mitigate the risks to Syngenta from these factors and to determine the accounting estimates associated with them, which include:

the estimated cost of incentive programs that provide rebates and discounts dependent upon achievement of sales targets, as well as cash discounts for punctual payment of accounts receivable. Syngenta records the estimated cost of these programs when the related sales are made, based on the programs' terms, market conditions and historical experience. At December 31, 2013, trade accounts payable includes \$1,443 million (2012: \$1,288 million) of accruals for rebates and returns.

–accruals for estimated product returns, which are based on historical experience of actual returns where Syngenta considers these to be reliable estimates of future returns. Recognition of revenue and the related trade receivables is deferred in cases where past experience shows that actual returns can vary significantly from estimates. This may arise in market segments where the distribution channel holds several months' sales of Syngenta products at the reporting date, forecast consumption of those products by growers could be materially affected if market or weather conditions after the reporting date were significantly different from those expected and the volume of products returned by distributors varies with changes in grower consumption. In such cases, Syngenta estimates the amounts to be deferred by collecting from its distributors data that shows the quantities of Syngenta products held by them at the reporting date and applying average actual sales prices to those quantities. In 2013, recognition of \$510 million (2012: \$378 million) of revenue and trade receivables was deferred.

–allowances for doubtful receivables, which are estimated by critically analyzing individual receivable account balances, taking into account historical levels of recovery, the economic condition of individual customers, and the overall economic and political environment in relevant countries. As shown in Note 9 below, the provision for doubtful receivables at December 31, 2013 amounted to \$226 million, or 6 percent (2012: \$224 million or 7 percent) of total trade receivables. In 2013, Syngenta reported a \$33 million bad debt expense (2012: \$11 million; 2011: \$34 million). The increase from 2012 to 2013 reflects the net risk impact of business growth in Eastern Europe and Latin America and changes in local crop conditions, as mitigated by barter programs and appropriate security. The decrease from 2011 to 2012 reflects strong collection performance in 2012.

Syngenta records these estimates as separate allowances, but its estimation process recognizes their interdependency, as the level of credits to accounts receivable for discounts and product returns may affect the probability of receiving full payment of the net receivable balances.

Seeds inventory valuation and allowances

Seeds inventories are subject to the risk of loss through physical deterioration at all stages of the operating cycle. Syngenta accounts for normal losses which occur during production, both in the pre-harvest growing and the post-harvest processing stages, as part of the cost of inventories of in-process and finished seeds. Normal losses in production, which include the cost of seeds discarded before processing because they do not meet Syngenta's quality standards, are therefore expensed when the related finished seed is sold to customers. Losses of finished seeds are

expensed as incurred. Syngenta records allowances against the cost of seeds inventories for both quality and obsolescence. Syngenta records allowances for quality for finished seed which is currently of defective quality and for finished seed which is expected to deteriorate physically before sale, based on past experience. Syngenta records allowances for obsolescence for excess seed for which there is insufficient forecast customer demand over the expected remaining commercial life of each seed variety. For excess seeds that Syngenta is likely to be able to sell in the commodity market, the allowance is the cost of the seed minus its net realizable value, which is estimated as the expected net proceeds of commodity sale. If commodity sale is not probable, the allowance is the full cost of the excess seed inventories.

To determine the allowances required, management effort and judgment is applied to analyze at crop, variety and batch level seed inventory quantity and quality and forecast sales data, developing commercial practices, available markets and the speed of expected product portfolio changes. The rapidly evolving combination of corn seed genetics and trait stacks in North America and Latin America result in shorter commercial lives of a typical hybrid than in other crops and regions, with variation between actual and previously forecast sales and consequent greater risk of excess seed at individual hybrid level. Excess seed quantities are also affected by harvest yield, which is influenced by unpredictable weather and growing conditions. In 2013, the North American corn harvest delivered significantly greater yields than the historical average, increasing excess seed quantities. In 2013, reflecting these factors, seeds inventory allowance expense was \$312 million (2012: \$132 million; 2011: \$78 million) and allowances at December 31, 2013 were \$406 million against an inventory cost of \$1,585 million (December 31, 2012: allowances of \$260 million against inventory cost of \$1,441 million).

Environmental provisions

Remediation of environmental damage at sites with which Syngenta is associated typically takes a long time to complete due to the substantial amount of planning and regulatory approvals normally required before remediation activities can begin. The assumptions used by Syngenta to estimate its environmental provisions may change significantly before or during the remediation period due to changes in the extent of remediation required or the method used to remediate the damage. In addition, increases in or releases of environmental provisions may be necessary whenever new developments occur or additional information becomes available. The major uncertainties which impact the outcome of remediation are:

–the extent of the contaminated land area, which is not always limited to land occupied by the Syngenta site. Ongoing monitoring or remediation work may identify changes in the area believed to be contaminated.

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2. Significant accounting policy changes, judgments and estimates *continued*

–the nature of the work Syngenta will be obliged to perform or pay for. This depends upon the current or proposed use of contaminated land, substantively enacted legislation, and land zoning by and negotiation with the relevant regulatory authorities. In Switzerland, proposed remediation plans at certain sites may be subject to public referenda.

–sharing of costs with other past and present occupiers of Syngenta’s sites. At certain shared sites, Syngenta is responsible for an agreed proportion of remediation costs, which may change following discussions with authorities and the affected third parties. At other sites, third parties have agreed to reimburse Syngenta for some or all of the costs it incurs.

Consequently, environmental provisions can change significantly. Because of the inherent uncertainties in estimating such long-term future obligations, Syngenta periodically supplements its internal expertise with external expertise when determining environmental provisions.

IAS 37 requires reimbursements of provisions to be recognized only when they are virtually certain to be received. No reimbursements are recognized if the third parties are disputing the reimbursement. Syngenta has recorded a reimbursement asset of \$24 million at December 31, 2013 (2012: \$25 million). The movements in environmental provisions are set out in Note 19 below.

In 2013, 2012 and 2011, except for cash paid on provisions established in prior years, there were no material changes to the provisions.

Proposals have been made suggesting remediation of the existing contamination on certain shared sites in preference to monitoring and containment. Syngenta will negotiate the proposals with the relevant authorities but the final adopted solution is subject to regulatory uncertainty and the ultimate liability may be higher or lower than the amount provided. Taken together, the provisions at December 31, 2013, for these shared sites comprise approximately 20 percent of total environmental provisions of \$310 million (2012: \$345 million). The top ten exposures at the end of 2013 comprise approximately 80 percent of the total environmental provisions. In the opinion of management, reasonably possible increases in the provisions related to these top 10 exposures would not exceed 30 percent of the total environmental provision recognized at December 31, 2013.

At Syngenta’s Monthey, Switzerland, production site, the work needed to remediate groundwater and soil contamination that exists under and around the site, including investigation, assessment, control and monitoring activities, is ongoing. The responsibility for these activities lies with Syngenta and one other chemical enterprise. In management’s opinion, based on its current knowledge, Syngenta’s environmental provisions are adequate to cover Syngenta’s share of the expected costs to perform this remediation and no significant change to the provision has been made in 2013. However, the extent of the remediation work required, the cost estimates and their allocation are subject to uncertainty.

Defined benefit post-employment benefits

Significant judgment is required when selecting key assumptions for measuring post-employment benefit expense for a period and the defined benefit obligation at the period end for each defined benefit plan. The specific assumptions used are disclosed in Note 22, along with the experience variances between actual and assumed results. These variances were caused principally by external financial market movements in corporate bond yields used to benchmark the discount rate, and in asset prices affecting the actual return on assets. These factors are outside Syngenta’s direct control, and it is reasonably possible that future variances will be at least as great as past variances.

At December 31, 2013, for each of Syngenta's three largest DB pension plans, the sensitivity of the DBO to a change in each significant actuarial assumption is as follows:

| (\$m) | Switzerland | UK | USA |
|----------------------|-------------|-----|-----|
| Discount rate | 72 | 133 | 21 |
| Pension increase | n/a | 99 | n/a |
| Interest credit rate | 18 | n/a | n/a |
| Life expectancy | 70 | 91 | 9 |

Each sensitivity amount is calculated assuming that all other assumptions are held constant. It should be noted that economic factors and conditions often affect multiple assumptions simultaneously. For the UK pension plan, the discount rate and pension increase sensitivities shown are relative to price inflation, because limited price indexation of pensions in payment and deferred pension rights is required both by the Syngenta UK pension plan rules and by UK pension regulations. For Syngenta's Swiss and US plans, the sensitivities are for changes in the nominal discount rates, because the rules and statutory regulations applicable to those plans contain no inflation linkage and indexation of benefits to inflation is not general market practice in those countries. For assumptions other than life expectancy, the above sensitivity amount is the effect of a 25 basis point (bp) change in the stated assumption. Syngenta is not able to predict the extent of likely future changes in these assumptions, but based on past experience, the discount rate for each plan could change by up to 100 bp within a twelve month period. The life expectancy sensitivity is the difference between the December 31, 2013 defined benefit obligation (DBO) and the DBO amount projected using a one year increase, compared to the assumptions actually used, in the life expectancy for each plan member. This alternative projection is calculated using mortality rates that produce an immediate increase of one year for a plan member at normal retirement date, with corresponding changes at other ages. Syngenta is not able to predict the extent of likely future changes in life expectancy. The sensitivity of the DBO to the assumed rate of increase in pensionable pay is not material for any of the above three plans.

To select the discount rate, Syngenta uses yields of AA rated corporate bonds. The relevant yield is determined either by analyzing a population of bonds whose cash flows collectively approximate the estimated cash flow profile of benefit payments by a Syngenta plan (UK and USA), or by using the yield of a published bond index and adjusting it in line with the relevant market yield curve to the extent that the average maturity of the bonds in the index is different from that of the relevant Syngenta benefits (Switzerland). Nominal discount rates at December 31, 2013 are as follows:

Table of Contents2. Significant accounting policy changes, judgments and estimates *continued*

| | | |
|-------------|--------------|---------------------|
| Switzerland | 2.25 percent | (2012: 2.0 percent) |
| UK | 4.4 percent | (2012: 4.5 percent) |
| USA | 4.7 percent | (2012: 3.8 percent) |

In valuing the UK DBO at December 31, 2013, the UK long-term rate of retail price inflation (RPI) is assumed to be 3.4 percent (2012: 2.8 percent). Future statutory pension increases are based on consumer price inflation (CPI). Most Syngenta UK pension plan members have benefits specifically linked to RPI in accordance with the plan rules, but some members will see increases linked to CPI. CPI is assumed to be 100 basis points (2012: 70 basis points) below RPI.

In recent years, life expectancy has increased in all major countries in which Syngenta sponsors pension plans. Syngenta sets mortality assumptions after considering the most recent statistics practicable. Syngenta uses generational mortality tables to estimate probable future mortality improvements. These tables assume that the trend of increasing life expectancy will continue, resulting in pension benefit payments to younger members being likely to be paid for longer time periods than older members' pensions, given that assumed retirement ages are those defined in the rules of each plan. In 2012, in the context of the triennial UK statutory valuation of the plan, Syngenta updated the mortality assumptions for its UK plan and now uses current mortality rates based on the UK Institute and Faculty of Actuaries' CMI SAPS Pensioner Amounts Light tables reflecting long cohort improvements from 2002-2012, with assumed future improvement of 1.25 percent per annum in line with the CMI Core Projections model 2013 (2012: CMI Core Projections model 2011). Syngenta's adoption of these mortality assumptions in 2012 increased the benefit obligation by \$80 million (3.4 percent).

At December 31, 2013 and 2012, Syngenta valued the benefit obligation for its Swiss pension plan using mortality assumptions from the BVG 2010 generational table. Syngenta's adoption of these assumptions in 2011 increased the benefit obligation by \$66 million (4.4 percent). No further changes were made to these assumptions in 2013 or 2012.

At December 31, 2013, Syngenta used the RP 2000 generational tables with scale AA mortality improvements for its US pension plan, for all purposes other than calculation of lump sums. Adopting these assumptions had no significant impact on the benefit obligation compared to the previous assumptions.

Syngenta's major pension plans give members lump sum or annuity benefit payment options. Syngenta values its pension liabilities on the assumption that the choices made by members who will retire in the future will be consistent with choices made by members who have retired recently. For the US Plan, Syngenta has assumed that all current active members will take the lump sum option at retirement date as, under current conditions, this results in a higher liability than the annuity option.

Deferred tax assets

At December 31, 2013, Syngenta's deferred tax assets are \$960 million (2012: \$1,075 million). Included in this balance are deferred tax assets for unused tax losses of \$90 million (2012: \$108 million). The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized. The tax effect of unused tax losses is recognized as a deferred tax asset when it becomes probable that the tax losses will be utilized. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. At December 31, 2013, based upon the level of historical taxable income and projections for future taxable income over the periods in which deferred tax assets are deductible, management believes that it is more likely than not that Syngenta will realize the benefits of these deductible differences.

The amount of deferred tax assets considered realizable could however be reduced in subsequent years if estimates of

future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavorable. Estimates are therefore subject to change due to both market related and government related uncertainties, as well as Syngenta's own future decisions on restructuring and other matters. Syngenta is unable to accurately quantify the future adjustments to deferred income tax expense that may occur as a result of these uncertainties.

The principal jurisdictions where deferred tax assets have not been recognized are Argentina and Brazil. For Argentina, no net deferred tax assets have been recognized at December 31, 2013 or 2012. At December 31, 2013, the carrying amount of deferred tax assets recognized in the consolidated balance sheet of one major Syngenta subsidiary in Brazil is \$195 million (2012: \$179 million) and the amount not recognized is \$18 million (2012: \$23 million). Syngenta has restricted the amount of deferred tax asset recognized for this subsidiary to the amount recoverable from the forecast taxable profits in the five years (2012: five years) following the balance sheet date.

Uncertain tax positions

Syngenta's supply chain is international, and intellectual property rights owned by Syngenta are used internationally within the Group. Transfer prices for the delivery of goods and charges for the provision of services by one Syngenta subsidiary to another, and arrangements to share research and development costs, may be subject to challenge by the national tax authorities in any of the countries in which Syngenta operates. Interpretation of taxation rules relating to financing arrangements between Syngenta entities and to foreign currency translation differences may also give rise to uncertain tax positions. Where a distribution of subsidiary retained earnings would incur withholding taxes, Syngenta also makes a management judgment whether a future distribution is probable.

Syngenta estimates and accrues taxes that will ultimately be payable when reviews or audits by tax authorities of tax returns are completed. These estimates include significant management judgments about the eventual outcome of the reviews and audits of all open years based on the latest information available about the positions expected to be taken by each tax authority. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense reported in future years' consolidated income statements. At December 31, 2013, Syngenta's balance sheet includes assets of \$138 million (2012: \$130 million) included within Other accounts receivable, and liabilities of \$687 million (2012: \$574 million) shown separately on the face of the balance sheet, for current income taxes. These liabilities include \$372 million in respect of the uncertain tax positions described above (2012: \$284 million). The liability for uncertain income tax positions which Syngenta expects to be resolved in 2014 is approximately 10 percent of total recognized current income tax liabilities.

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3. Acquisitions, divestments and other significant transactions

The following significant transactions occurred during 2013, 2012 and 2011.

2013

On October 31, 2013, Syngenta acquired 100 percent of the shares of MRI Seed Zambia Ltd. (“MRI Seed”) and MRI Agro Zambia Ltd. (“MRI Agro”) (collectively “MRI”) for \$84 million in cash, subject to final purchase price adjustment. MRI is a leading developer, producer and distributor of white corn seed in Zambia. Syngenta believes that the white corn market has high growth potential, and the crop is critical to Africa’s future food security. MRI’s corn germplasm is among Africa’s most comprehensive and diverse, incorporating temperate, tropical and sub-tropical material. This unique portfolio will be developed to support expansion in high-growth East African markets and may be leveraged globally through Syngenta’s elite breeding programs. MRI Agro also distributes crop protection chemicals and other agricultural inputs in Zambia.

The assets, liabilities and acquisition-date fair value of consideration recognized for this 2013 business combination were as follows. Because of the timing of the acquisition, the amounts recognized at December 31, 2013 for MRI’s assets and liabilities are all provisional.

| | |
|------------------------------------|------|
| (\$m) | |
| Intangible assets | 43 |
| Other assets | 25 |
| Deferred tax and other liabilities | (6) |
| Net assets acquired | 62 |
| Purchase price | 84 |
| Unallocated purchase price | 22 |

Costs related to the MRI acquisition were not material.

Cash flow from the MRI acquisition was as follows:

| | |
|----------------------------|------|
| (\$m) | |
| Total cash paid for shares | 84 |
| Net cash acquired | (3) |
| Net cash outflow | 81 |

Payments and receipts in 2013 of deferred and contingent consideration related to acquisitions and divestments completed in prior periods were \$20 million and \$9 million respectively.

On January 30 and March 8, 2013, Syngenta acquired the remaining equity interests in deVGen N.V. (“Devgen”) that it did not already own after its initial takeover offer was settled in December 2012. This was accounted for as a settlement of the liability Syngenta had recognized at December 31, 2012 for non-controlling shareholders’ put rights. On December 23, 2013, Syngenta acquired the remaining 15 percent equity interest in its Malaysian subsidiary, Syngenta Crop Protection Sdn Bhd, that it did not already own. Cash paid for these non-controlling interests was \$39 million. This amount is shown within cash flows used for financing activities in the consolidated cash flow statement.

On December 31, 2013, Syngenta divested its Dulcinea Farms business (“Dulcinea”) to Pacific Trellis Fruit LLC (“Pacific Trellis”), a US-based international grower and marketer of fresh produce.

2012

On October 1, 2012, Syngenta acquired from DuPont its professional products insecticide business, a leading supplier for the professional turf, ornamentals and home pest control markets, for a cash consideration of \$128 million, including related inventories. The acquisition expanded the range of products which Syngenta offers to golf course and lawn care professionals and to ornamental growers, and also strengthened its portfolio for the control of home pests. The acquisition included the pest control brands Advion® and Acelepryn® and other intellectual property, transfer of certain employees, and exclusive supply and licensing agreements through which Syngenta can access the related active ingredients and formulated products from DuPont. Goodwill was \$22 million and represents potential benefits from new product development derived from the acquired products and from combining them with existing Syngenta products. Syngenta expects to claim a tax deduction for this goodwill.

On November 8, 2012, Syngenta acquired control of Pasteuria Bioscience, Inc. (“Pasteuria”), a US-based biotechnology company. Syngenta now owns 100 percent of Pasteuria. Prior to taking control, Syngenta had held a 37 percent equity interest in Pasteuria indirectly through a venture capital fund which Syngenta consolidates in its financial statements. Syngenta recognized a \$30 million gain on revaluing the interest to its fair value on November 8, 2012. This gain is reported within the General and administrative line in the 2012 consolidated income statement.

Since 2011, Syngenta and Pasteuria had been working in an exclusive global technology partnership to develop and commercialize biological products to control plant-parasitic nematodes, using the naturally occurring soil bacteria Pasteuria spp. The acquisition facilitates the introduction of key products to complement Syngenta’s existing chemical nematicide range and to support integrated solutions across a broad variety of crops such as soybean, corn, cereals, sugarbeet and vegetables. Syngenta finalized the acquisition accounting during 2013 with no measurement period adjustments. Goodwill arising on acquiring Pasteuria was \$37 million and mainly represents deferred income tax liabilities which, as required by IFRS 3 and IAS 12, are treated as an exception to the fair value principle applied when measuring other items in acquisition accounting. No tax deduction is expected to be available for the goodwill.

Table of Contents3. Acquisitions, divestments and other significant transactions *continued*

On November 29, 2012, Syngenta acquired 100 percent of the shares of Sunfield Seeds Inc. (“Sunfield”), a US-based provider of sunflower seeds production and processing services, for cash consideration. The acquisition represented an important step in the implementation of Syngenta’s sunflower strategy by strengthening supply chain capabilities to enable future growth. Syngenta finalized the acquisition accounting during 2013. Measurement period adjustments to the provisional asset and liability amounts recognized at December 31, 2012 were not material. Goodwill was \$31 million and mainly represents the benefits to Syngenta of integrating Sunfield’s additional production and processing into Syngenta’s operations. Syngenta does not expect to be able to claim a tax deduction for this goodwill.

On September 21, 2012, Syngenta announced a takeover offer for Devgen, a company listed on the Euronext stock exchange. On December 12, 2012, it was announced that on closing of the initial acceptance period, shares and warrants representing 94.11 percent of Devgen’s total issued share capital had been tendered in acceptance of the offer, which was consequently declared unconditional. Syngenta considers December 12, 2012 to be the acquisition date as defined by IFRS 3. At December 31, 2012, Syngenta had paid EUR 375 million (\$493 million) for the tendered shares and warrants.

Devgen is a global leader in hybrid rice and RNAi technology. The acquisition enables Syngenta to combine its leading crop protection portfolio with Devgen’s best-in-class rice hybrids and broad germplasm diversity. Devgen also brings proven expertise in RNAi-based insect control, for which the two companies signed a global license and research agreement to develop spray applications in May 2012. In respect of that agreement, Syngenta recognized a \$27 million intangible asset separately from the subsequent acquisition, and no gain or loss related to this arose upon acquisition. Syngenta finalized the acquisition accounting in 2013. Measurement period adjustments to the provisional asset and liability amounts recognized at December 31, 2012 were not material. Goodwill was \$269 million and principally represents the expected future benefit to Syngenta’s integrated Crop Protection and Seeds commercial strategy arising from the Devgen acquisition. Syngenta has not yet determined the amount of goodwill, if any, which is expected to be deductible for tax.

The assets, liabilities and acquisition-date fair value of consideration recognized for these 2012 business combinations were as follows:

| (\$m) | Devgen | Other | Total fair values |
|--|--------|--------|----------------------|
| Cash and cash equivalents | 66 | 4 | 70 |
| Trade receivables and other assets | 23 | 78 | 101 |
| Intangible assets | 202 | 209 | 411 |
| Deferred tax assets | 43 | 9 | 52 |
| Deferred tax and other liabilities | (73) | (120) | (193) |
| Net assets acquired | 261 | 180 | 441 |
| Purchase price | 493 | 226 | 719 |
| Non-controlling shareholders’ put rights | 37 | – | 37 |
| Fair value of interests already held by Syngenta | – | 44 | 44 |
| Goodwill | 269 | 90 | 359 |

Gross contractual amounts receivable were not materially different from the fair value of acquired receivables.

Cash flow from these 2012 acquisitions was as follows:

(\$m)

| | |
|----------------------------|-------|
| Total cash paid for shares | 723 |
| Net cash acquired | (70) |
| Net cash outflow | 653 |

Costs related to the above acquisitions were \$8 million.

On June 11, 2012, Syngenta divested the Fafard peat unit of its Lawn and Garden business to Sun Gro Horticulture Canada Ltd. On November 13, 2012, Syngenta divested its US Flowers distribution and brokerage business, Syngenta Horticultural Services, to Griffin Greenhouse Supplies, Inc. Consideration consists of cash for both the above transactions and future consideration receivable is not material. The income statement and cash flow effects of these transactions have been reported in Restructuring within General and administrative and in Business divestments, respectively. Both businesses were divested on a cash and debt free basis. Aggregate assets and liabilities divested were as follows:

| (\$m) | | Carrying amounts |
|------------------------------------|-------|---------------------|
| Trade receivables and other assets | 46 | |
| Inventories | 29 | |
| Property, plant and equipment | 28 | |
| Intangible assets | 17 | |
| Other net liabilities | (10) | |
| Net assets divested | 110 | |

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3. Acquisitions, divestments and other significant transactions continued

2011

In March 2011, in order to further strengthen its market position in Paraguay, Syngenta purchased 100 percent of the shares of Agrosan S.A., an agricultural distributor, together with the trademarks related to its business, for \$29 million of cash, \$4 million of which is payable in deferred instalments. As a result of the acquisition accounting, an immaterial bargain purchase gain was recognized in Divestment gains/(losses) within General and administrative in the consolidated income statement.

The assets, liabilities and acquisition-date fair value of consideration recognized for this 2011 business combination were as follows:

| (\$m) | Fair values |
|--------------------------------------|-------------|
| Cash and cash equivalents | 2 |
| Trade receivables and other assets | 52 |
| Intangible assets | 19 |
| Trade payables and other liabilities | (44) |
| Net assets acquired | 29 |
| Purchase price | 29 |
| Bargain purchase gain | – |

Gross contractual amounts receivable were not materially different from the fair value of acquired receivables.

Cash flow from this 2011 acquisition to date was as follows:

| (\$m) | |
|----------------------------|------|
| Total cash paid for shares | 25 |
| Net cash acquired | (2) |
| Net cash outflow | 23 |

In April 2011, Syngenta divested its Materials Protection business to Lanxess AG. The gain on this divestment is included in Divestment gains/(losses) within General and administrative.

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4. Segmental breakdown of key figures for the years ended December 31, 2013, 2012 and 2011

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. Income and expense transactions in the integrated business 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. Some costs of the integrated organization do not relate to a geographic destination and are reported as non-regional. 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. No operating segments have been aggregated to form the reportable segments.

| 2013 (\$m) | EAME1 | North America | Latin America | Asia Pacific | Non-regional | Total integrated | Lawn and Garden | Group |
|--|---------|---------------|---------------|--------------|--------------|------------------|-----------------|----------|
| Product sales – to third parties | 4,184 | 3,709 | 3,987 | 1,931 | - | 13,811 | 688 | 14,499 |
| Royalty income – from third parties | 39 | 139 | 4 | 4 | - | 186 | 3 | 189 |
| Total segment sales | 4,223 | 3,848 | 3,991 | 1,935 | - | 13,997 | 691 | 14,688 |
| Cost of goods sold | (1,958) | (2,169) | (2,290) | (1,041) | (215) | (7,673) | (313) | (7,986) |
| Gross profit | 2,265 | 1,679 | 1,701 | 894 | (215) | 6,324 | 378 | 6,702 |
| Marketing and distribution | (676) | (544) | (594) | (300) | (104) | (2,218) | (176) | (2,394) |
| Research and development | - | - | - | - | (1,320) | (1,320) | (56) | (1,376) |
| General and administrative: | | | | | | | | |
| Restructuring | (18) | (27) | (5) | (6) | (101) | (157) | (22) | (179) |
| Other general and administrative | (141) | (61) | (87) | (54) | (297) | (640) | (27) | (667) |
| Operating income/(loss) – continuing operations | 1,430 | 1,047 | 1,015 | 534 | (2,037) | 1,989 | 97 | 2,086 |
| Included in the above operating income from continuing operations are: | | | | | | | | |
| Personnel costs | (541) | (449) | (475) | (266) | (706) | (2,437) | (158) | (2,595) |
| Depreciation of property, plant and equipment | | | | | (320) | (320) | (18) | (338) |
| Amortization of intangible assets | | | | | (238) | (238) | (17) | (255) |
| Impairment of property, plant and equipment, intangible and financial assets | | | | | (34) | (34) | - | (34) |
| Other non-cash items including charges in respect of provisions | | | | | (61) | (61) | (11) | (72) |
| Gains/(losses) on hedges reported in operating income | - | (14) | 25 | - | (18) | (7) | 15 | 8 |

1 EAME: Europe, Africa and Middle East

Segment operating income/(loss) reconciles to consolidated income before taxes as follows:

2013 (\$m)

| | |
|---|--------|
| Segment operating income | 2,086 |
| Income from associates and joint ventures | 48 |
| Financial expense, net | (200) |
| Income before taxes | 1,934 |

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4. Segmental breakdown of key figures for the years ended December 31, 2013, 2012 and 2011 continued

| 20122 (\$m) | EAME1 | North America | Latin America | Asia Pacific | Non-regional | Total integrated | Lawn and Garden | Group |
|--|---------|---------------|---------------|--------------|--------------|------------------|-----------------|---------|
| Product sales – to third parties | 3,939 | 3,574 | 3,709 | 1,824 | – | 13,046 | 754 | 13,800 |
| Royalty income – from third parties | 35 | 357 | 4 | 3 | – | 399 | 3 | 402 |
| Total segment sales | 3,974 | 3,931 | 3,713 | 1,827 | – | 13,445 | 757 | 14,202 |
| Cost of goods sold | (1,864) | (1,807) | (2,057) | (973) | (154) | (6,855) | (368) | (7,223) |
| Gross profit | 2,110 | 2,124 | 1,656 | 854 | (154) | 6,590 | 389 | 6,979 |
| Marketing and distribution | (664) | (607) | (546) | (303) | (95) | (2,215) | (208) | (2,423) |
| Research and development | – | – | – | – | (1,199) | (1,199) | (58) | (1,257) |
| General and administrative: | | | | | | | | |
| Restructuring | (25) | (27) | (37) | (12) | (119) | (220) | (38) | (258) |
| Other general and administrative | (146) | (153) | (103) | (46) | (291) | (739) | (46) | (785) |
| Operating income/(loss) – continuing operations | 1,275 | 1,337 | 970 | 493 | (1,858) | 2,217 | 39 | 2,256 |
| Included in the above operating income from continuing operations are: | | | | | | | | |
| Personnel costs | (560) | (431) | (492) | (266) | (878) | (2,627) | (168) | (2,795) |
| Depreciation of property, plant and equipment | | | | | (317) | (317) | (16) | (333) |
| Amortization of intangible assets | | | | | (256) | (256) | (9) | (265) |
| Impairment of property, plant and equipment, intangible and financial assets | | | | | (40) | (40) | (5) | (45) |
| Other non-cash items including charges in respect of provisions | | | | | (98) | (98) | (33) | (131) |
| Gains/(losses) on hedges reported in operating income | – | 18 | 8 | – | (57) | (31) | (1) | (32) |

1EAME: Europe, Africa and Middle East

Segment operating income/(loss) reconciles to consolidated income before taxes as follows:

| | |
|--------------------------|-------|
| 20122 (\$m) | |
| Segment operating income | 2,256 |

| | |
|---|--------|
| Income from associates and joint ventures | 7 |
| Financial expense, net | (147) |
| Income before taxes | 2,116 |

2 After effect of accounting policy change for employee benefits as described in Note 2. \$30 million expense allocated to Non-regional, \$5 million to North America, \$1 million to Lawn and Garden

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4. Segmental breakdown of key figures for the years ended December 31, 2013, 2012 and 2011 continued

| 20112 (\$m) | EAME1 | North America | Latin America | Asia Pacific | Non-regional | Total integrated | Lawn and Garden | Group |
|--|---------|---------------|---------------|--------------|--------------|------------------|-----------------|---------|
| Product sales – to third parties | 3,945 | 3,144 | 3,301 | 1,880 | – | 12,270 | 817 | 13,087 |
| Royalty income – from third parties | 37 | 129 | 4 | 7 | – | 177 | 4 | 181 |
| Total segment sales | 3,982 | 3,273 | 3,305 | 1,887 | – | 12,447 | 821 | 13,268 |
| Cost of goods sold | (1,806) | (1,648) | (1,813) | (984) | (135) | (6,386) | (404) | (6,790) |
| Gross profit | 2,176 | 1,625 | 1,492 | 903 | (135) | 6,061 | 417 | 6,478 |
| Marketing and distribution | (685) | (557) | (542) | (290) | (89) | (2,163) | (227) | (2,390) |
| Research and development | – | – | – | – | (1,138) | (1,138) | (56) | (1,194) |
| General and administrative: | | | | | | | | |
| Restructuring | (92) | (35) | (23) | (13) | (91) | (254) | (53) | (307) |
| Divestment gains | 4 | 10 | – | – | 62 | 76 | – | 76 |
| Other general and administrative | (166) | (114) | (77) | (48) | (187) | (592) | (62) | (654) |
| Operating income/(loss) – continuing operations | 1,237 | 929 | 850 | 552 | (1,578) | 1,990 | 19 | 2,009 |
| Included in the above operating income from continuing operations are: | | | | | | | | |
| Personnel costs | (577) | (384) | (422) | (253) | (868) | (2,504) | (199) | (2,703) |
| Depreciation of property, plant and equipment | | | | | (311) | (311) | (20) | (331) |
| Amortization of intangible assets | | | | | (264) | (264) | (12) | (276) |
| Impairment of property, plant and equipment, intangible and financial assets | | | | | (3) | (3) | (40) | (43) |
| Other non-cash items including charges in respect of provisions | | | | | (166) | (166) | (10) | (176) |
| Gains/(losses) on hedges reported in operating income | 1 | 15 | 12 | – | 165 | 193 | (6) | 187 |

1EAME: Europe, Africa and Middle East

Segment operating income/(loss) reconciles to consolidated income before taxes as follows:

20112 (\$m)

| | |
|---|--------|
| Segment operating income | 2,009 |
| Income from associates and joint ventures | 15 |
| Financial expense, net | (165) |
| Income before taxes | 1,859 |

2 After effect of accounting policy change for employee benefits as described in Note 2. \$39 million expense allocated to Non-regional, \$3 million to North America

Revenues by product group for the years ended December 31, 2013, 2012 and 2011 are as follows:

| (\$m) | 2013 | 2012 | 2011 |
|-----------------|--------|--------|--------|
| Crop Protection | 10,793 | 10,208 | 9,597 |
| Seeds | 3,204 | 3,237 | 2,850 |
| Lawn and Garden | 691 | 757 | 821 |
| Total | 14,688 | 14,202 | 13,268 |

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4. Segmental breakdown of key figures for the years ended December 31, 2013, 2012 and 2011 continued

Summarized additional information on the nature of expenses for the years ended December 31, 2013, 2012 and 2011 is as follows:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|--|-------|-------|---|-------|---|
| Salaries, short-term employee benefits and other personnel expense | 2,374 | 2,607 | | 2,480 | |
| Pension and other post-employment benefit expense | 141 | 104 | | 154 | |
| Share based payment expense | 80 | 84 | | 69 | |
| Total personnel costs | 2,595 | 2,795 | | 2,703 | |
| Depreciation of property, plant and equipment | 338 | 333 | | 331 | |
| Impairment of property, plant and equipment | - | 29 | | 18 | |
| Amortization of intangible assets | 255 | 265 | | 276 | |
| Impairment of intangible assets | 23 | 13 | | 24 | |

1 After effect of accounting policy change for employee benefits as described in Note 2

During 2012, as a result of the settlement of litigation related to the herbicide atrazine, a net expense of \$80 million was recognized within North America's General and administrative.

5. Regional breakdown of key figures for the years ended December 31, 2013, 2012 and 2011

The following countries individually accounted for more than 5 percent of one or more of the respective Syngenta totals for the years ended December 31, 2013, 2012 and 2011 or at December 31, 2013, 2012 and 2011.

| Country | 2013 | | Sales ¹ | | | | Total non-current assets ² | | | | | |
|-------------|--------|-----|--------------------|-----|--------|-----|---------------------------------------|-----|-------|-----|-------|-----|
| | \$m | % | 2012 | % | 2011 | % | 2013 | % | 2012 | % | 2011 | % |
| Belgium | 65 | - | 79 | 1 | 83 | 1 | 239 | 3 | 495 | 7 | - | - |
| Brazil | 2,715 | 18 | 2,466 | 17 | 2,152 | 16 | 271 | 4 | 286 | 4 | 279 | 5 |
| France | 684 | 5 | 651 | 5 | 649 | 5 | 158 | 2 | 139 | 2 | 140 | 2 |
| Switzerland | 70 | - | 69 | - | 74 | 1 | 3,003 | 40 | 2,947 | 40 | 2,728 | 43 |
| UK | 190 | 1 | 218 | 2 | 202 | 2 | 603 | 8 | 525 | 7 | 501 | 8 |
| USA | 3,486 | 24 | 3,745 | 26 | 3,209 | 24 | 1,882 | 25 | 1,842 | 25 | 1,596 | 25 |
| Others | 7,478 | 52 | 6,974 | 49 | 6,899 | 51 | 1,411 | 18 | 1,086 | 15 | 1,054 | 17 |
| Total | 14,688 | 100 | 14,202 | 100 | 13,268 | 100 | 7,567 | 100 | 7,320 | 100 | 6,298 | 100 |

1 Sales by location of third party customer

2 Excluding deferred tax assets, defined benefit pension assets and derivative financial assets

No single customer accounted for 10 percent or more of Syngenta's total sales.

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6. Restructuring

Restructuring for the years ended December 31, 2013, 2012 and 2011, broken down into the main restructuring initiatives, consists of the following:

| (\$m) | 2013 | 2012 | 2011 |
|--|------|------|------|
| Operational efficiency programs: | | | |
| Cash costs | | | |
| Charged to provisions | 6 | 7 | 29 |
| Expensed as incurred | 27 | 48 | 69 |
| Non-cash costs | | | |
| Impairments | 6 | 2 | 3 |
| Integrated crop strategy programs: | | | |
| Cash costs | | | |
| Charged to provisions | 7 | 4 | 86 |
| Expensed as incurred | 53 | 98 | 63 |
| Acquisition and related integration costs: | | | |
| Cash costs | | | |
| Charged to provisions | – | – | 2 |
| Expensed as incurred | 30 | 18 | 12 |
| Non-cash items | | | |
| Reversal of inventory step-ups | – | 7 | 14 |
| Reacquired rights | 11 | 14 | 14 |
| Divestment losses/(gains) | 4 | 25 | (76) |
| Bargain purchase gains | – | – | (10) |
| Other non-cash restructuring: | | | |
| Non-current asset impairment | 35 | 42 | 39 |
| Total restructuring | 179 | 265 | 245 |

Restructuring for the years ended December 31, 2013, 2012 and 2011 is presented within the consolidated income statement as follows:

| (\$m) | 2013 | 2012 | 2011 |
|---------------------------|------|------|------|
| Reported as: | | | |
| Cost of goods sold | – | 7 | 14 |
| Restructuring | 175 | 233 | 307 |
| Divestment losses/(gains) | 4 | 25 | (76) |
| Total restructuring | 179 | 265 | 245 |

2013

Operational efficiency programs

Operational efficiency cash costs of \$33 million include \$18 million related to the completion of the projects to standardize and consolidate global back office operations, \$9 million for restructuring projects in the Flowers business and \$6 million for various projects including restructuring at the corporate headquarters and outsourcing of human resources support. Non-cash impairment costs consist of exceptional inventory write-downs made in connection with

a restructuring of the Flowers product range to simplify the business and eliminate unprofitable varieties.

Integrated crop strategy programs

Cash costs of \$60 million include \$27 million of charges for consultancy and advisory services, re-training of employees and project management, \$17 million for information system infrastructure projects, \$8 million for legal entity merger projects to combine former Seeds and Crop Protection legal entities, \$6 million to restructure the Research and Development function and \$2 million for on-going integration of marketing and sales operations, mainly in Europe.

Acquisition and related integration costs

Cash costs of \$30 million include \$23 million to integrate previous acquisitions, mainly Devgen, Sunfield and Pasteuria, and \$7 million of transaction charges, including those related to uncompleted transactions.

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6. Restructuring continued

As part of the Greenleaf acquisition in 2010, Syngenta reacquired exclusive licensing rights that it had previously granted to Greenleaf. In accordance with IFRS, the reacquired rights have been recognized as an intangible asset and are being amortized over the remaining term of the original license contract, 3 years. This is a significantly shorter period than the expected economic life of the intellectual property rights underlying the license, which were generated internally within Syngenta. Syngenta views this significant amortization charge as an accounting effect of integrating Greenleaf into Syngenta. The resulting acceleration of amortization results in a final charge in 2013 of \$11 million.

Divestment losses relate to the 2013 divestment of the Dulcinea vegetables business and the sale of an unused site in North America, as well as closing adjustments to the fair value of the consideration on the 2012 divestments of the Syngenta Horticultural Services business and the Fafard peat unit.

Other non-cash restructuring

Other non-current asset impairments include \$12 million for the impairment of an available-for-sale financial asset and \$23 million of intangible asset impairments. Intangible asset impairments include \$16 million to impair product rights acquired with the Devgen acquisition, which will not be used in Syngenta and for which no buyer has been found, \$6 million for the impairment of a trademark, phased out during 2013, and another small impairment.

2012

Operational efficiency programs

During 2012, costs of \$44 million were incurred on the projects to standardize and consolidate global back office operations. \$3 million of costs were incurred for restructuring in the corporate headquarters, \$4 million of costs were charged for restructuring at sales and distribution sites in France, Switzerland and the UK, and a further \$4 million of other operational efficiency cash costs included charges for project management, standard process design and outsourcing of information systems. Impairment costs related to the sites in France and the UK.

Integrated crop strategy programs

Cash costs of \$35 million were incurred for the continuing integration of commercial operations of sales and marketing teams in the regions. \$58 million was charged to the regions for support function projects, including \$15 million for severance and pension costs, \$21 million for information system infrastructure projects and \$22 million of other charges including consultancy and advisory services, re-training of employees and project management. \$5 million of costs related to restructuring the organization of the global Research and Development function and \$4 million of costs related to legal entity restructuring.

Acquisition and related integration costs

Included in acquisition and related integration costs are \$6 million related to the acquisitions described in Note 3 above and \$6 million of charges incurred for integrating previous acquisitions. The remaining charges related to divestments and incomplete transactions.

Reversal of inventory step-up related to the acquisitions of Maribo Seeds, the Pybas and Synergene lettuce companies and the purchase of the Greenleaf controlling interest.

Amortization of reacquired rights related to the Greenleaf exclusive licensing rights described above.

Divestment losses were incurred on the divestments of the Fafard peat unit and the Syngenta Horticultural Services business.

Other non-cash restructuring

Non-current asset impairments included \$21 million for production plant machinery in Brazil, \$12 million for the impairment of a product right and trademark where the technical and commercial success became less probable and \$5 million for the write-down of land in the USA that was acquired as part of a business combination.

2011

Operational efficiency programs

During 2011, cash costs under the Operational Efficiency restructuring programs included \$59 million for the continuing standardization and consolidation of global back office operations and \$12 million for further outsourcing of information systems. Further operational efficiency cash costs consisted of \$6 million of onerous contract charges in the UK, \$5 million relating to the reorganization of a site in Switzerland, \$4 million of restructuring costs in the Seeds portion of the European business and \$12 million for various other restructuring projects. Impairment costs related mainly to the closure of a site in Germany.

Integrated crop strategy programs

During 2011, cash costs for launching and initiating the implementation of the global integrated crop strategy included \$143 million for integration of commercial operations of sales and marketing teams and \$6 million for support function projects. These charges consisted of \$76 million for severance and pension payments and \$73 million of other project-related costs, including those for developing and supporting the strategic transition; process re-design; consultancy and advisory services; retention, relocation, and re-training of employees; and project management.

Acquisition and related integration costs

Acquisition and related integration cash costs related mainly to the Agrosan, Maribo Seeds and Greenleaf acquisitions. Reversal of inventory step-ups related to the acquisitions of Agrosan, Maribo Seeds and the Pybas and Synergene lettuce companies.

Amortization of reacquired rights related to the Greenleaf exclusive licensing rights described above.

Divestment gains of \$76 million included the gain on the disposal of Syngenta's Materials Protection business to Lanxess AG, gains on the disposal of certain assets acquired as part of Monsanto's sunflower business in 2009, as agreed with the European Commission in connection with their approval of that acquisition, and the gain arising on revaluing Syngenta's 50 percent equity interest in Greenleaf to fair value at the date it acquired the remaining 50 percent interest from Pioneer. Bargain purchase gains were recognized on completion of the acquisition accounting for the Maribo Seeds and Greenleaf acquisitions.

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6. Restructuring continued

Other non-cash restructuring

Other non-cash restructuring costs consisted of the impairment of an available-for-sale financial asset and a write-down of assets within the Fafard peat business in Lawn and Garden.

7. Income taxes

Income before taxes from continuing operations for the years ended December 31, 2013, 2012 and 2011 consists of the following:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|---------------------------|-------|-------|---|-------|---|
| Switzerland | 1,241 | 1,201 | | 765 | |
| Foreign | 693 | 915 | | 1,094 | |
| Total income before taxes | 1,934 | 2,116 | | 1,859 | |

1 After effect of accounting policy change for employee benefits as described in Note 2

Income tax (expense)/benefit on income from continuing operations for the years ended December 31, 2013, 2012 and 2011 consists of the following:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|---|--------|--------|---|--------|---|
| Current income tax (expense): | | | | | |
| Switzerland | (88) | (84) | | (138) | |
| Foreign | (281) | (270) | | (347) | |
| Total current income tax (expense) | (369) | (354) | | (485) | |
| () | | | | | |
| Deferred income tax (expense)/benefit: | | | | | |
| Switzerland | (39) | (14) | | 4 | |
| Foreign | 123 | 102 | | 192 | |
| Total deferred income tax (expense)/benefit | 84 | 88 | | 196 | |
| Total income tax (expense): | | | | | |
| Switzerland | (127) | (98) | | (134) | |
| Foreign | (158) | (168) | | (155) | |
| Total income tax (expense) | (285) | (266) | | (289) | |

1After effect of accounting policy change for employee benefits as described in Note 2

The components of current income tax (expense) on income from continuing operations for the years ended December 31, 2013, 2012 and 2011 are:

| (\$m) | 2013 | 2012 | 2011 |
|---|--------|--------|--------|
| Current tax (expense) relating to current years | (380) | (375) | (491) |
| Adjustments to current tax for prior periods | 10 | 19 | 2 |
| Benefit of previously unrecognized tax losses | 1 | 2 | 4 |
| Total current income tax (expense) | (369) | (354) | (485) |

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The components of deferred income tax (expense)/benefit on income from continuing operations for the years ended December 31, 2013, 2012 and 2011 are:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|--|------|------|---|------|---|
| Origination and reversal of temporary differences | 67 | 94 | | 142 | |
| Changes in tax rates or legislation | 34 | 24 | | 21 | |
| Benefit of previously unrecognized deferred tax assets | 2 | 18 | | 43 | |
| Non recognition of deferred tax assets | (19) | (48) |) | (10) |) |
| Total deferred income tax (expense)/benefit | 84 | 88 | | 196 | |

1 After effect of accounting policy change for employee benefits as described in Note 2

Income tax expense for 2011 included \$61 million resulting from a change in prior year estimates related to the taxation of certain licensing transactions.

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7. Income taxes continued

OCI and Income tax relating thereto, for each component of equity, for the years ended December 31, 2013, 2012 and 2011 is as follows:

| (\$m) | 2013 | | | 2012 ¹ | | | 2011 | | |
|--|---------|--------|----------|-------------------|-------|----------|---------|-------|----------|
| | Pre-tax | Tax | Post-tax | Pre-tax | Tax | Post-tax | Pre-tax | Tax | Post-tax |
| Items that will not be reclassified to profit or loss: | | | | | | | | | |
| Retained earnings: | | | | | | | | | |
| Actuarial gains/(losses) | 146 | (55) | 91 | (118) | 20 | (98) | (170) | 51 | (119) |
| Items that may be reclassified to profit or loss: | | | | | | | | | |
| Fair value reserves: | | | | | | | | | |
| Available-for-sale financial assets | 17 | (3) | 14 | (1) | – | (1) | 3 | – | 3 |
| Fair value reserves: Cash flow and net investment hedges | 14 | (11) | 3 | 108 | (10) | 98 | (150) | 34 | (116) |
| Currency translation effects | (39) | (48) | (87) | 86 | (12) | 74 | (186) | (48) | (234) |
| Total | 138 | (117) | 21 | 75 | (2) | 73 | (503) | 37 | (466) |

¹ After effect of accounting policy change for employee benefits as described in Note 2

The following tax was (charged)/credited to shareholders' equity for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 2011 |
|---|------|------|------|
| Current tax ¹ | 4 | 20 | 7 |
| Deferred tax ¹ | (3) | (3) | 3 |
| Total income tax (charged)/credited to equity | 1 | 17 | 10 |

¹Current and deferred tax related to share based payments

Analysis of tax rate

The table below presents the main elements causing Syngenta's effective tax rate to differ from the statutory tax rate for the years ended December 31, 2013, 2012 and 2011. Syngenta's statutory rate consists of the domestic Swiss tax rate. Syngenta applies the domestic Swiss tax rate as it is more meaningful than using the weighted average tax rate. The domestic Swiss tax rate consists of the Swiss federal income tax rate (8.50 percent) and the income tax rate of the canton Basel (20.0 percent). Federal and canton tax rates are deductible from the tax basis, therefore the Swiss domestic tax rate is 22.18 percent in 2013. The decrease of the income tax rate of the canton Basel to 20 percent in 2013 from 20.5 percent in 2012 resulted in the decrease in the domestic Swiss tax rate to 22.18 percent in 2013 from 22.48 percent in 2012. The decrease of the income tax rate of the canton Basel to 20.50 percent in 2012 from 21.00 percent in 2011 resulted in the decrease in the domestic Swiss tax rate to 22.48 percent in 2012 from 22.78 percent in 2011.

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| | 2013 % | 2012 % | 2011 % |
|--|-----------|-----------|-----------|
| Statutory tax rate | 22 | 22 | 23 |
| Effect of income taxed at different rates | (7) | (11) | (5) |
| Tax deduction for goodwill amortization not recognized for IFRS | (1) | – | – |
| Effect of other disallowed expenditures and income not subject to tax | (1) | – | (2) |
| Effect of changes in tax rates and laws on previously recognized deferred tax assets and liabilities | (2) | (1) | (1) |
| Effect of recognition of previously unrecognized deferred tax assets | – | (1) | (2) |
| Effect of non-recognition of deferred tax assets on tax losses in current year | – | – | 1 |
| Changes in prior year estimates and other items | 3 | 2 | 2 |
| Effect of non-recognition of deferred tax assets | 1 | 2 | – |
| Effective tax rate | 15 | 13 | 16 |

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7. Income taxes continued

The movements in deferred tax assets and liabilities during the year ended December 31, 2013 are as follows:

| 2013 (\$m) | January 1 | Recognized in net income | Recognized in equity and OCI | Currency translation effects | Other movements and acquisitions | December 31 |
|---|-----------|--------------------------------|------------------------------------|------------------------------------|---|-------------|
| Assets associated with: | | | | | | |
| Inventories | 493 | 174 | (52) | (13) | 20 | 622 |
| Accounts receivable | 211 | 59 | - | (28) | - | 242 |
| Pensions and employee costs | 174 | (21) | (58) | 1 | - | 96 |
| Provisions | 328 | (43) | - | (18) | 2 | 269 |
| Unused tax losses | 108 | (26) | - | 5 | 3 | 90 |
| Financial instruments, including derivatives | | | | | | |
| Other | 16 | (3) | 2 | (1) | - | 14 |
| Deferred tax assets | 45 | (12) | - | 13 | (39) | 7 |
| | 1,375 | 128 | (108) | (41) | (14) | 1,340 |
| Liabilities associated with: | | | | | | |
| Property, plant and equipment | (312) | (7) | - | (4) | (4) | (327) |
| Intangible assets | (337) | 72 | - | (2) | (15) | (282) |
| Inventories | (76) | (79) | - | 14 | (21) | (162) |
| Financial instruments, including derivatives | | | | | | |
| Other provisions and accruals | (54) | 23 | 12 | - | - | (19) |
| Other | (277) | (42) | - | (6) | - | (325) |
| Deferred tax liabilities | (115) | (11) | (3) | 2 | 68 | (59) |
| | (1,171) | (44) | 9 | 4 | 28 | (1,174) |
| Net deferred tax asset/(liability) | 204 | 84 | (99) | (37) | 14 | 166 |

The movements in deferred tax assets and liabilities during the year ended December 31, 2012 are as follows:

| 20121 (\$m) | January 1 | Recognized in net income | Recognized in equity and OCI | Currency translation effects | Other movements and acquisitions | December 31 |
|---|-----------|--------------------------------|------------------------------------|------------------------------------|---|-------------|
| Assets associated with: | | | | | | |
| Inventories | 434 | 76 | (14) | (3) | - | 493 |
| Accounts receivable | 184 | 38 | - | (11) | - | 211 |
| Pensions and employee costs | 175 | (20) | 17 | 1 | 1 | 174 |
| Provisions | 309 | 22 | - | (6) | 3 | 328 |
| Unused tax losses | 33 | 33 | - | - | 42 | 108 |
| Financial instruments, including derivatives | | | | | | |
| Other | 20 | (1) | - | - | (3) | 16 |
| Deferred tax assets | 78 | (33) | - | 3 | (3) | 45 |
| | 1,233 | 114 | 3 | (16) | 40 | 1,375 |
| Liabilities associated with: | | | | | | |
| Property, plant and equipment | (307) | (6) | 1 | (5) | 5 | (312) |
| Intangible assets | (305) | 64 | (1) | (4) | (91) | (337) |
| Inventories | (88) | 9 | - | 4 | (1) | (76) |
| | (60) | (8) | 13 | - | 1 | (54) |

| | | | | | | |
|---|----------|-------|------|-------|-------|----------|
| Financial instruments, including derivatives | | | | | | |
| Other provisions and accruals | (223) | (49) | – | (5) | – | (277) |
| Other | (81) | (37) | (1) | – | 4 | (115) |
| Deferred tax liabilities | (1,064) | (27) | 12 | (10) | (82) | (1,171) |
| Net deferred tax asset/(liability) | 169 | 88 | 15 | (26) | (42) | 204 |

1 After effect of accounting policy change for employee benefits as described in Note 2

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7. Income taxes continued

The deferred tax assets and liabilities at December 31, 2013 and 2012 reconcile to the amounts presented in the consolidated balance sheet as follows:

| (\$m) | 2013 | 2012 | 1 |
|---|---------|---------|---|
| Deferred tax assets | 1,340 | 1,375 | |
| Adjustment to offset deferred tax assets and liabilities ² | (380) | (300) |) |
| Adjusted deferred tax assets | 960 | 1,075 | |
| Deferred tax liabilities | (1,174) | (1,171) |) |
| Adjustment to offset deferred tax assets and liabilities ² | 380 | 300 | |
| Adjusted deferred tax liabilities | (794) | (871) |) |

1 After effect of accounting policy change for employee benefits as described in Note 2

2 Deferred tax assets and liabilities relating to income taxes levied by the same taxation authority on the same taxable entity or on entities which intend to settle current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously are offset for presentation on the face of the consolidated balance sheet where a legal right of set-off exists

The gross value at December 31, 2013 and 2012 of unused tax loss carry forwards for which no deferred tax asset has been recognized, by expiration date, is as follows:

| (\$m) | 2013 | 2012 |
|----------------------|------|------|
| One year | 6 | 1 |
| Two years | 4 | 7 |
| Three years | 6 | 1 |
| Four years | 4 | 10 |
| Five years | 7 | 5 |
| More than five years | 538 | 592 |
| No expiry | 11 | 5 |
| Total | 576 | 621 |

The above losses consist mainly of US state tax loss carry forwards. The applicable tax rate for these US state tax carry forwards is 5 percent of the gross amounts.

Deferred tax assets, other than those related to unused tax losses, are not subject to expiry.

A deferred tax asset or liability has not been recognized at December 31, 2013 and 2012 on the following items:

| (\$m) | 2013 | 2012 |
|---|------|------|
| Temporary differences for which no deferred tax assets have been recognized | 311 | 322 |
| Temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognized | 790 | 685 |

There are no income tax consequences for Syngenta of paying a dividend to its shareholders.

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8. Earnings per share

Basic earnings per share amounts are calculated by dividing net income for the year attributable to ordinary shareholders of Syngenta AG by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net income attributable to ordinary shareholders of Syngenta AG by the sum of the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Treasury shares are deducted from total shares in issue for the purposes of calculating earnings per share.

The calculation of diluted earnings per share for the year ended December 31, 2013 excluded 261,854 (2012: 458,480; 2011: 558,727) of Syngenta AG shares and options granted to employees, as their inclusion would have been antidilutive.

| (\$m, except number of shares) | 2013 | 2012 | 1 2011 | 1 |
|--|------------|------------|------------|---|
| Net income attributable to Syngenta AG shareholders | 1,644 | 1,847 | 1,569 | |
| Weighted average number of shares | | | | |
| Weighted average number of shares – basic | 91,952,222 | 91,644,190 | 91,892,275 | |
| Adjustments for dilutive potential ordinary shares: | | | | |
| Grants of options over Syngenta AG shares under employee share participation plans | 257,161 | 254,995 | 261,100 | |
| Grants of Syngenta AG shares under employee share participation plans | 249,923 | 233,737 | 230,236 | |
| Weighted average number of shares – diluted | 92,459,306 | 92,132,922 | 92,383,611 | |

1 After effect of accounting policy change for employee benefits described in Note 2

9. Trade and other accounts receivable

Trade receivables at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|--|--------|--------|
| Trade receivables, gross | 3,671 | 3,415 |
| Provision for doubtful trade receivables | (226) | (224) |
| Trade receivables, net | 3,445 | 3,191 |

Movements in the provision for doubtful trade receivables for the years ended December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|--|--------|--------|
| January 1 | (224) | (246) |
| Amounts (charged)/credited to income | (33) | (11) |
| Amounts written off | 5 | 19 |
| Currency translation effects and other | 26 | 14 |
| December 31 | (226) | (224) |

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The ages of trade and other accounts receivable at December 31, 2013 and 2012 that were past due, but not impaired, are as follows:

| 2013 (\$m) | Total past due | 0-90 days | 90-180 days | More than 180 days |
|--|-------------------|--------------|----------------|-----------------------|
| Trade receivables, gross | 532 | 317 | 43 | 172 |
| Provision for doubtful trade receivables | (174) | (4) | (20) | (150) |
| Other accounts receivable | 301 | 143 | 67 | 91 |
| Total | 659 | 456 | 90 | 113 |

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9. Trade and other accounts receivable continued

| 2012 (\$m) | Total past due | 0-90 days | 90-180 days | More than 180 days |
|--|-------------------|--------------|----------------|-----------------------|
| Trade receivables, gross | 531 | 308 | 52 | 171 |
| Provision for doubtful trade receivables | (173) | (4) | (19) | (150) |
| Other accounts receivable | 208 | 118 | 28 | 62 |
| Total | 566 | 422 | 61 | 83 |

At the reporting date there are no indications that debtors whose accounts are neither overdue nor impaired will not meet their payment obligations.

The carrying amount of trade receivables transferred in full and partial recourse factoring arrangements, but not derecognized is \$181 million (2012: \$122 million). Related liabilities of \$161 million (2012: \$122 million) are disclosed in Note 16 and the remaining liabilities are included in trade accounts payable (2012: \$nil). The fair value of these receivables and the related liabilities is not significantly different from their carrying amounts. The amount of these receivables before the transfer transactions was \$368 million (2012: \$175 million).

The fair value of trade receivables containing embedded exchange rate options that Syngenta has designated as at fair value through profit or loss at December 31, 2013 was \$143 million (2012: \$84 million). These amounts represent Syngenta's maximum exposure to credit risk relating to these types of trade receivables. Amounts charged to profit or loss in relation to these trade receivables for the years ended December 31, 2013, 2012 and 2011 were not material.

Other accounts receivable of \$979 million (2012: \$932 million) include income taxes recoverable of \$138 million (2012: \$130 million) and are net of immaterial provisions for doubtful accounts.

10. Other current assets

Other current assets at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|------------------|------|------|
| Prepaid expenses | 185 | 190 |
| Other | 64 | 67 |
| Total | 249 | 257 |

11. Inventories

Inventories at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|-------------------------------|-------|-------|
| Raw materials and consumables | 1,275 | 1,002 |
| Biological assets | 33 | 37 |
| Work in progress | 941 | 814 |
| Finished products | 3,327 | 2,881 |
| Total | 5,576 | 4,734 |

Movements in inventory write-downs for the years ended December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|-------|------|------|
|-------|------|------|

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| | | |
|---|--------|--------|
| January 1 | (321) | (313) |
| Additions charged to income | (355) | (177) |
| Reversals of inventory write-downs | 21 | 30 |
| Amounts utilized on disposal of related inventories | 187 | 136 |
| Currency translation effects and other | 11 | 3 |
| December 31 | (457) | (321) |

Reversals of inventory write-downs arise in the normal course of business when actual outcomes are more favorable than assumptions made in prior periods about Syngenta's future ability to sell inventories that are subject to risks of degradation and obsolescence, such as germination of seeds.

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11. Inventories continued

Movements in biological assets for the years ended December 31, 2013 and 2012 are as follows. These include amounts classified as other non-current assets.

| (\$m) | 2013 | 2012 |
|--|--------|--------|
| January 1 | 68 | 51 |
| Changes in fair value | 159 | 173 |
| Additions to cost | 32 | 47 |
| Sales and harvest | (220) | (201) |
| Currency translation effects and other | (3) | (2) |
| December 31 | 36 | 68 |
| Of which: carried at fair value less costs to sell | 32 | 33 |

Syngenta's inputs for measuring the fair value of those assets that are carried at fair value less costs to sell include both market data from actual sales and inputs based on the stage of growth of immature assets, which is not observable in the market. The fair values therefore represent a level 3 measurement in the fair value hierarchy as defined by IFRS 13. Their sensitivity to changes in the unobservable inputs is not material to the consolidated financial statements.

Quantities of biological assets in inventories at December 31, 2013 and 2012 are:

| (Millions of plants) | 2013 | 2012 |
|------------------------------------|------|------|
| Plants | 71 | 69 |
| Cuttings | 488 | 520 |
| (Thousands of hectares cultivated) | | |
| Growing crops | 2.8 | 7.2 |

12. Property, plant and equipment

Movements in property, plant and equipment for the year ended December 31, 2013 are as follows:

| 2013 (\$m) | Land | Buildings | Machinery and equipment | Assets under construction | Total |
|--|------|-----------|-------------------------|---------------------------|----------|
| Cost | | | | | |
| January 1 | 159 | 1,897 | 4,616 | 375 | 7,047 |
| Additions | 2 | 46 | 239 | 397 | 684 |
| Disposals | (1) | (21) | (124) | – | (146) |
| Transfers between categories | – | 104 | 150 | (254) | – |
| Currency translation effects and other | (3) | 23 | 59 | (17) | 62 |
| December 31 | 157 | 2,049 | 4,940 | 501 | 7,647 |
| Accumulated depreciation and impairment losses | | | | | |
| January 1 | – | (1,056) | (2,798) | – | (3,854) |
| Depreciation charge | – | (62) | (276) | – | (338) |
| Depreciation on disposals | – | 17 | 111 | – | 128 |
| Currency translation effects and other | – | (23) | (54) | – | (77) |
| December 31 | – | (1,124) | (3,017) | – | (4,141) |

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| | | | | | |
|------------------------------|-----|-----|-------|-----|-------|
| Net book value – December 31 | 157 | 925 | 1,923 | 501 | 3,506 |
| Insured value – December 31 | | | | | 8,471 |

Additions to property, plant and equipment of \$684 million (2012: \$547 million) comprise \$625 million (2012: \$508 million) of cash purchases and \$59 million (2012: \$39 million) of other additions, including business combinations, initial recognition of finance leases and capitalized borrowing costs.

The net book value of property, plant and equipment accounted for as finance lease assets at December 31, 2013 was \$107 million classified as Machinery and equipment (2012: \$109 million).

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12. Property, plant and equipment continued

Movements in property, plant and equipment for the year ended December 31, 2012 are as follows:

| 2012 (\$m) | Land | Buildings | Machinery and equipment | Assets under construction | Total |
|---|------|-----------|-------------------------|---------------------------|----------|
| Cost | | | | | |
| January 1 | 153 | 1,785 | 4,300 | 333 | 6,571 |
| Additions | 4 | 41 | 172 | 330 | 547 |
| Disposals | (2) | (50) | (145) | (1) | (198) |
| Transfers between categories | – | 89 | 182 | (271) | – |
| Currency translation effects and other | 4 | 32 | 107 | (16) | 127 |
| December 31 | 159 | 1,897 | 4,616 | 375 | 7,047 |
| Accumulated depreciation and impairment losses | | | | | |
| January 1 | – | (999) | (2,547) | – | (3,546) |
| Depreciation charge | – | (60) | (273) | – | (333) |
| Impairment losses | – | (6) | (23) | – | (29) |
| Depreciation on disposals | – | 33 | 118 | – | 151 |
| Currency translation effects and other | – | (24) | (73) | – | (97) |
| December 31 | – | (1,056) | (2,798) | – | (3,854) |
| Net book value – December 31 | 159 | 841 | 1,818 | 375 | 3,193 |
| Insured value – December 31 | | | | | 8,178 |

13. Intangible assets

Movements in intangible assets for the year ended December 31, 2013 are as follows:

| 2013 (\$m) | Goodwill | Product rights | Trademarks | Patents | Software | Other intangibles | Total |
|---|----------|----------------|------------|---------|----------|-------------------|----------|
| Cost | | | | | | | |
| January 1 | 1,923 | 3,304 | 96 | 70 | 373 | 328 | 6,094 |
| Additions from business combinations | 47 | 13 | 8 | – | – | – | 68 |
| Other additions | – | 17 | – | – | 31 | 54 | 102 |
| Retirements and disposals | (4) | – | (14) | (2) | – | (2) | (22) |
| Currency translation effects | (17) | 27 | – | – | 10 | (1) | 19 |
| December 31 | 1,949 | 3,361 | 90 | 68 | 414 | 379 | 6,261 |
| Accumulated amortization and impairment losses | | | | | | | |
| January 1 | (280) | (1,877) | (40) | (32) | (247) | (117) | (2,593) |
| Amortization charge | – | (175) | (5) | (4) | (46) | (25) | (255) |
| Impairment losses | – | (15) | (6) | – | – | (2) | (23) |
| Retirements and disposals | – | – | 14 | – | – | 3 | 17 |
| Currency translation effects | – | (17) | 1 | – | (7) | (3) | (26) |
| December 31 | (280) | (2,084) | (36) | (36) | (300) | (144) | (2,880) |
| Net book value – December 31 | 1,669 | 1,277 | 54 | 32 | 114 | 235 | 3,381 |

Other additions in 2013 and 2012 include intangible assets arising from license agreements involving non-monetary exchanges or where the cash flows related to the acquisition of the asset are payable over several years. Cash paid to acquire intangible assets was \$75 million (2012: \$112 million).

Amortization is included partly within cost of goods sold and partly within general and administrative expenses.

Other intangibles consist principally of values assigned to leases, supply contracts and customer relationships acquired in business combinations.

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13. Intangible assets continued

Movements in intangible assets for the year ended December 31, 2012 were as follows:

| 2012 (\$m) | Goodwill | Product rights | Trademarks | Patents | Software | Other intangibles | Total |
|--|----------|-------------------|------------|---------|----------|----------------------|----------|
| Cost | | | | | | | |
| January 1 | 1,598 | 2,793 | 100 | 68 | 334 | 322 | 5,215 |
| Additions from business combinations | 322 | 417 | 7 | – | – | 36 | 782 |
| Other additions | – | 74 | – | 1 | 36 | 13 | 124 |
| Retirements and disposals | (4) | (3) | (12) | – | (8) | (46) | (73) |
| Currency translation effects | 7 | 23 | 1 | 1 | 11 | 3 | 46 |
| December 31 | 1,923 | 3,304 | 96 | 70 | 373 | 328 | 6,094 |
| Accumulated amortization and impairment losses | | | | | | | |
| January 1 | (279) | (1,670) | (41) | (27) | (204) | (125) | (2,346) |
| Amortization charge | – | (185) | (5) | (4) | (47) | (24) | (265) |
| Impairment losses | – | (12) | – | (1) | – | – | (13) |
| Retirements and disposals | 4 | 3 | 7 | – | 7 | 33 | 54 |
| Currency translation effects | (5) | (13) | (1) | – | (3) | (1) | (23) |
| December 31 | (280) | (1,877) | (40) | (32) | (247) | (117) | (2,593) |
| Net book value – December 31 | 1,643 | 1,427 | 56 | 38 | 126 | 211 | 3,501 |

The net book value at December 31, 2013 and 2012 of goodwill is allocated to Syngenta's operating segments and other CGUs as summarized below:

| (\$m) | 2013 | 2012 |
|---|-------|-------|
| Allocated to operating segments: | | |
| Europe, Africa and Middle East (EAME) | 235 | 229 |
| North America | 197 | 175 |
| Latin America | 173 | 167 |
| Asia Pacific | 355 | 108 |
| Lawn and Garden | 37 | 14 |
| Total allocated to operating segments | 997 | 693 |
| Allocated to other individual CGUs: | | |
| North America Corn and Soybean seed | 315 | 315 |
| Other, not individually significant | 357 | 325 |
| Total allocated to other individual CGUs | 672 | 640 |
| Goodwill on recent acquisitions not yet allocated | – | 310 |
| Total goodwill | 1,669 | 1,643 |

At December 31, 2012, goodwill arising on the acquisitions of the DuPont professional products business, Pasteuria and Devgen had not yet been allocated to CGUs because those acquisitions occurred close to year end and, in the last two cases, the acquisition measurement period was not complete.

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14. Financial and other non-current assets

Financial and other non-current assets at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 | 1 |
|---|-------|------|---|
| Equity securities available-for-sale | 118 | 79 | |
| Other non-current receivables | 358 | 404 | |
| Defined benefit post-employment benefit asset (Note 22) | 287 | 58 | |
| Long-term derivative financial assets (Note 28) | 56 | 21 | |
| Total financial and other non-current assets | 819 | 562 | |
| Investments in associates and joint ventures | 204 | 143 | |
| Total | 1,023 | 705 | |

1 After effect of accounting policy change for employee benefits described in Note 2

None of Syngenta's investments in associates and joint ventures are publicly quoted. At December 31, 2013, these investments consist mainly of \$119 million (2012: \$67 million) for a 50 percent ownership of CIMO Compagnie Industrielle de Monthey SA, Switzerland, which provides manufacturing services to Syngenta and other occupants of the Monthey manufacturing site, \$40 million (2012: \$38 million) for a 49 percent ownership of Sanbei Seeds Co. Ltd., China and \$39 million (2012: \$31 million) for a 40 percent ownership of Maisadour Semences SA, France (Maisadour). The latter two entities produce and sell seeds. Maisadour sells seeds to Syngenta.

Syngenta's share of CIMO's net income for 2013 was \$40 million (2012: \$3 million; 2011: \$11 million), which includes a contract termination penalty receipt and the deferred tax effect of a revised tax ruling. With that exception, neither effects on Syngenta's consolidated income statement for the periods presented, nor any financial statement line items of the above associates and joint ventures themselves, are material.

Transactions between Syngenta and its associates and joint ventures during the year ended December 31, 2013 are as follows:

–Goods and services provided by Syngenta to its associates and joint ventures \$12 million (2012: \$16 million; 2011: \$7 million)

–Goods and services provided by associates and joint ventures to Syngenta \$134 million (2012: \$111 million; 2011: \$86 million)

At December 31, 2013 Syngenta has accounts receivable and accrued income from associates and joint ventures of \$18 million (2012: \$22 million) and accrued liabilities to associates and joint ventures of \$44 million (2012: \$12 million).

A bank overdraft guarantee of \$29 million (2012: \$33 million) has been provided to an associate.

On November 12, 2013 Syngenta agreed to advance EUR 9 million (\$12 million at December 31, 2013 currency translation rates) to its associated company Maisadour for 7 years to help finance the planned expansion of corn seed processing capacity in Maisadour Ukraine LLC, a subsidiary of Maisadour, which is a supplier of corn seeds to Syngenta. This current account advance will be made in instalments when called by Maisadour and bears a market rate of interest. By a deed between Syngenta, Maisadour and the European Bank for Reconstruction and Development (EBRD), repayment of the principal is subordinated to a loan between the EBRD and Maisadour Ukraine LLC which is guaranteed by Maisadour.

15. Trade accounts payable

The contractual maturities of trade accounts payable at December 31, 2013 and 2012 are as follows:

| (\$m) | Total | 0–90 days | 90–180 days | 180 days– 1 year |
|-------|-------|--------------|----------------|---------------------|
| 2013 | 3,817 | 2,767 | 121 | 929 |
| 2012 | 3,409 | 2,372 | 46 | 991 |

16. Current financial debt and other financial liabilities

Current financial debt at December 31, 2013 and 2012 is as follows:

| (\$m) | 2013 | 2012 |
|---|-------|-------|
| Bank and other financial debt | 598 | 297 |
| Receivables factored with recourse | 161 | 122 |
| Current portion of financial debt (Note 18) | 708 | 561 |
| Total current financial debt | 1,467 | 980 |
| Short-term derivative and other financial liabilities (Note 28) | 124 | 68 |
| Total | 1,591 | 1,048 |

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16. Current financial debt and other financial liabilities continued

The following table presents additional information related to short-term borrowings at December 31, 2013:

| 2013 (\$m) | Amount outstanding at December 31 | Weighted average interest rate on outstanding balance | | Average amount outstanding for the year | Weighted average interest rate on average outstanding balance | | Maximum month-end amount during the year |
|--|---|--|---|--|--|---|---|
| Bank and other financial debt | 598 | 3.0 | % | 846 | 2.0 | % | 2,111 |
| Receivables factored with recourse | 161 | 8.4 | % | 122 | 8.4 | % | 166 |
| Current portion of financial debt (Note 18) | 708 | 4.6 | % | 541 | 4.6 | % | 708 |
| Total | 1,467 | 4.4 | % | 1,509 | 3.5 | % | – |
| 2012 | 980 | 5.3 | % | 1,156 | 4.6 | % | – |

The contractual maturities of current financial debt at December 31, 2013 and 2012 are as follows:

| (\$m) | Total | 0–90 days | 90–180 days | 180 days– 1 year |
|-------|-------|--------------|----------------|---------------------|
| 2013 | 1,467 | 539 | 784 | 144 |
| 2012 | 980 | 313 | 557 | 110 |

The maturities of short-term derivative and other financial liabilities are presented in Note 27.

Information about fair values of financial liabilities is presented in Note 28.

17. Other current liabilities

Other current liabilities at December 31, 2013 and 2012 consist of the following:

| (\$m) | 2013 | 2012 |
|---|------|-------|
| Accrued short-term employee benefits | 169 | 332 |
| Taxes other than income taxes | 120 | 152 |
| Accrued interest payable | 41 | 54 |
| Accrued utility costs | 90 | 66 |
| Social security and pension contributions | 106 | 116 |
| Other payables | 259 | 246 |
| Other accrued expenses | 188 | 194 |
| Total | 973 | 1,160 |

The maturities of other current liabilities are as follows. For liabilities without a contractual maturity date, the analysis represents the estimated timing of cash outflows.

| (\$m) | Total | 0–90 days | 90–180 days | 180 days– 1 year |
|-------|-------|--------------|----------------|---------------------|
| 2013 | 973 | 617 | 133 | 223 |

2012 1,160 659 232 269

18. Financial debt and other non-current liabilities

Financial debt and other non-current liabilities at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|---|--------|--------|
| 3.375% CHF domestic bond 2013 | - | 546 |
| 4.000% Eurobond 2014 | 687 | 658 |
| 4.125% Eurobond 2015 | 687 | 658 |
| \$ private placement notes | 264 | 266 |
| 3.125% \$ Notes 2022 | 494 | 497 |
| 4.375% \$ Notes 2042 | 248 | 248 |
| Unsecured bond issues and US private placement notes | 2,380 | 2,873 |
| Liabilities to banks and other financial institutions | 5 | 8 |
| Finance lease obligations | 62 | 48 |
| Total financial debt (including current portion) | 2,447 | 2,929 |
| Less: current portion of financial debt (Note 16) | (708) | (561) |
| Non-current derivative financial liabilities | - | 51 |
| Other non-current liabilities and deferred income | 57 | 95 |
| Total | 1,796 | 2,514 |

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18. Financial debt and other non-current liabilities

Information about fair values of financial liabilities is presented in Note 28.

Other non-current liabilities and deferred income relates to license agreements with several counterparties. Related cash flows of \$16 million (2012: \$16 million) are payable between one and four years and \$41 million of deferred income at December 31, 2013 (2012: \$79 million) will be recognized in income as related licensed product sales occur.

The weighted average interest rate on non-current bank and other financial debt is 4.4 percent per annum (2012: 4.6 percent per annum).

The weighted average interest rate on the combined current and non-current bank and other financial debt is 4.0 percent per annum (2012: 4.9 percent per annum). The weighted average interest rates include the cost of financing emerging market borrowings.

Interest paid on non-current financial debt was \$110 million (2012: \$112 million; 2011: \$134 million). All non-current debt ranks equally.

Syngenta AG has fully and unconditionally guaranteed on a senior unsecured basis the due and punctual payment of the principal of and any premium and interest on the debt securities issued by Syngenta Finance NV, which is an indirect, wholly-owned finance subsidiary. The guarantees will rank equally with all of Syngenta's other unsecured and unsubordinated debt. No other subsidiary of Syngenta guarantees such debt securities.

19. Provisions

Provisions at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|--|-------|-------|
| Restructuring provisions | 39 | 59 |
| Employee benefits: | | |
| Pensions (Note 22) | 400 | 302 |
| Other post-retirement benefits (Note 22) | 18 | 61 |
| Other long-term employee benefits | 70 | 61 |
| Environmental provisions | 308 | 343 |
| Provisions for legal and product liability settlements | 132 | 148 |
| Other provisions | 87 | 103 |
| Total | 1,054 | 1,077 |

| (\$m) | 2013 | 2012 |
|--|------|------|
| Current portion of: | | |
| Restructuring provisions | 28 | 41 |
| Employee benefits | 108 | 40 |
| Environmental provisions | 60 | 68 |
| Provisions for legal and product liability settlements | 37 | 48 |
| Other provisions | 55 | 39 |
| Total current provisions | 288 | 236 |
| Total non-current provisions | 766 | 841 |

| | | |
|-------|-------|-------|
| Total | 1,054 | 1,077 |
|-------|-------|-------|

The timing of payment in respect of non-current provisions is, with few exceptions, not contractually fixed and cannot be estimated with certainty. Key assumptions and sources of estimation uncertainty are discussed in Note 2.

At December 31, 2013, Syngenta recognized \$35 million (2012: \$38 million) in Financial and other non-current assets in respect of virtually certain reimbursements.

Syngenta has recorded provisions for environmental liabilities at some currently or formerly owned, leased and third party sites throughout the world. These provisions are estimates of amounts payable or expected to become payable and take into consideration the number of other potentially responsible parties at each site and the identity and financial positions of such parties in light of the joint and several nature of certain of the liabilities. The material components of Syngenta's environmental provisions consist of a risk assessment based on investigation of the various sites.

Provisions for legal and product liability settlements, all of which are individually immaterial, relate to various legal proceedings incidental to the normal conduct of Syngenta's business, including proceedings involving product liability claims, commercial claims, employment and wrongful termination claims, patent infringement claims, competition law claims, tax assessment claims, regulatory compliance claims, waste disposal claims and tort claims relating to the release of chemicals into the environment. Other provisions mainly comprise provisions for long-term contractual obligations under license agreements.

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19. Provisions continued

Movements in provisions for the year ended December 31, 2013 are as follows:

| (\$m) | January 1 | Charged to income | Release of provisions credited to income | Payments | Actuarial (gains)/losses | Transfers offset in defined benefit pension assets | Currency translation effects/other | December 31 |
|--|--------------|-------------------------|---|----------|-----------------------------|---|--|----------------|
| Restructuring provisions: | | | | | | | | |
| Employee termination costs | 45 | 12 | (1) | (29) | - | - | - | 27 |
| Other third party costs | 14 | 6 | (1) | (8) | - | - | 1 | 12 |
| Employee benefits: | | | | | | | | |
| Pensions | 302 | 91 | - | (128) | (97) | 218 | 14 | 400 |
| Other post-retirement benefits | 61 | 4 | (2) | (11) | (39) | 7 | (2) | 18 |
| Other long-term employee benefits | 61 | 9 | - | (7) | - | - | 7 | 70 |
| Environmental provisions | 343 | 8 | (10) | (35) | - | - | 2 | 308 |
| Provisions for legal and product liability settlements | 148 | 16 | (22) | (5) | - | - | (5) | 132 |
| Other provisions | 103 | 21 | (28) | (13) | - | - | 4 | 87 |
| Total | 1,077 | 167 | (64) | (236) | (136) | 225 | 21 | 1,054 |

Provisions for employee termination costs include severance, pension and other costs directly related to these employees.

Provisions for other third party costs principally include payments for early termination of contracts with third parties related to redundant activities.

20. Share capital

Each Syngenta ordinary share carries one vote at the shareholders' meetings of Syngenta. Voting rights may be exercised only after a shareholder has been registered in Syngenta's share register. Registration as a shareholder with voting rights is subject to certain declarations on the ownership of Syngenta shares. The number of ordinary shares of par value CHF 0.10 that were authorized, issued and outstanding at, and the movements during the years ended, December 31, 2013 and 2012, are presented in the table below.

The Board of Directors of Syngenta AG was authorized on April 24, 2012 to repurchase registered shares up to a maximum value of 10 percent of the company's share capital, for the purpose of capital reduction. On the basis of this authorization, Syngenta has established a second trading line on the SIX Swiss Exchange ("SIX") through which a maximum of 9,312,614 registered shares can be repurchased between July 25, 2013 and July 22, 2016. Up to December 31, 2013, 167,000 shares have been repurchased.

| (Millions of shares) | 2013 | | 2012 | |
|----------------------|--------|----------|--------|----------|
| | Shares | Treasury | Shares | Treasury |

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| | in issue | shares held | in issue | shares held |
|---|----------|----------------|----------|----------------|
| January 1 | 93.1 | (1.4) | 93.8 | (2.5) |
| Cancellation of treasury shares | – | – | (0.7) | 0.7 |
| Share repurchases | – | (0.4) | – | (0.2) |
| Issue of ordinary shares under employee share purchase and option plans | – | 0.4 | – | 0.6 |
| December 31 | 93.1 | (1.4) | 93.1 | (1.4) |

At December 31, 2013 and 2012 Syngenta had no open options accounted for as equity instruments.

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21. Non-cash items included in income before taxes

The following table analyzes non-cash items included in income before taxes for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|---|------|-------|---|-------|---|
| Depreciation, amortization and impairment of: | | | | | |
| Property, plant and equipment | 338 | 362 | | 349 | |
| Intangible assets | 278 | 278 | | 300 | |
| Financial assets | 11 | 3 | | 1 | |
| Deferred revenue and gains | (34) | (35) |) | (41) |) |
| Losses/(gains) on disposal of non-current assets | 3 | (17) |) | (78) |) |
| Charges in respect of equity-settled share based compensation | 67 | 74 | | 54 | |
| Charges in respect of provisions (Note 19) | 103 | 183 | | 295 | |
| Financial expense, net | 200 | 147 | | 165 | |
| (Gains)/losses on hedges reported in operating income | (8) | 32 | | (187) |) |
| Income from associates and joint ventures | (48) | (7) |) | (15) |) |
| Total | 910 | 1,020 | | 843 | |

1 After effect of accounting policy change for employee benefits described in Note 2

22. Post-employment benefits

Syngenta has, apart from legally required social security arrangements, numerous independent pension plans, which are either “defined contribution” plans where company contributions and resulting benefit costs are a set percentage of employees’ pay or “defined benefit” plans where benefits are generally based on employees’ length of service and pensionable pay. Syngenta’s contributions to defined contribution plans were \$42 million for the year ended December 31, 2013 (2012: \$38 million). Approximately 35 percent of Syngenta’s employees are members of defined benefit plans and a significant proportion of these are members of both defined benefit and defined contribution plans. All of Syngenta’s major defined benefit plans are funded through legally separate trustee administered funds. The cash funding of these plans, which may from time to time involve special payments, is designed to ensure that present and future contributions should be sufficient to meet future liabilities. Syngenta’s main defined benefit pension plans are in the UK, Switzerland and the USA.

UK

In accordance with its rules, Syngenta’s UK Pension Fund (the UK Fund) is governed by a company (the Trustee) that is controlled by a publicly listed independent professional trustee corporation. That corporation appoints the Trustee’s directors, including its own representative, Syngenta nominated and member nominated directors. The Trustee manages the UK Fund and appoints professional advisers independently to assist it in doing so. The Fund is subject to UK pensions legislation, is regulated by the UK Pensions Regulator and is exempt from most UK taxation through its registered status. The defined benefit section of the UK Fund has been closed since 2002. New employees since that date join a defined contribution pension plan. At retirement date, defined benefit members have the right to take up to 25 percent of the value of their benefits as a lump sum, with the balance being paid as an annuity. The Trustee is required by the UK Fund’s rules to increase pensions in payment and accrued deferred pension rights each year by the lower of 5 percent and price inflation, as measured by the UK Retail Price Index (RPI) or Consumer Price Index (CPI), as applicable. An independent actuary is required to value the Fund’s liabilities in accordance with UK pension regulations and certify the required contributions, both for future service and elimination of any deficit, at least every

three years. Following each such valuation, employer contribution amounts must be formally agreed between Syngenta and the Trustee, subject to review by the Pensions Regulator, and remain binding until re-assessed in the following valuation. The solvency of the UK Fund, defined as its ability to pay benefits as they fall due, is guaranteed by the sponsoring subsidiary, Syngenta Ltd. Syngenta AG has irrevocably and unconditionally undertaken to ensure Syngenta Ltd. will honor that guarantee. In addition, certain benefits under the Plan are guaranteed by the UK Pension Protection Fund.

The Trustee agrees the investment strategy for the UK Fund's assets and implements it through an investment sub-committee (the UK Investment Committee) it appoints from among the Trustee directors. The investment objectives are to ensure the assets are appropriately diversified and liquid to generate sufficient returns to meet the benefit liability and control the long term costs of the UK Fund. These objectives are achieved through appointing and monitoring a number of third party investment managers, each with specific investment mandates that collectively cover a wide range of investment classes and geographical markets and utilize both asset liability matching and return seeking strategies. Asset liability matching is achieved both through underlying investment class selection (e.g. fixed interest) and through using derivatives to limit the potential impact of changes in interest rates, price inflation and foreign currency exchange rates on the benefits payable by and assets of the UK Fund.

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22. Post-employment benefits continued

Switzerland

The Swiss federal law on occupational old age, survivors' and disability pensions ("BVG") sets minimum standards for occupational pension plans, which Syngenta's Swiss pension fund (the Swiss Fund) exceeds. All employees having had an employment contract for more than three months with any of Syngenta's Swiss subsidiaries or with its CIMO joint venture entity (see Note 14) and whose age and income exceed the minimum stipulated by BVG are automatically insured in the Swiss Fund. The benefits payable on retirement are calculated according to the capital sums that each member accumulates through transfer of benefits from previous employments, employer and employee contributions during service with Syngenta, interest and member voluntary contributions. Disability and survivors' death in service benefits are defined on the basis of the member's insured remuneration. Leavers before retirement are required to transfer their accumulated retirement and capital savings to the occupational pension plan of their new employment. The Swiss Fund is governed by a twelve member Board of Trustees. Six members, including the President, are nominated by Syngenta, and six are elected by insured plan members from among the employees. Its decisions regarding certain items, including rates of service and interest credits, conversion rates on retirement and plan asset investment strategy require a two-thirds majority vote. Legal conformity of the Swiss Fund's regulations is verified by the Swiss Pension Inspectorate. Syngenta's legal obligations, including required employer contributions, are defined in the pension fund rules which are agreed by the Board of Trustees.

Employer and employee contributions are payable according to an age related scale of percentages of pay. Under BVG, the Swiss Fund guarantees the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the Board of Trustees. Members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to a fixed annuity at the rates defined in the Fund's rules. The Board of Trustees may increase the annuity at their discretion subject to the Swiss Fund's funded status including sufficient free funds as determined according to Swiss statutory valuation rules. Syngenta accounts for the Swiss Fund as a defined benefit pension plan.

An actuarial balance sheet is usually drawn up annually, but at least every three years by the Swiss Fund's actuary. If the balance sheet reveals a deficit, the Board of Trustees defines appropriate measures to eliminate the deficit. If necessary, and after consultation with the actuary, the contributions payable by employees and by Syngenta may be increased or the benefits, including current pensions, may be adjusted to the funds available. The Board of Trustees manages the Swiss Fund's assets in conformity with the investment policy rules laid down by Swiss law, with the objectives of achieving investment that is secure, produces an appropriate yield and meets the liquidity needs of the Swiss Fund. This is implemented through an investment sub-committee similar to the UK Investment Committee mentioned above.

In May 2013, the Board of Trustees of Syngenta's Swiss pension plan adopted revised rules for the plan. The principal change has aligned the required annuity conversion rates for retirement benefits more closely with current actuarial rates, resulting in a reduction in Syngenta's defined benefit obligation. Syngenta has accounted for the changes as a plan amendment. Based on an actuarial valuation at the date of the change, Syngenta recognized a past service gain of \$41 million. This amount has been recognized in full within General and administrative for 2013 because no meaningful allocation of the gain by function is possible. The valuation discount rate used to measure the defined benefit obligation was 2.0 percent (December 31, 2012: 2.0 percent) and the only change in other valuation assumptions compared with December 31, 2012 was to reflect the impact of the revised rules on retirement age. If the previous version of IAS 19 had still been applied, Syngenta estimates that the past service gain amount recognized in

2013 would have been greater, mainly because of the impact of different requirements for recognizing vesting conditions associated with the changes.

USA

Syngenta's main US defined benefit pension plan (the US Plan) is a non-contributory defined benefit pension plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the US Internal Revenue Code of 1986, as amended (Code). In addition, certain benefits under the Plan are guaranteed by the US Pension Benefit Guaranty Corporation. The US Plan was closed to new members effective January 1, 2009. Employees joining Syngenta after that date participate in a defined contribution pension plan. The defined benefits of existing members of the US Plan were not affected by this change. The US Plan offers members the choice of taking their retirement benefits, which are generally based on their age, pay and years of service, as a full lump sum at retirement date or as a fixed annuity. In these financial statements, the benefit obligation has been valued assuming that current eligible members will take the lump sum option at normal retirement or other permissible commencement dates. Under current market conditions, this values the benefit obligation at a higher amount than would result if members selected the annuity option.

Plan assets are held in a separate trust with State Street Bank and Trust Company as trustee and custodian. The assets must generally remain in the trust until all pension benefits are paid. An Investment Committee of Syngenta employees (the US Investment Committee), appointed by the Board of Directors of Syngenta Corporation, a wholly owned subsidiary of Syngenta AG, oversees the investment of the plan assets, either directly or through the appointment of investment managers. The US Investment Committee develops and implements an investment strategy that takes into account the liability profile of the US Plan. Asset classes are selected that include equities, fixed income and alternative assets. Interest rate derivatives may be used to hedge the interest rate risk of the US Plan. The Plan's key risks include interest rate risk that impacts the value of the liability and the fixed income assets of the US Plan, investment performance volatility, and to a lesser degree inflation and longevity risk. An actuarial valuation is required each year and is used to determine the valuation and characteristics of the liability of the US Plan.

Syngenta Corporation's funding policy is to contribute to the Plan amounts necessary on an actuarial basis to at least satisfy the minimum funding requirements of the Code. Additional discretionary contributions above the minimum funding requirements can be made and are generally based on the annual service cost along with an adjustment for any over/under funding.

The status of Syngenta's defined benefit plans at December 31, 2013 and 2012 using actuarial assumptions determined in accordance with IAS 19 is summarized below. The following tables provide reconciliations of benefit obligations, plan assets and funded status of the defined benefit pension plans to the amounts recognized in the consolidated balance sheet at December 31, 2013 and 2012:

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22. Post-employment benefits continued

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|--|-------|-------|---|-------|---|
| Benefit obligations | | | | | |
| January 1 | 5,777 | 5,181 | | 5,092 | |
| Current service cost | 124 | 111 | | 116 | |
| Past service cost/(gain) | (37) | - | | - | |
| Employee contributions | 41 | 38 | | 39 | |
| Interest cost | 201 | 209 | | 224 | |
| Actuarial (gains)/losses: | | | | | |
| From changes in demographic assumptions | (30) | 80 | | 66 | |
| From changes in financial assumptions | 115 | 255 | | 107 | |
| From actual experience compared to assumptions | 42 | (12) | | 20 | |
| Benefit payments | (238) | (220) | | (204) | |
| Other movements | (14) | (32) | | (252) | |
| Currency translation effects | 123 | 167 | | (27) | |
| December 31 | 6,104 | 5,777 | | 5,181 | |
| Of which arising from: | | | | | |
| Funded plans | 5,915 | 5,593 | | 5,047 | |
| Wholly unfunded plans | 189 | 184 | | 134 | |

| (\$m) | 2013 | 2012 | 2011 |
|------------------------------|-------|-------|-------|
| Plan assets at fair value | | | |
| At January 1 | 5,584 | 5,075 | 5,113 |
| Actual return on plan assets | 376 | 476 | 185 |
| Employer contributions | 131 | 83 | 205 |
| Employee contributions | 41 | 38 | 39 |
| Benefit payments | (238) | (220) | (204) |
| Other movements | (11) | (35) | (260) |
| Currency translation effects | 111 | 167 | (3) |
| December 31 | 5,994 | 5,584 | 5,075 |

Actual return on plan assets can be analyzed as follows:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|--------------------------|------|------|---|------|---|
| Interest on plan assets | 193 | 205 | | 224 | |
| Actuarial gains/(losses) | 183 | 271 | | (39) | |
| Total | 376 | 476 | | 185 | |

| (\$m) | 2013 | 2012 | 2011 |
|--------------------------------------|-------|-------|-------|
| Funded status | (110) | (193) | (106) |
| Effect of asset ceiling ² | (13) | (52) | (4) |
| Net accrued benefit liability | (123) | (245) | (110) |

| Amounts recognized in the balance sheet: | 2013 | 2012 | 1 | 2011 | 1 |
|--|-------|-------|---|-------|---|
| Prepaid benefit costs (Note 14) | 280 | 58 | | 145 | |
| Accrued benefit liability | (403) | (303) | | (255) | |
| Net amount recognized | (123) | (245) | | (110) | |

- 1 After effect of accounting policy change for employee benefits described in Note 2
- 2 All material changes in the amount shown for the asset ceiling arose from the effect of applying the ceiling at each period end. Changes due to interest and foreign currency translation were immaterial

Of the accrued benefit liability for pensions of \$403 million at December 31, 2013, \$400 million is included in Note 19 as pension provisions and \$3 million as restructuring provisions (2012: \$302 million as pension; \$1 million as restructuring).

Table of Contents22. Post-employment benefits *continued*

The following table shows the estimated undiscounted future defined benefit payments that are projected to occur within ten years from the balance sheet date. Actual payments may differ from those shown because of uncertain future events, including members' choice of benefit options as described above.

| (\$m) | |
|-----------------|-------|
| 2014 | 245 |
| 2015 | 256 |
| 2016 | 262 |
| 2017 | 282 |
| 2018 | 291 |
| Years 2019–2023 | 1,600 |
| Total 2014–2023 | 2,936 |

Syngenta's estimate of employer contributions to be paid to defined benefit plans in 2014 is \$175 million, which includes a non-recurring \$25 million additional contribution to the Swiss plan required in connection with the plan amendment described above. Actual payments could differ materially from this estimate if any new funding regulations or laws are enacted or due to business and market conditions, which may result in Syngenta prepaying contributions. Additional contributions, the amount and timing of which are uncertain, may also be required as Syngenta's restructuring programs are implemented.

In accordance with UK pension regulations, fixed deficit recovery contributions of \$40 million per year to 2019 were agreed with the UK pension plan Trustee during the 2012 valuation. \$15 million of prepaid contributions carried forward at December 31, 2012 were offset against this commitment during 2013 and \$25 million of fixed deficit recovery contributions were paid. At December 31, 2013, no prepaid contributions were available for offset against contributions payable in future years. Additional variable contributions of up to \$25 million per year are also required to be paid if the actual percentage return on plan assets is less than the agreed assumption. No fixed deficit recovery contributions were required to be made in 2012 or 2011. No additional variable contributions were required to be made in 2013, 2012, or 2011 as the actual percentage return on plan assets during these years exceeded the agreed assumption in the applicable valuation.

The fair values of assets and the liabilities of the major defined benefit pension plans, together with aggregated data for other defined benefit plans are as follows. Unquoted investments represent investments in pooled funds in which the underlying investments are unquoted or those where the pooled fund does not have liquidity on at least a weekly basis:

| 2013 | Switzerland | Fair value at December 31 | | | Total | % |
|---------------------------------------|-------------|---------------------------|-----|-------------|-------|----|
| | | UK | USA | Other plans | | |
| Investments quoted in active markets: | | | | | | |
| Equities | 439 | 403 | 221 | 48 | 1,111 | 19 |
| Real estate funds | 173 | – | – | – | 173 | 3 |
| Bonds | 866 | 605 | 314 | 29 | 1,814 | 30 |
| Other assets | 38 | 183 | 3 | 207 | 431 | 7 |
| Unquoted investments: | | | | | | |
| Equities | 16 | 623 | 34 | – | 673 | 11 |

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| | | | | | | |
|---|----------|----------|--------|--------|----------|-----|
| Real estate | – | 13 | – | 1 | 14 | – |
| Bonds | 61 | 480 | – | 1 | 542 | 9 |
| Other assets | 345 | 403 | 153 | – | 901 | 15 |
| Cash and cash equivalents | 131 | 172 | 30 | 2 | 335 | 6 |
| Fair value of assets | 2,069 | 2,882 | 755 | 288 | 5,994 | 100 |
| Benefit obligation | (1,880) | (3,075) | (687) | (462) | (6,104) | |
| Funded status | 189 | (193) | 68 | (174) | (110) | |
| Significant actuarial assumptions: | | | | | | |
| Discount rate (%) | 2.3 | 4.4 | 4.7 | – | 3.7 | |
| Inflation (RPI) (%) | n/a | 3.4 | n/a | | | |
| Pensionable pay increase (%) | 2.0 | 3.9 | 4.0 | | | |
| Pension increase (%) | – | 3.4 | n/a | | | |
| Interest credit rate (%) | 1.5 | n/a | n/a | | | |
| Weighted average duration of benefit obligation (years) | 20 | 18 | 11 | | | |

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22. Post-employment benefits continued

| 2012 | Fair value at December 31 (\$m, except assumptions) | | | | | Total | % |
|---|--|----------|--------|-------------|----------|-------|---|
| | Switzerland | UK | USA | Other plans | | | |
| Investments quoted in active markets: | | | | | | | |
| Equities | 383 | 300 | 199 | 51 | 933 | 17 | |
| Real estate funds | 200 | – | – | – | 200 | 4 | |
| Bonds | 841 | 574 | 343 | 30 | 1,788 | 32 | |
| Other assets | 31 | 227 | 2 | 182 | 442 | 8 | |
| Unquoted investments: | | | | | | | |
| Equities | 16 | 538 | 27 | – | 581 | 10 | |
| Bonds | 54 | 321 | – | – | 375 | 7 | |
| Other assets | 306 | 612 | 172 | – | 1,090 | 19 | |
| Cash and cash equivalents | 65 | 73 | 33 | 4 | 175 | 3 | |
| Fair value of assets | 1,896 | 2,645 | 776 | 267 | 5,584 | 100 | |
| Benefit obligation ¹ | (1,849) | (2,634) | (813) | (481) | (5,777) | | |
| Funded status ¹ | 47 | 11 | (37) | (214) | (193) | | |
| Significant actuarial assumptions: | | | | | | | |
| Discount rate (%) | 2.0 | 4.5 | 3.8 | – | 3.6 | | |
| Inflation (RPI) (%) | n/a | 2.8 | n/a | | | | |
| Pensionable pay increase (%) | 2.0 | 3.3 | 4.0 | | | | |
| Pension increase (%) | – | 2.8 | n/a | | | | |
| Interest credit rate (%) | 1.5 | n/a | n/a | | | | |
| Weighted average duration of benefit obligation (years) | 18 | 18 | 12 | | | | |

1 After effect of accounting policy change for employee benefits described in Note 2

| 2011 | Switzerland | UK | USA | Other plans | Total |
|------------------------------------|-------------|-----|-----|-------------|-------|
| Significant actuarial assumptions: | | | | | |
| Discount rate (%) | 2.5 | 4.9 | 4.4 | – | 4.0 |
| Inflation (RPI) (%) | n/a | 3.0 | n/a | | |
| Pensionable pay increase (%) | 2.0 | 3.5 | 4.0 | | |
| Pension increase (%) | – | 3.0 | n/a | | |
| Interest credit rate (%) | 2.0 | n/a | n/a | | |

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22. Post-employment benefits continued

The following table provides an analysis of the benefit costs recorded in the consolidated income statement for the defined benefit pension plans for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|---|--|------|---|------|---|
| Current service cost | 124 | 111 | | 116 | |
| Past service cost/(gain) | (37) |) – | | – | |
| Interest on the net defined benefit liability/(asset) | 8 | 4 | | – | |
| Net periodic benefit cost | 95 | 115 | | 116 | |
| 1 | After effect of accounting policy change for employee benefits described in Note 2 | | | | |

Amounts recognized in OCI were as follows for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 1 | 2011 | 1 |
|---------------------------------------|------|------|---|------|---|
| Amounts recognized during the period: | | | | | |
| Actuarial (gains)/losses | (56) |) 52 | | 232 | |
| Effect of asset ceiling | (41) |) 50 | | (80) |) |

The sensitivity of the benefit obligation to the significant actuarial assumptions is discussed in Note 2 “critical accounting estimates”.

Other post-retirement benefits¹

Syngenta’s net liability for other post-retirement benefits at December 31, 2013 was \$11 million (December 31, 2012: \$61 million) which comprised a defined benefit obligation of \$156 million (2012: \$188 million) and plan assets of \$145 million (2012: \$127 million). \$7 million is reported within Defined benefit post-employment benefit asset in Note 14 (2012: \$nil) and \$18 million as Other post-retirement benefits provision in Note 19 (2012: \$61 million). Actuarial gains recognized in OCI for the period were \$39 million (2012: actuarial losses of \$20 million; 2011: actuarial losses of \$5 million). In 2012, amendments to other post-retirement benefit plans, principally the introduction of an annual cap on future medical expenses to be reimbursed to participants in Syngenta’s US post-retirement healthcare plan, resulted in past service gains of \$50 million recognized in the 2012 consolidated income statement. Except for these past service gains, expense recognized in the consolidated income statement, contributions to the other post-retirement benefit plans and benefit payments by the plans were not material for 2013, 2012 and 2011.

The assumed healthcare cost trend rate at December 31, 2013 was 7.2 percent, decreasing in each successive year from 2013 onwards, to reach an ultimate rate of 5.0 percent in 2020 (December 31, 2012: 7.6 percent decreasing to 5.0 percent in 2020).

1 After effect of accounting policy change for employee benefits described in Note 2

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23. Employee share participation plans

Employee and management share participation plans exist as follows. All plans are equity-settled except where stated.

Syngenta Long-Term Incentive Plan (LTI)

The Syngenta Long-Term Incentive Plan provides selected executives and key employees of Syngenta with the opportunity to obtain the right to purchase shares of Syngenta. The grant of options for Syngenta shares is at the discretion of the Compensation Committee, whose members are appointed by the Board of Directors of Syngenta.

The following table sets out share option activity under this plan during 2012 and 2013, including the equivalent American Depositary Shares (ADS) that are offered to Syngenta employees in the USA, and summarizes information about share options outstanding at December 31, 2012 and 2013.

| | Exercise price (CHF) | Outstanding at January 1 | | | Outstanding at December 31 | | | Remaining contractual life (years) |
|--|----------------------|--------------------------|-----------|------------------|----------------------------|-----------|------------------|------------------------------------|
| | | Granted | Exercised | Forfeited/ other | Granted | Exercised | Forfeited/ other | |
| Year ended December 31, 2012 | | | | | | | | |
| Awarded in 2002 | 98.0 | 8.4 | – | (8.0) | (0.4) | – | – | – |
| Awarded in 2002 | 98.0 | 9.3 | – | (7.0) | – | 2.3 | 2.3 | 0.25 |
| Awarded in 2003 | 59.7 | 22.4 | – | (20.5) | – | 1.9 | 1.9 | 0.25 |
| Awarded in 2003 | 59.7 | 20.6 | – | (9.2) | – | 11.4 | 11.4 | 1.25 |
| Awarded in 2004 | 89.3 | 56.0 | – | (29.2) | – | 26.8 | 26.8 | 1.25 |
| Awarded in 2004 | 89.3 | 46.2 | – | (14.8) | – | 31.4 | 31.4 | 2.25 |
| Awarded in 2005 | 127.4 | 70.5 | – | (26.0) | – | 44.5 | 44.5 | 2.25 |
| Awarded in 2006 | 185.0 | 92.9 | – | (41.6) | – | 51.3 | 51.3 | 3.25 |
| Awarded in 2007 | 226.7 | 113.7 | – | (45.4) | (0.1) | 68.2 | 68.2 | 4.25 |
| Awarded in 2008 | 301.5 | 178.9 | – | (56.9) | (2.1) | 119.9 | 119.9 | 5.25 |
| Awarded in 2009 | 233.4 | 339.1 | – | (163.5) | (1.7) | 173.9 | 173.9 | 6.25 |
| Awarded in 2010 | 283.7 | 161.7 | – | (8.3) | (3.8) | 149.6 | 1.3 | 7.25 |
| Awarded in 2011 | 308.7 | 186.7 | – | (1.7) | (4.7) | 180.3 | 4.4 | 8.25 |
| Awarded in 2012 | 300.4 | – | 281.1 | (0.9) | (4.9) | 275.3 | 3.7 | 9.25 |
| Total for year ended December 31, 2012 | | 1,306.4 | 281.1 | (433.0) | (17.7) | 1,136.8 | 541.0 | |

| | Exercise price (CHF) | Outstanding at January 1 | | | Outstanding at December 31 | | | Remaining contractual life (years) |
|------------------------------|----------------------|--------------------------|-----------|------------------|----------------------------|-----------|------------------|------------------------------------|
| | | Granted | Exercised | Forfeited/ other | Granted | Exercised | Forfeited/ other | |
| Year ended December 31, 2013 | | | | | | | | |
| Awarded in 2002 | 98.0 | 2.3 | – | (0.3) | (2.0) | – | – | – |
| Awarded in 2003 | 59.7 | 1.9 | – | (1.6) | (0.3) | – | – | – |
| Awarded in 2003 | 59.7 | 11.4 | – | (4.5) | – | 6.9 | 6.9 | 0.25 |
| Awarded in 2004 | 89.3 | 26.8 | – | (16.2) | – | 10.6 | 10.6 | 0.25 |
| Awarded in 2004 | 89.3 | 31.4 | – | (12.1) | – | 19.3 | 19.3 | 1.25 |
| Awarded in 2005 | 127.4 | 44.5 | – | (13.8) | (0.3) | 30.4 | 30.4 | 1.25 |

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| | | | | | | | | |
|--|-------|---------|-------|---------|--------|---------|-------|------|
| Awarded in 2006 | 185.0 | 51.3 | – | (7.8) | (0.3) | 43.2 | 43.2 | 2.25 |
| Awarded in 2007 | 226.7 | 68.2 | – | (13.5) | (0.2) | 54.5 | 54.5 | 3.25 |
| Awarded in 2008 | 301.5 | 119.9 | – | (44.3) | (0.2) | 75.4 | 75.4 | 4.25 |
| Awarded in 2009 | 233.4 | 173.9 | – | (44.6) | (0.2) | 129.1 | 129.1 | 5.25 |
| Awarded in 2010 | 283.7 | 149.6 | – | (69.5) | – | 80.1 | 80.1 | 6.25 |
| Awarded in 2011 | 308.7 | 180.3 | – | (6.6) | (1.1) | 172.6 | 3.2 | 7.25 |
| Awarded in 2012 | 300.4 | 275.3 | – | (8.5) | (2.8) | 264.0 | 2.5 | 8.25 |
| Awarded in 2013 | 391.4 | – | 260.6 | – | (2.8) | 257.8 | 0.2 | 9.25 |
| Total for year ended December 31, 2013 | | 1,136.8 | 260.6 | (243.3) | (10.2) | 1,143.9 | 455.4 | |

All fully vested options are exercisable.

For the 2013 and 2012 awards, the closing share price on the SIX at the grant date was used to set the equity grant value and exercise price.

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Table of Contents23. Employee share participation plans *continued*

Until the 2012 award, the exercise prices were equal to either the weighted average share price on the SIX for the five business days preceding the grant date, or the share price on the SIX at the grant date, with the Compensation Committee having determined which of the two exercise prices were used for each grant year. Options over ADSs are priced at one-fifth of the exercise price of a Swiss option, converted to US dollars at the exchange rate at the grant date, which may vary from the exchange rate at the exercise date. Standard options vest in full and are exercisable after completion of three years service and terminate after 10 or 11 years from the grant date. Vesting can occur after less than three years in particular circumstances including redundancy and retirement. None of the options vest on a pro rata basis during the vesting period.

The Long-Term Incentive Plan also grants selected executives and key employees of Syngenta restricted share units (RSUs) (or equivalent restricted ADSs for relevant Syngenta employees in the USA). RSUs (or equivalent restricted ADSs) are rights to receive the equivalent number of Syngenta AG shares for no payment at the end of a three-year vesting period. RSUs do not carry rights to dividends and the grant date fair value is reduced to reflect this. None of the RSUs or equivalent ADSs vest on a pro rata basis during the vesting period.

The following table sets out RSU activity under this plan during 2012 and 2013 (including the equivalent restricted ADS for relevant Syngenta employees in the USA), and summarizes information about RSUs outstanding at December 31, 2012 and 2013.

| RSUs | Grant date fair value (CHF) | Outstanding at January 1 | Granted | Distributed (thousands of shares) | Forfeited/ other | Outstanding at December 31 | Remaining life (years) |
|--|-----------------------------------|--------------------------------|---------|--------------------------------------|---------------------|-------------------------------------|------------------------------|
| Year ended December 31, 2012 | | | | | | | |
| Awarded in 2009 | 218.1 | 72.6 | – | (72.6) | – | – | – |
| Awarded in 2010 | 265.0 | 95.9 | – | (3.2) | (8.3) | 84.4 | 0.25 |
| Awarded in 2011 | 287.4 | 87.3 | – | (0.5) | (6.1) | 80.7 | 1.25 |
| Awarded in 2012 | 277.0 | – | 92.6 | (0.4) | (3.9) | 88.3 | 2.25 |
| Total for year ended December 31, 2012 | | 255.8 | 92.6 | (76.7) | (18.3) | 253.4 | |
| Year ended December 31, 2013 | | | | | | | |
| Awarded in 2010 | 265.0 | 84.4 | – | (84.4) | – | – | – |
| Awarded in 2011 | 287.4 | 80.7 | – | (4.8) | (1.5) | 74.4 | 0.25 |
| Awarded in 2012 | 277.0 | 88.3 | – | (2.4) | (2.0) | 83.9 | 1.25 |
| Awarded in 2013 | 359.7 | – | 77.3 | (0.5) | (2.0) | 74.8 | 2.25 |
| Total for year ended December 31, 2013 | | 253.4 | 77.3 | (92.1) | (5.5) | 233.1 | |

Share option valuation assumptions

The fair value of options granted was measured using the Black-Scholes-Merton formula. The effect of early exercise has been incorporated into the model by using an estimate of the option's expected life rather than its contractual life.

The measurement of fair value was not adjusted for any other feature of the option grant and no option grant was subject to a market condition.

The weighted average assumptions used in determining the fair value of options granted were as follows:

| | 2013 | | 2012 | |
|--|---------|---|---------|---|
| Dividend yield | 2.7 | % | 2.6 | % |
| Volatility | 20.9 | % | 23.4 | % |
| Risk-free interest rate – shares (CHF) | 0.8 | % | 0.7 | % |
| Risk-free interest rate – ADSs (\$) | 2.0 | % | 2.0 | % |
| Expected life | 7 years | | 7 years | |
| Exercise price (CHF per share) | 391.4 | | 300.4 | |

The dividend yield and volatility are management estimates for the life of the option, as no warrants or options over Syngenta shares for this period are widely traded. Both actual dividend yield and volatility may vary from the assumptions used above. The estimate of volatility takes into account the historical volatility of the Syngenta share price, and the implied volatilities of such longer dated warrants that have been traded in the market. The volatility assumption for 2013, as measured at the grant date, was based on the 120-month historical volatility of Syngenta AG shares on the SIX.

Syngenta Deferred Share Plan

The Syngenta Deferred Share Plan provides selected senior executives with an opportunity to obtain shares of Syngenta. The plan entitles participants to defer part of their annual short-term incentive awards in favor of Syngenta shares and to receive matching shares according to the rules of the plan. The grant date value of a deferred share and the corresponding matching share is the Syngenta share price on the

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23. Employee share participation plans continued

grant date adjusted for the absence of dividend entitlement during the deferral period. Shares are deferred for a period of three years starting on the grant date. At the end of the deferral period, Syngenta matches the deferred shares on a one-for-one basis. A mandatory part of the short-term incentive is allocated as deferred shares. Additional voluntary deferrals within the limits of the plan can be made at the discretion of the participants. Vesting can occur before the end of three years in particular circumstances including retirement. None of the shares vest on a pro rata basis during the vesting period.

The following table sets out activity under this plan during 2012 and 2013 including the equivalent ADSs that are offered to Syngenta employees in the USA:

| | Outstanding at January 1 | Granted | Distributed | Outstanding at December 31 | Remaining life (years) |
|--|--------------------------------|-----------------------|-------------|----------------------------------|------------------------------|
| | | (thousands of shares) | | | |
| Year ended December 31, 2012 | | | | | |
| Awarded in 2009 | 50.1 | – | (50.1) | – | – |
| Awarded in 2010 | 21.1 | – | (1.9) | 19.2 | 0.25 |
| Awarded in 2011 | 28.2 | – | (1.2) | 27.0 | 1.25 |
| Awarded in 2012 | – | 55.2 | (1.2) | 54.0 | 2.25 |
| Total for year ended December 31, 2012 | 99.4 | 55.2 | (54.4) | 100.2 | |
| Year ended December 31, 2013 | | | | | |
| Awarded in 2010 | 19.2 | – | (19.2) | – | – |
| Awarded in 2011 | 27.0 | – | (2.0) | 25.0 | 0.25 |
| Awarded in 2012 | 54.0 | – | (2.5) | 51.5 | 1.25 |
| Awarded in 2013 | – | 26.9 | (0.2) | 26.7 | 2.25 |
| Total for year ended December 31, 2013 | 100.2 | 26.9 | (23.9) | 103.2 | |

At the end of the deferral period, employees would be entitled to the following additional shares:

| | Grant date fair value (CHF) | Thousands of shares |
|-----------------|-----------------------------------|------------------------|
| Awarded in 2011 | 287.4 | 25.0 |
| Awarded in 2012 | 277.0 | 51.5 |
| Awarded in 2013 | 359.7 | 26.7 |
| Total | | 103.2 |

None of these shares are vested as at December 31, 2013.

Employee share purchase plans

Syngenta has employee share purchase plans in various countries, which entitle employees to subscribe for shares in Syngenta AG at discounts from market value varying between 25 percent and 50 percent. Shares issued under the plans vest immediately and are subject to blocking periods of between two and three years, with the exception of the UK plan, for which completion of three years service is required before vesting. Maximum annual subscription amounts per employee vary between \$500 and \$3,000. In 2013, a total of 68,086 (2012: 64,923) shares were subscribed under these plans and settled through a release of treasury shares.

Compensation expense

The compensation expense associated with employee share participation plans, which is measured indirectly by reference to the fair value of the equity instruments granted, is as follows for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 2011 |
|-------------------------------|------|------|------|
| Long-Term Incentive Plan | 39 | 36 | 33 |
| Deferred Share Plan | 26 | 36 | 22 |
| Employee Share Purchase Plans | 15 | 12 | 14 |
| Total | 80 | 84 | 69 |
| Of which: | | | |
| Equity-settled | 67 | 74 | 54 |
| Cash-settled | 13 | 10 | 15 |
| Total | 80 | 84 | 69 |

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Table of Contents23. Employee share participation plans *continued*

The LTI plan rules related to vesting of RSUs and the DSP plan vesting rules require plan members in certain countries to sell part of their share award upon vesting to cover withholding tax. As a result Syngenta recognized a \$15 million share based payment liability at December 31, 2013 (December 31, 2012: \$16 million).

Other information regarding the plans is as follows:

| | 2013 | 2012 | 2011 |
|--|-------|-------|-------|
| Weighted average fair value of options granted during year (CHF per option) | 57.0 | 51.1 | 61.9 |
| Weighted average share price at exercise date for options exercised during year (CHF per option) | 390.2 | 320.0 | 301.3 |
| Fair value of shares granted during year: | | | |
| Deferred Share Plan (CHF per unit) – combined value of basic and matching share award | 719.4 | 553.9 | 574.8 |
| Employee Share Purchase Plans (CHF per share) | 180.2 | 173.3 | 140.2 |
| Employee Share Purchase Plan (\$ per ADS) | 26.2 | 25.2 | 19.9 |
| Cash received from exercise of options and subscription for shares (\$m) | 83 | 105 | 45 |

Syngenta has a policy of utilizing treasury shares to satisfy share option exercises and to meet share subscriptions and entitlements.

24. Transactions and agreements with related parties

Key management personnel are considered to be the members of the Syngenta Executive Committee and the Board of Directors (“Board”). Their compensation is as follows for the years ended December 31, 2013, 2012 and 2011:

| (\$m) | 2013 | 2012 | 2011 |
|--|------|------|------|
| Fees, salaries and other short-term benefits | 13 | 14 | 14 |
| Post-employment benefits | 2 | 2 | 2 |
| Share based compensation | 15 | 16 | 11 |
| Total | 30 | 32 | 27 |

Members of the Syngenta Executive Committee and Board of Directors receive their cash compensation in Swiss francs. The compensation amounts presented above have been converted into US dollars using the average currency exchange rate in effect during each year reported. The average Swiss franc per US dollar exchange rate for the year ended December 31, 2013 is 0.93 (2012: 0.93; 2011: 0.88).

The amount disclosed for share based compensation is the expense for the period calculated in accordance with IFRS 2, “Share Based Payment” and as described in Note 30, relating to key management personnel. The cost of a share based compensation award is spread over the vesting period of the award. Therefore the charge for each year comprises parts of that year’s awards and those of preceding years that had not already vested at the start of the year.

Members of the Board, excluding the Chairman and the Chief Executive Officer, are eligible for the share plan for non-executive Directors. Eligible Directors define a percentage of their annual fee for compensation in shares and, in

addition, choose between blocked shares or freely tradable shares. The Chairman receives a fixed part of his compensation in the form of blocked shares. Under these plans, members of the Board were allocated a total of 3,035 shares in lieu of cash compensation. These shares vest immediately and had a combined fair value at grant of \$1 million (2012: \$1 million; 2011: \$1 million).

Detailed disclosures regarding executive remuneration required by Swiss Company Law are included in the Syngenta AG statutory financial statements.

Transactions and balances between Syngenta and its employee post-retirement benefit plans are disclosed in Note 22.

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25. Commitments and contingencies

Commitments

Minimum future lease payments at December 31, 2013 for finance leases are \$61 million (2012: \$48 million), of which \$20 million is due within one year (2012: \$15 million), \$30 million after more than one but less than five years (2012: \$25 million) and \$11 million thereafter (2012: \$8 million).

Fixed-term, non-cancelable operating lease commitments total \$99 million at December 31, 2013 (2012: \$110 million) of which \$26 million is due within one year (2012: \$30 million), \$61 million after more than one and less than five years (2012: \$69 million) and \$12 million thereafter (2012: \$11 million). Operating lease payments relate to leases of buildings and office equipment. Operating lease expense in 2013 is \$32 million (2012: \$45 million; 2011: \$42 million).

Commitments for the purchase of property, plant and equipment at December 31, 2013 are \$279 million (2012: \$241 million).

At December 31, 2013 and 2012, Syngenta has entered into long-term commitments to purchase minimum quantities of certain raw materials, long-term research agreements with various institutions to fund various research projects, and other commitments. The estimated timing of minimum future committed payments is as follows:

| (\$m) | 2013 | | 2012 | |
|----------------------------|---------------------|-------|---------------------|-------|
| | Materials purchases | Other | Materials purchases | Other |
| Within one year | 406 | 58 | 601 | 79 |
| From one to two years | 241 | 28 | 258 | 58 |
| From two to three years | 64 | 25 | 343 | 57 |
| From three to four years | 154 | 14 | 38 | 54 |
| From four to five years | 17 | 15 | 5 | 4 |
| After more than five years | 11 | 50 | 13 | 35 |
| Total | 893 | 190 | 1,258 | 287 |

Syngenta has no material contingent liabilities related to associates and joint ventures.

Syngenta's sales are made subject to normal warranties, which cover product technical specifications and, in some cases, products' performance effect on grower crop yields. Certain license agreements indemnify the other party against liabilities arising from claims related to the intellectual property licensed to or by Syngenta. Leases may require indemnification for liabilities Syngenta's actions may create for the lessor or lessee. Syngenta has also issued warranties to purchasers of businesses or product lines relating to events that arose before the sales. It is not possible to predict the maximum future payments possible under these or similar provisions because it is not possible to predict whether any of these contingencies will occur.

Syngenta has obtained licenses from others for the rights to sell certain products, or products containing certain technology, under agreements which require Syngenta to pay royalties based on its future sales of those products or that technology.

Contingencies

Litigation matters

Litigation is subject to many uncertainties, and the outcome of individual matters cannot be predicted with certainty. Syngenta maintains general liability insurance, including product liability insurance, covering claims on a worldwide basis with coverage limits and retention amounts which management believes to be adequate and appropriate in relation to Syngenta's businesses and the risks to which it is subject.

Syngenta believes that its provisions for legal and product liability matters are adequate based on currently available information, but it is reasonably possible that the final resolution of some of these matters could require Syngenta to make expenditures in excess of established reserves, over an extended period of time and in a range of amounts that cannot be reasonably estimated. Such expenditure in excess of established reserves, could have a material effect on Syngenta's consolidated operating results and cash flows for a particular reporting period, but management does not believe they will have a materially adverse effect on Syngenta's consolidated financial position or liquidity, although there can be no assurances in this regard.

Significant recent or on-going legal proceedings are described below.

Atrazine related litigation

Holiday Shores. The Holiday Shores Sanitary District filed a class action complaint in the Circuit Court for the Third Judicial Circuit, Madison County, Illinois against Syngenta Crop Protection, Inc. ("SCPI") and its distributor Growmark, Inc. in July 2004 purportedly on behalf of a class consisting of all Illinois community water systems ("CWS") who had, allegedly, suffered contamination of their water sources on account of the presence at any measurable level of the product atrazine, a herbicide manufactured since the late 1950s by SCPI and its predecessors in interest, Novartis Crop Protection, Inc., Ciba-Geigy and Geigy Chemical Corporation. The name of SCPI is now Syngenta Crop Protection, LLC.

The claims asserted in this lawsuit were released under the terms of a Settlement Agreement entered into on May 23, 2012 with respect to the City of Greenville lawsuit (see below) and the lawsuit was dismissed with prejudice on January 11, 2013.

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25. Commitments and contingencies continued

City of Greenville. In March 2010 plaintiffs' counsel in Holiday Shores filed a new federal lawsuit in the US District Court for the Southern District of Illinois (City of Greenville et al. v. Syngenta Crop Protection, Inc. and Syngenta AG) on behalf of seventeen CWS located in six mid-Western states; an Amended Complaint filed late in March 2010 added seven new plaintiffs, five of which are subsidiaries of American Water Company, a large private utility, in five of the six states implicated in the litigation. The claims in this lawsuit were dismissed also under the terms of the Settlement Agreement entered into on May 23, 2012 referred to above and the lawsuit was dismissed with prejudice on October 23, 2012 by an Order Granting Final Approval of the settlement issued by the federal court.

Subsequent to the settlement of the above cases, a personal injury complaint relating to atrazine has been filed in state court in St Clair County, Illinois against Syngenta Crop Protection LLC, Syngenta AG, Growmark, Inc. and three local dealers, and other claims may be filed in the future. Syngenta regards the allegations in the filed lawsuit as without factual or scientific foundation and the lawsuit will be vigorously defended.

Tax matters

Significant management judgment is required to estimate the tax provisions related to the eventual outcome of reviews and audits by tax authorities of tax returns filed by Syngenta's subsidiaries. Tax returns filed by many of Syngenta's subsidiaries during the past several years are either currently under examination by tax authorities or are open for future examination until expiry under statutes of limitation. Syngenta is also subject to certain tax claims pending before the judiciary. In Syngenta's opinion, the likelihood is remote that a material amount in excess of current provisions will result from the resolution of any such examination or case. However, actual outcomes and settlements may differ significantly from estimates.

Environmental matters

In the opinion of Syngenta, it is not possible to estimate reliably the remediation costs that may be incurred in the future for environmental damage that has occurred at sites currently in operation and having no present obligation for environmental damage remediation because it is neither possible to determine a time limit beyond which the sites will no longer be operated, nor what remediation costs may be required upon their eventual closure.

In the USA, Syngenta and/or its indemnitors or indemnitees, have been named under federal legislation (the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended) as a potentially responsible party ("PRP") in respect of several sites. Syngenta expects to be indemnified against a proportion of the liabilities associated with a number of these sites by the sellers of the businesses associated with such sites and, where appropriate, actively participates in or monitors the clean-up activities at the sites in respect of which it is a PRP.

Other matters

Syngenta has been asked to provide information to US regulatory authorities concerning possible violations of applicable anti-corruption laws in Russia. Syngenta is cooperating and responding to requests. The investigation is on-going and it is not possible at this time to predict the nature, scope or outcome of the investigation, including the extent to which, if at all, it will result in any liability to Syngenta.

Contingencies summary

Syngenta believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities relating to litigation, tax, environmental and certain other matters due to uncertainty concerning both the amount and timing of future expenditures, it cannot be guaranteed that additional costs will not be incurred materially beyond the amounts accrued.

26. Principal currency translation rates

Year end rates used for the consolidated balance sheets at December 31, to translate the following currencies into \$, are:

| | 2013 per \$ | 2012 per \$ |
|------------------------|----------------|----------------|
| Swiss franc | 0.89 | 0.92 |
| British pound sterling | 0.61 | 0.62 |
| Euro | 0.73 | 0.76 |
| Brazilian real | 2.34 | 2.05 |

Average rates during the years ended December 31, used for the consolidated income and cash flow statements, to translate the following currencies into \$, are:

| | 2013 per \$ | 2012 per \$ | 2011 per \$ |
|------------------------|----------------|----------------|----------------|
| Swiss franc | 0.93 | 0.93 | 0.88 |
| British pound sterling | 0.64 | 0.63 | 0.62 |
| Euro | 0.75 | 0.78 | 0.71 |
| Brazilian real | 2.16 | 1.95 | 1.66 |

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27. Risk management of financial risks

Risk management framework

The nature of Syngenta's business and its global presence exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavorable changes in foreign exchange rates, interest rates, commodity prices and other market prices (equities, credit spreads etc.), (ii) counterparty risk and (iii) liquidity and refinancing risk.

A financial risk management framework is in place in the form of a Treasury policy, approved by the Board of Directors. This policy provides guidance over all Treasury and finance related matters, is underpinned by delegated authority guidelines and is additionally supported by detailed procedures in place across Syngenta. In accordance with its Treasury policy, Syngenta actively monitors and manages financial risk with the objectives of reducing fluctuations in reported earnings and cash flows from these risks and providing economic protection against cost increases. These objectives are achieved through (a) monthly assessment of the impact of market risks against defined risk limits (see following section), which take into account the risk appetite of Syngenta and (b) the use of a variety of derivative and non-derivative financial instruments.

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

Syngenta seeks to apply, wherever possible, hedge accounting to present its financial statements in accordance with the economic purpose of the hedging activity. Derivative financial instruments for which hedge accounting is not adopted either (a) do not meet the requirements for hedge accounting treatment under IFRS or (b) when combined with the accounting for the underlying hedged items, impact the financial statements in a manner aligned with the economic purpose of the hedging transaction, without the need to adopt hedge accounting treatment.

Assessment of the impact of market risks

The impact of market risks is assessed using a variety of Value-at-Risk (VaR) methods, including Earnings-at-Risk (EaR) methods. The exact method selected depends on the nature of the underlying risk. The specific methods used to assess the impact of financial risks are described below:

| Risk | Method | Exposure (financial statement item) | Time horizon (months) |
|---------------------------|--------|---|-----------------------|
| Foreign exchange risk | | | |
| Transaction – committed | VaR | Monetary asset and liability carrying amounts | 1 |
| Transaction – uncommitted | EaR | Operating income | 12 |
| Translation | VaR | Cumulative translation adjustment in OCI | 1 |
| Interest rate risk | EaR | Interest expense | 12 |
| Commodity price risk | EaR | Operating income | 12 |

VaR and EaR calculations are risk management tools designed to statistically estimate with a pre-set probability the maximum amount of potential losses in value (VaR) or earnings (EaR) over a specific (holding) time period given current and forecast positions and possible movements in market prices. The VaR and EaR methods used by Syngenta estimate the gross impact on the consolidated financial statements if the underlying items were not hedged and the net impact of the combined underlying hedged items and the related hedging instruments. VaR and EaR calculations attempt to recognize that holding different assets and liabilities or incurring different future cash flow exposures may reduce portfolio risk through diversification. Such diversification effects are captured within the calculations, which

aim to present the risk to the whole portfolio of the individual market risks. Using historical data, the VaR and EaR calculations are designed to predict possible changes in the markets in the future at a 99 percent confidence level, with a 1 percent probability that actual results will be worse than calculated.

The assessment of the impact of market risks is performed monthly and the results are compared against annually defined risk limits. In cases where the net impact is higher than a risk limit, Syngenta enters into derivative financial instrument transactions to be in line with the risk limits. Breaches of risk limits, should they occur, are immediately reported to senior management.

Syngenta cannot accurately predict future movements in risk variables, therefore calculations of the impact of market risks neither represent actual losses nor consider the effects of potential favorable movements in underlying risk variables. Accordingly, these calculations may only be an indication of future movements to the extent the historic market patterns repeat in the future.

Foreign exchange risk

Operating worldwide in over 90 countries exposes Syngenta to foreign exchange transaction and translation risk at both the Group and subsidiary level. Syngenta's policy is to not hedge foreign exchange translation risk.

Foreign exchange transaction risk – committed

Syngenta's individual subsidiaries predominantly transact their operational activities in their respective functional currencies. However, the globally integrated nature of Syngenta's business results in its subsidiaries bearing some amount of transactional balance sheet risk, because some monetary items (including financial liabilities) are denominated in foreign currencies.

Such committed foreign currency exposures are largely generated by the routing of products from Syngenta's central manufacturing sites to its foreign locations. These committed exposures are normally fully hedged, unless otherwise approved by Group Treasury, for example where not deemed cost-effective or where there is no forward market for a specific currency. The committed exposures are hedged using foreign exchange forward contracts and cross-currency swaps.

Net committed transactional currency exposures are identified and reported on a monthly basis by business units. VaR calculations for committed exposures relate to the revaluation of exposures relative to spot rates over a monthly period. The impact of interest differentials and other factors is not included in these calculations.

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27. Risk management of financial risks continued

| (\$m) | December 31, 2013 | | | December 31, 2012 | | |
|---|-------------------|---------------|-------------------|-------------------|---------------|-------------------|
| | Value-at-Risk | | | Value-at-Risk | | |
| Underlying currency (1-month holding period) | Gross impact | Net impact | Risk reduction | Gross impact | Net impact | Risk reduction |
| Swiss franc | 114 | 1 | 99 % | 113 | 0 | 100 % |
| Brazilian real | 55 | 6 | 89 % | 31 | 1 | 97 % |
| Euro | 32 | 4 | 88 % | 21 | 1 | 95 % |
| British pound sterling | 30 | 2 | 93 % | 17 | 1 | 94 % |
| Other core currencies ¹ | 27 | 1 | 96 % | 13 | 0 | 100 % |
| Rest of world | 109 | 20 | 82 % | 61 | 11 | 84 % |
| Total undiversified | 368 | 33 | 91 % | 256 | 14 | 95 % |
| Diversification | (258) | (25) | 90 % | (178) | (11) | 94 % |
| Net VaR | 110 | 8 | 93 % | 78 | 2 | 97 % |

1 Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

At December 31, 2013, the Value-at-Risk for a one month holding period, after hedges, at a 99 percent confidence level was \$8 million (December 31, 2012: \$2 million).

The largest exposures arise in Swiss franc, Brazilian real, British pound sterling and Euro. Switzerland and Great Britain house large research and manufacturing sites, whereas the Euro zone represents a large sales market. In recent years, due to the growth of Syngenta sales, exposures are increasing in emerging markets (particularly Brazil).

Foreign exchange transaction risk – uncommitted

Syngenta also manages transactional risk by protecting future uncommitted cash flows with foreign exchange forward and currency option contracts. Uncommitted cash flows are highly probable future cash flows from expected future transactions for which Syngenta does not yet have a contractual right or obligation. The objective is to minimize the impact of changes in foreign exchange rates on the cash flows and operating income forecasted to result from these transactions.

The US dollar represents the biggest single currency for both sales and costs. However, currency mismatches arise from Syngenta having a centralized cost base, denominated mainly in Swiss francs, British pounds and US dollars, against a local selling base, denominated mainly in US dollars, Euros and various other currencies, including those in emerging markets. In addition, due to the seasonality of Syngenta's business, the majority of sales occur during the first half of the year whereas costs tend to occur more linearly throughout the year. Syngenta collects information about anticipated cash flows over a twelve-month future period for major currencies at Group level and hedges significant mismatches in currency flows within clearly defined risk limits.

The Earnings-at-Risk calculation is performed for anticipated net transactional currency flows for the following year taking into account related currency hedges.

| (\$m) | December 31, 2013 | | | December 31, 2012 | | |
|---|-------------------|---------------|-------------------|-------------------|---------------|-------------------|
| | Earnings-at-Risk | | | Earnings-at-Risk | | |
| Underlying currency (12-month holding period) | Gross impact | Net impact | Risk reduction | Gross impact | Net impact | Risk reduction |
| Swiss franc | 157 | 99 | 37 % | 123 | 81 | 34 % |

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| | | | | | | |
|------------------------------------|--------|--------|-------|--------|--------|------|
| Brazilian real | 172 | 138 | 20 % | 85 | 58 | 32 % |
| Euro | 38 | 41 | (8)% | 45 | 41 | 9 % |
| British pound sterling | 29 | 25 | 14 % | 23 | 9 | 61 % |
| Other core currencies ¹ | 43 | 34 | 21 % | 43 | 28 | 35 % |
| Rest of world | 124 | 122 | 2 % | 149 | 148 | 1 % |
| Total undiversified | 563 | 459 | 18 % | 468 | 365 | 22 % |
| Diversification | (296) | (262) | 11 % | (295) | (232) | 21 % |
| Net EaR | 267 | 197 | 26 % | 173 | 133 | 23 % |

1 Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

At December 31, 2013, the total potential adverse movement for 2014 net transactional flows after hedges relative to year-end at spot levels, at a 99 percent confidence level, was \$197 million (December 31, 2012: \$133 million). In line with the objective of the hedging program, Syngenta aims to minimize the potential adverse movement for the entire portfolio of the net transactional flows, rather than on an individual currency basis. As a result, negative risk reduction for a single currency can occur.

The net resulting Earnings-at-Risk figures at December 31, 2013 increased compared with December 31, 2012 due to higher volatilities and the growth of the business. Earnings-at-Risk exposures are greatest for the Swiss franc, where Syngenta has a significant cost base in Switzerland with no material offsetting sales, and the Brazilian real, where a significant cost base is only partially offset by sales because sales in Brazil are largely dollarized.

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27. Risk management of financial risks continued

Foreign exchange translation risk

Translation exposure arises from consolidation of foreign currency denominated financial statements of Syngenta's subsidiaries. This is reported as currency translation effects in OCI.

Translation risk can be significant; however, Syngenta regards its equity base to be of sufficient magnitude generally to absorb the short- to medium-term impact of exchange rate movements.

Syngenta can use both foreign currency denominated debt and net investment hedging to manage this exposure. The latter incorporates specific actions to protect the value of temporary excess foreign currency denominated cash positions. The exposure is deemed to be mitigated by the large net asset base of Syngenta and consequently no additional management of the exposure was undertaken in 2013 and 2012.

The table below presents the 1-month translation Value-at-Risk:

| (\$m) Currency of net investment in subsidiary (1-month holding period) | December 31, 2013 | December 31, 2012 |
|---|----------------------------------|----------------------------------|
| | Value-at-Risk Gross impact | Value-at-Risk Gross impact |
| Brazilian real | 107 | 76 |
| Swiss franc | 286 | 163 |
| Euro | 29 | 37 |
| British pound sterling | 61 | 44 |
| Other core currencies ¹ | 13 | 14 |
| Rest of world | 101 | 68 |
| Total undiversified | 597 | 402 |
| Diversification | (182) | (91) |
| Net VaR | 415 | 311 |

¹ Other core currencies include the Canadian dollar, Australian dollar and Japanese yen

At December 31, 2013, the Value-at-Risk for a one month holding period at a 99 percent confidence level was \$415 million (December 31, 2012: \$311 million). The Value-at-Risk at December 31, 2013 increased compared with December 31, 2012 due to higher volatilities and exposure volumes.

The two largest single exposures arise in the Swiss franc and Brazilian real, driven by the large operations and investments in facilities in Switzerland and Brazil.

Interest rate risk

Syngenta is exposed to fluctuations in interest rates on its borrowings (including forecasted borrowings) and excess cash. While the majority of Syngenta's borrowings have fixed interest rates, portions of Syngenta's net borrowings, including its short-term commercial paper program and local borrowings, are subject to changes in short-term interest rates.

Syngenta monitors its interest rate exposures, analyzes the potential impact of interest rate movements on net interest expense and enters into derivative transactions with the objective to manage its interest rate risk within approved risk limits. At December 31, 2013, the net amount of Earnings-at-Risk on floating rate debt due to potential changes

in interest rates (a parallel shift of 100 bps was applied) was \$12 million (2012: \$4 million). The net amount of Earnings-at-Risk on net debt, as defined below, due to potential changes in interest rates was immaterial at December 31, 2013 and 2012.

Commodity price risks

Operating in the agribusiness sector, changes in certain commodity prices affect Syngenta's reported operating results and cash flows. On a limited basis, Syngenta enters into derivative transactions to hedge the exposure of its cost base to commodity prices. This activity comprises oil and natural gas hedging in the UK and USA, as well as soft commodity hedging for corn and soybean purchases by the Seeds business in the USA, Canada, Brazil and Argentina, where Syngenta contracts to purchase various seed crops from growers and hedges the cost of the purchases. In barter arrangements where Syngenta sells products in exchange for receiving a certain amount of a commodity crop, Syngenta hedges the value of the crop.

Syngenta has indirect exposure to oil price fluctuations mainly through the impact of oil prices on the cost of both raw materials, especially chemical intermediates in the Crop Protection business, and distribution activities. Natural gas exposure occurs in Syngenta's primary manufacturing sites.

The main objective of managing commodity price risk is to reduce the impact of commodity price changes on operating income and to provide economic protection against future cost increases. Syngenta uses fixed price contracts and derivatives (both Over-the-Counter (OTC) and exchange traded instruments, including commodity option and futures contracts) to achieve this objective.

Table of Contents27. Risk management of financial risks *continued*

At December 31, 2013, there was no hedge protection in place for oil for 2014 (December 31, 2012: no hedge protection in place for oil for 2013). As the exposure to oil is indirect, Syngenta does not calculate the Earnings-at-Risk due to potential changes in oil prices. Earnings-at-Risk due to potential changes in natural gas and soft commodity prices assuming a 12-month holding period are presented below.

| | December 31, 2013 Earnings-at-Risk | | | December 31, 2012 Earnings-at-Risk | | |
|---------------------|---------------------------------------|---------------|-------------------|---------------------------------------|---------------|-------------------|
| | Gross impact | Net impact | Risk reduction | Gross impact | Net impact | Risk reduction |
| Natural gas (\$m) | | | | | | |
| Total undiversified | 12 | 4 | 67 % | 14 | 6 | 57 % |
| Diversification | (2) | (1) | 50 % | (4) | (1) | 75 % |
| Net EaR | 10 | 3 | 70 % | 10 | 5 | 50 % |

| | December 31, 2013 Earnings-at-Risk | | | December 31, 2012 Earnings-at-Risk | | |
|----------------------------------|---------------------------------------|---------------|-------------------|---------------------------------------|---------------|-------------------|
| | Gross impact | Net impact | Risk reduction | Gross impact | Net impact | Risk reduction |
| Soft commodities (\$m) | | | | | | |
| Total undiversified ¹ | 54 | 35 | 35 % | 119 | 101 | 15 % |

1 As the main soft commodities are largely correlated to each other, the impact of diversification is immaterial

The Earnings-at-Risk of soft commodities is driven by their high price volatility compared to other asset classes. The hedging program reduces overall 12-month Earnings-at-Risk at December 31, 2013 to \$35 million (December 31, 2012: \$101 million). The decrease in net risk in 2013 is mainly due to lower price levels and lower exposure volumes.

Credit risk

Credit risk arises from the possibility that counterparties involved in transactions with Syngenta may default on their obligation, resulting in financial losses to Syngenta. Credit risk relates both to financial assets (including derivatives, marketable securities and money market contracts) as well as to operational assets managed by Syngenta's businesses (such as trade receivables).

Syngenta's maximum exposure to credit risk is the carrying values of its financial assets and receivables, including derivatives with positive market values. These amounts are disclosed in Note 28.

Syngenta has policies and operating guidelines in place to ensure that financial instrument transactions are only entered into with high credit quality banks and financial institutions. These include limits in respect of counterparties to ensure that there are no significant concentrations of credit risk. Syngenta continuously monitors the creditworthiness of its counterparties based on credit ratings and credit default swap data.

At December 31, 2013, Syngenta had no treasury or derivative transactions representing a significant concentration of credit risk. No credit losses have been incurred from investments in derivative financial instruments during the years ended December 31, 2013 and 2012.

To minimize its exposure to derivative positions, Syngenta enters into netting agreements under an International Swaps and Derivatives Association (ISDA) master agreement with its respective counterparties. In addition, for certain derivative positions, Syngenta has entered into Credit Support Annex contracts (CSAs) under which cash is exchanged as collateral. The CSA contracts cumulatively limit either Syngenta's or the counterparty's aggregate credit

risk exposure to no more than \$7.5 million per counterparty for the positions for which CSA contracts have been agreed. At December 31, 2013, an asset amounting to \$1 million (2012: \$41 million), and a liability amounting to \$49 million (2012: \$21 million) were recorded representing cash paid and received by Syngenta as collateral under these CSAs.

The impact of credit risk on the fair value of derivatives is considered through market observable credit default swap spreads for Syngenta and its counterparties. The impact on the fair value of Syngenta's derivative positions at December 31, 2013 and 2012 of the risk of default by financial counterparties was not material.

The credit risk to operational assets is partially mitigated through commercial activities, which include barter operations and cash sales incentives.

The following tables show the effect of set off rights that apply to financial assets and liabilities under the above ISDA and CSA agreements at December 31, 2013 and 2012. Syngenta's rights under these arrangements would become enforceable in the event of a future default of the respective counterparty.

| | Financial assets (gross) | Offsetting financial liabilities (gross) | Financial assets (net) | Related amounts not set off | | Net |
|-------------------|--------------------------------|---|------------------------------|-----------------------------|--------------------------------|-----|
| | | | | Financial instruments | Cash collateral received | |
| 2013 (\$m) | | | | | | |
| Derivative assets | 248 | - | 248 | (75) | (49) | 124 |

| | Financial liabilities (gross) | Offsetting financial assets (gross) | Financial liabilities (net) | Related amounts not set off | | Net |
|------------------------|-------------------------------------|--|-----------------------------------|-----------------------------|-------------------------------|-----|
| | | | | Financial instruments | Cash collateral pledged | |
| (\$m) | | | | | | |
| Derivative liabilities | 75 | - | 75 | (75) | - | - |

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27. Risk management of financial risks continued

| 2012 (\$m) | Financial assets (gross) | Offsetting financial liabilities (gross) | Financial assets (net) | Related amounts not set off | | Net |
|-------------------|--------------------------------|---|------------------------------|-----------------------------|--------------------------------|-----|
| | | | | Financial instruments | Cash collateral received | |
| Derivative assets | 223 | - | 223 | (78) | (21) | 124 |

| (\$m) | Financial liabilities (gross) | Offsetting financial assets (gross) | Financial liabilities (net) | Related amounts not set off | | Net |
|------------------------|-------------------------------------|--|-----------------------------------|-----------------------------|-------------------------------|-----|
| | | | | Financial instruments | Cash collateral pledged | |
| Derivative liabilities | 119 | - | 119 | (78) | (41) | - |

Liquidity risk and refinancing risk

Within Syngenta's risk management framework, liquidity risk is defined as the risk of being unable to raise funds to meet payment obligations when they fall due.

Refinancing or funding risk is defined as the risk of being unable, on an ongoing basis, to borrow in the market to fund actual or proposed commitments. Syngenta mitigates its liquidity and refinancing risk by maintaining: a limit system; a committed unsecured funding facility; ongoing discussions with its core banks to best monitor its funding capacity; simulations; and diversification of its debt portfolio.

Syngenta's liquidity risk policy is to maintain at all times sufficient liquidity reserves both at Group and subsidiary level in order to meet payment obligations as they become due and also to maintain an adequate liquidity margin. The planning and supervision of liquidity is the responsibility of the subsidiaries and Group Treasury.

Liquidity requirements are forecasted on a weekly basis. Syngenta operates regional or country cash pools to allow efficient use of its liquidity reserves.

Short-term liquidity

Although Syngenta operates globally, two of its largest markets are Europe, Africa and the Middle East (EAME) and North America. Both sales and operating profit in these two regions are seasonal and are weighted towards the first half of the calendar year, reflecting the northern hemisphere planting and growing cycle. This results in a seasonal working capital requirement.

Syngenta's principal source of liquidity consists of cash generated from operations. Working capital fluctuations due to the seasonality of the business are supported by short-term funding available from a \$2.5 billion Global Commercial Paper program supported by a \$1.5 billion committed, revolving, multi-currency syndicated credit facility. In 2013, the credit facility was extended by one year and will now mature in 2018, with a possibility to extend by one year which can be applied for in 2014. The amount drawn under the Global Commercial Paper program at December 31, 2013 was \$250 million (2012: \$nil). The average outstanding balance under the Global Commercial Paper program for the year 2013 was \$569 million (2012: \$7 million).

The maturity analyses for Syngenta's current financial liabilities other than short-term derivative liabilities are presented in Notes 15 to 17.

The maturities of short term derivative and other financial liabilities are as follows:

| | | | | 180 |
|-------|-------|------|--------|--------|
| | | 0-90 | 90-180 | days- |
| (\$m) | Total | days | days | 1 year |
| 2013 | 124 | 102 | 20 | 2 |
| 2012 | 68 | 57 | 8 | 3 |

Long-term financing

Long-term capital employed is currently partly financed through four unsecured bonds and through unsecured notes issued under the Note Purchase Agreement in the US Private Placement market. During 2013, the Swissbond 2013 with the principal of CHF 500 million matured.

During 2012, Syngenta issued two unsecured non-current \$ bonds, pursuant to its automatic shelf registration statement filed with the US Securities and Exchange Commission in 2011. The issuances consisted of a 10 year \$500 million security with a fixed interest rate of 3.125 percent and a 30 year \$250 million security with a fixed interest rate of 4.375 percent.

Table of Contents27. Risk management of financial risks *continued*

The following table shows Syngenta's contractually agreed (undiscounted) interest and principal repayments on long-term financing-related non-derivative financial liabilities and the related derivatives held at December 31, 2013 and 2012. Non-derivative financial liabilities are recorded at amortized cost (less related issuance costs) unless subject to fair value hedge accounting, in which case the liability is adjusted for the change in fair value of the hedged risk to the extent the hedge relationship is effective. Derivative financial liabilities are recorded at fair value. The table therefore shows the total carrying amount of Syngenta's financial debt adjusted for the effect, if any, of applying fair value hedge accounting.

| | Non-derivative financial liabilities (Unsecured bonds and notes) | | | Derivative financial liabilities (Interest rate and cross-currency swaps) | | |
|---------------------|---|------------------------|-------|--|------------------------|-------|
| | Fixed rate interest | Principal repayment | Total | Fixed rate interest | Repayment ¹ | Total |
| 2013 (\$m) | | | | | | |
| Less than 1 year | 82 | 688 | 770 | 6 | 12 | 18 |
| 1-3 years | 89 | 688 | 777 | – | – | – |
| 3-5 years | 80 | – | 80 | – | – | – |
| 5-10 years | 161 | 574 | 735 | – | – | – |
| More than 10 years | 274 | 425 | 699 | – | – | – |
| Total payments | 686 | 2,375 | 3,061 | 6 | 12 | 18 |
| Net carrying amount | | | 2,380 | | | 19 |

| | Non-derivative financial liabilities (Unsecured bonds and notes) | | | Derivative financial liabilities (Interest rate and cross-currency swaps) | | |
|---------------------|---|------------------------|-------|--|------------------------|-------|
| | Fixed rate interest | Principal repayment | Total | Fixed rate interest | Repayment ¹ | Total |
| 2012 (\$m) | | | | | | |
| Less than 1 year | 98 | 546 | 644 | 7 | – | 7 |
| 1-3 years | 129 | 1,319 | 1,448 | 8 | 41 | 49 |
| 3-5 years | 80 | – | 80 | – | – | – |
| 5-10 years | 180 | 575 | 755 | – | – | – |
| More than 10 years | 295 | 425 | 720 | – | – | – |
| Total payments | 782 | 2,865 | 3,647 | 15 | 41 | 56 |
| Net carrying amount | | | 2,873 | | | 51 |

¹The repayments above (and the net carrying amount of the derivative financial liabilities) do not include the amounts paid as collateral, as described in Note 27

Forecast data for liabilities that may be incurred in the future is not included in the table above. Amounts in foreign currency were translated to US dollars at the closing rate at the reporting date. Variable payments at each year end arising from financial instruments were calculated based on the forward interest rate yield curve and the spread that Syngenta pays on its outstanding debt and open derivatives at December 31, 2013 and 2012, respectively.

Non-derivative financial liabilities, repayment of which can be demanded by the counterparty at any time, have been assigned to the earliest possible time period.

Capital structure

Absent major acquisitions, Syngenta targets maintaining a solid investment grade credit rating, as recognized by major third-party rating agencies, which it currently believes provides an optimal balance between financial flexibility and

the cost of capital. Syngenta manages capital by monitoring levels of net debt, as calculated below, and equity against targets. Capital is returned to shareholders primarily through dividend payments, with the aim of continuous dividend growth, complemented by tactical share repurchases.

The net debt to equity ratio was 24 percent at December 31, 2013 (19 percent at December 31, 2012, after the effect of accounting policy change for employee benefits described in Note 2).

The components of net debt at December 31, 2013 and 2012 are as follows:

| (\$m) | 2013 | 2012 |
|--|--------|----------|
| Current financial debt | 1,467 | 980 |
| Non-current financial debt | 1,739 | 2,368 |
| Cash and cash equivalents | (902) | (1,599) |
| Marketable securities ¹ | (4) | (11) |
| Financing-related derivatives ² | (35) | (32) |
| Net debt at December 31 | 2,265 | 1,706 |

1 Included within 'Derivative and other financial assets' and 'Financial and other non-current assets'

2 Included within 'Derivative and other financial assets' and 'Financial and other non-current assets' or 'Current financial debt and other financial liabilities' and 'Financial debt and other non-current liabilities'

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28. Financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument and reconciliation to where they are presented in the balance sheet at December 31, 2013. The fair value hierarchy level is shown for those financial assets and liabilities that are carried at fair value in the balance sheet.

| 2013 (\$m) | Carrying amount (based on measurement basis) | | | Total | Comparison fair value | |
|---|--|-----------------------|-----------------------|-------|--------------------------|---|
| | Amortized cost | Fair value level 1 | Fair value level 2 | | | |
| Cash and Cash equivalents | 902 | – | – | 902 | 902 | 1 |
| Trade receivables, net: | | | | | | |
| Loans and receivables | 3,302 | – | – | 3,302 | 3,302 | 1 |
| Designated as at fair value through profit or loss | – | – | 143 | 143 | 143 | |
| Total | | | | 3,445 | 3,445 | |
| Other accounts receivable: | | | | | | |
| Loans and receivables | 462 | – | – | 462 | 462 | 1 |
| Non-financial assets | – | – | – | 517 | – | 2 |
| Total | | | | 979 | | |
| Derivative and other financial assets: | | | | | | |
| Derivative financial assets | – | 6 | 187 | 193 | 193 | |
| Loans and receivables | 1 | – | – | 1 | 1 | 1 |
| Available-for-sale financial assets | – | 1 | – | 1 | 1 | |
| Total | | | | 195 | 195 | |
| Financial and other non-current assets: | | | | | | |
| Loans and receivables | 293 | – | – | 293 | 300 | 3 |
| Available-for-sale financial assets | – | 5 | 116 | 121 | 121 | |
| Other, not carried at fair value | – | – | – | 349 | – | 2 |
| Derivative financial assets – non-current | – | – | 56 | 56 | 56 | |
| Total | | | | 819 | | |
| Trade accounts payable: | | | | | | |
| Measured at amortized cost | 3,817 | – | – | 3,817 | 3,817 | 1 |
| Current financial debt and other financial liabilities: | | | | | | |
| Measured at amortized cost | 1,516 | – | – | 1,516 | 1,516 | 1 |
| Derivative financial liabilities – current | – | – | 75 | 75 | 75 | |
| Total | | | | 1,591 | | |
| Other current liabilities: | | | | | | |
| Financial liabilities | 306 | – | – | 306 | 306 | 1 |
| Non-financial liabilities | – | – | – | 667 | – | 2 |
| Total | | | | 973 | | |
| Financial debt and other non-current liabilities: | | | | | | |
| Measured at amortized cost | 1,743 | – | – | 1,743 | 1,794 | 4 |
| Non-financial liabilities | – | – | – | 53 | – | 2 |
| Total | | | | 1,796 | | |

1 Carrying amount approximates the estimated fair value due to the short-term nature of the financial instruments

2 Fair value is not required to be disclosed for non-financial assets and non-financial liabilities, including defined benefit pension assets

3 Fair values of these receivables are measured by discounting their cash flows at interest rates derived using observable yields on government bonds with maturities and currencies that match those of the respective receivable and the estimated credit risk of each receivable. Of the total fair value disclosed, \$175 million represents a level 2 fair value measurement because credit risk was determined from yields on actively traded bonds issued by the counterparty, and \$125 million due from counterparties which have not issued traded bonds represents a level 3 fair value measurement

4 Financial liabilities represent both exchange traded bonds and non-exchange traded private placement notes issued by Syngenta. Except for one private placement note with a fair value of \$127 million, which is a level 3 measurement because market interest rates and credit rates are not observable for all of the period until its maturity date in 2035, the fair value disclosed consists of level 2 fair value measurements derived from observable price quotations for these bonds

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28. Financial assets and liabilities continued

The following table shows the carrying amounts and fair values of financial assets and liabilities by category of financial instrument and reconciliation to where they are presented in the balance sheet at December 31, 2012. The fair value hierarchy level is shown for those financial assets and liabilities that are carried at fair value in the balance sheet.

| 2012 (\$m) | Carrying amount (based on measurement basis) | | | Total | Comparison fair value | |
|---|--|-----------------------|-----------------------|-------|--------------------------|---|
| | Amortized cost | Fair value level 1 | Fair value level 2 | | | |
| Cash and cash equivalents | 1,599 | | | 1,599 | 1,599 | 1 |
| Trade receivables, net: | | | | | | |
| Loans and receivables | 3,107 | – | – | 3,107 | 3,107 | 1 |
| Designated as at fair value through profit or loss | – | – | 84 | 84 | 84 | |
| Total | | | | 3,191 | 3,191 | |
| Other accounts receivable: | | | | | | |
| Loans and receivables | 437 | – | – | 437 | 437 | 1 |
| Non-financial assets | – | – | – | 495 | – | 2 |
| Total | | | | 932 | | |
| Derivative and other financial assets: | | | | | | |
| Derivative financial assets | – | 5 | 197 | 202 | 202 | |
| Loans and receivables | 41 | – | – | 41 | 41 | |
| Available-for-sale financial assets | – | 8 | – | 8 | 8 | |
| Total | | | | 251 | 251 | |
| Financial and other non-current assets: | | | | | | |
| Loans and receivables | 328 | – | – | 328 | 349 | 3 |
| Available-for-sale financial assets | – | 12 | 70 | 82 | 82 | |
| Other, not carried at fair value ⁴ | – | – | – | 131 | – | 2 |
| Derivative financial assets – non-current | – | – | 21 | 21 | 21 | |
| Total | | | | 562 | | |
| Trade accounts payable: | | | | | | |
| Measured at amortized cost | 3,409 | – | – | 3,409 | 3,409 | 1 |
| Current financial debt and other financial liabilities: | | | | | | |
| Measured at amortized cost | 980 | – | – | 980 | 980 | 1 |
| Derivative financial liabilities – current | – | – | 68 | 68 | 68 | |
| Total | | | | 1,048 | | |
| Other current liabilities: | | | | | | |
| Financial liabilities | 213 | 30 | 7 | 250 | 250 | 1 |
| Non-financial liabilities | – | – | – | 910 | – | 2 |
| Total | | | | 1,160 | | |
| Financial debt and other non-current liabilities: | | | | | | |
| Measured at amortized cost | 2,383 | – | – | 2,383 | 2,606 | 5 |
| Derivative financial liabilities – non-current | – | – | 51 | 51 | 51 | |
| Non-financial liabilities | – | – | – | 80 | – | 2 |
| Total | | | | 2,514 | | |

1 Carrying amount approximates the estimated fair value due to the short-term nature of the financial instruments

Fair value is not required to be disclosed for non-financial assets and non-financial liabilities, including defined benefit pension assets

3 Fair values of these receivables are measured by discounting their cash flows at interest rates derived using observable yields on government bonds with maturities and currencies that match those of the respective receivable and the estimated credit risk of each receivable. Of the total fair value disclosed, \$208 million represents a level 2 fair value measurement because credit risk was determined from yields on actively traded bonds issued by the counterparty, and \$141 million due from counterparties which have not issued traded bonds represents a level 3 fair value measurement

4 After effect of accounting policy change for employee benefits described in Note 2

5 Financial liabilities represent both exchange traded bonds and non-exchange traded private placement notes issued by Syngenta. Except for one private placement note with a fair value of \$153 million, which is a level 3 measurement because market interest rates and credit rates are not observable for all of the period until its maturity date in 2035, the fair value disclosed consists of level 2 fair value measurements derived from observable price quotations for these bonds

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.

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28. Financial assets and liabilities continued

The fair value of unquoted equity securities is not material. There were no transfers during the years ended December 31, 2013 and 2012 between level 1 and level 2 of the fair value hierarchy or between the fair value and amortized cost categories. There were no transfers during the years ended December 31, 2013 and 2012 into or out of level 3 of the fair value hierarchy.

Income, expense, gains and losses relating to financial instruments recognized in profit or loss during the years ended December 31, 2013, 2012 and 2011 are as follows:

| 2013 (\$m) | Loans and receivables ¹ | Available-for-sale financial assets | Derivative assets and liabilities | Liabilities carried at amortized cost | Total |
|---|---------------------------------------|--|---|--|--------|
| Recognized within Financial expense, net ² : | | | | | |
| Interest income | 120 | – | – | – | 120 |
| Interest expense | (5) | – | (8) | (151) | (164) |
| Currency gains/(losses), net | – | – | (134) | – | (134) |
| Recognized within Operating income: | | | | | |
| Impairment charges | (33) | (11) | – | – | (44) |
| Total | 82 | (11) | (142) | (151) | (222) |

| 2012 (\$m) | Loans and receivables ¹ | Available-for-sale financial assets | Derivative assets and liabilities | Liabilities carried at amortized cost | Total |
|---|---------------------------------------|--|---|--|--------|
| Recognized within Financial expense, net ² : | | | | | |
| Interest income | 116 | – | – | – | 116 |
| Interest expense | (5) | – | 26 | (163) | (142) |
| Currency gains/(losses), net | – | – | (101) | – | (101) |
| Recognized within Operating income: | | | | | |
| Impairment charges | (11) | (3) | – | – | (14) |
| Reclassified from OCI on disposal or on acquisition of control | – | 30 | – | – | 30 |
| Total | 100 | 27 | (75) | (163) | (111) |

| 2011 (\$m) | Loans and receivables ¹ | Available-for-sale financial assets | Derivative assets and liabilities | Liabilities carried at amortized cost | Total |
|---|---------------------------------------|--|---|--|--------|
| Recognized within Financial expense, net ² : | | | | | |
| Interest income | 93 | – | – | – | 93 |
| Interest expense | (5) | – | 23 | (170) | (152) |
| Currency gains/(losses), net | – | – | (86) | – | (86) |
| Recognized within Operating income: | | | | | |
| Impairment charges | (34) | (1) | – | – | (35) |
| Total | 54 | (1) | (63) | (170) | (180) |

¹Includes immaterial amounts relating to financial assets designated as at fair value through profit or loss

²Financial expense, net also includes \$22 million of bank charges (2012: \$20 million; 2011: \$20 million)

Reported gains and losses on revaluation of available-for-sale financial assets for the years ended December 31, 2013, 2012 and 2011 were as follows:

| (\$m) | 2013 | 2012 | 2011 |
|--|-------|------|------|
| Impairment losses reported in profit or loss | (11) | (3) | (1) |
| Unrealized gains/(losses) reported in OCI | 17 | (1) | 3 |

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29. Derivatives and hedge accounting

The following table shows fair values, notional amounts and maturities of Syngenta's derivative financial instruments held at December 31, 2013, 2012 and 2011, classified by the individual risks being hedged and the applied accounting treatment:

| 2013 (\$m) | Fair value | | Notional amounts | | | | | Total |
|---|------------|----------|------------------|---------------|-------------------|-------------|----------|--------|
| | Positive | Negative | <90 days | 90 – 180 days | 180 days – 1 year | 1 – 5 years | >5 years | |
| Foreign exchange and interest rate risk: | | | | | | | | |
| Cash flow hedges | 99 | (21) | 378 | 1,082 | 460 | 641 | – | 2,561 |
| Fair value hedges | 1 | – | – | – | – | – | 500 | 500 |
| Undesignated | 133 | (54) | 5,397 | 761 | 176 | 10 | – | 6,344 |
| Total foreign exchange and interest rate risk | 233 | (75) | 5,775 | 1,843 | 636 | 1,151 | 500 | 9,405 |
| Commodity price risk: | | | | | | | | |
| Cash flow hedges | 3 | – | 4 | 5 | 6 | – | – | 15 |
| Undesignated | 12 | – | 76 | 19 | 52 | – | – | 147 |
| Total commodity price risk | 15 | – | 80 | 24 | 58 | – | – | 162 |
| 2012 (\$m) | Fair value | | Notional amounts | | | | | Total |
| | Positive | Negative | <90 days | 90 – 180 days | 180 days – 1 year | 1 – 5 years | >5 years | |
| Foreign exchange and interest rate risk: | | | | | | | | |
| Cash flow hedges | 116 | (55) | 479 | 841 | 593 | 1,341 | – | 3,254 |
| Undesignated | 89 | (63) | 5,761 | 1,912 | 333 | 10 | – | 8,016 |
| Total foreign exchange and interest rate risk | 205 | (118) | 6,240 | 2,753 | 926 | 1,351 | – | 11,270 |
| Commodity price risk: | | | | | | | | |
| Cash flow hedges | 1 | (1) | 20 | 11 | 3 | – | – | 34 |
| Undesignated | 17 | – | 25 | 56 | 27 | – | – | 108 |
| Total commodity price risk | 18 | (1) | 45 | 67 | 30 | – | – | 142 |
| 2011 (\$m) | Fair value | | Notional amounts | | | | | Total |
| | Positive | Negative | <90 days | 90 – 180 days | 180 days – 1 year | 1 – 5 years | >5 years | |
| Foreign exchange and interest rate risk: | | | | | | | | |
| Cash flow hedges | 161 | (92) | 667 | 536 | 1,309 | 825 | – | 3,337 |
| Fair value hedges | 67 | (67) | – | – | – | 2,000 | – | 2,000 |
| Undesignated | 77 | (137) | 3,972 | 2,239 | 695 | – | – | 6,906 |
| Total foreign exchange and interest rate risk | 305 | (296) | 4,639 | 2,775 | 2,004 | 2,825 | – | 12,243 |
| Commodity price risk: | | | | | | | | |

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| | | | | | | | | |
|----------------------------|----|------|-----|---|----|---|---|-----|
| Cash flow hedges | 6 | (2) | 42 | 3 | 27 | – | – | 72 |
| Undesignated | 33 | – | 69 | 4 | 68 | – | – | 141 |
| Total commodity price risk | 39 | (2) | 111 | 7 | 95 | – | – | 213 |

For cash flow hedges, the periods when the cash flows for the underlying hedged items are expected to occur and affect profit or loss are not significantly different from those of the hedging instruments as presented in the table above.

Fair value hedges

Syngenta maintains interest rate swaps that qualify for fair value hedge accounting. Hedge effectiveness for these hedges is measured on a quarterly basis by comparing the movement in the period of the present value of future coupon bond payments to the movement in the value of the associated swaps. There is an immaterial amount of hedge ineffectiveness on these swaps.

In addition, Syngenta maintained a number of fair value hedging relationships which have been discontinued either due to termination of the hedging instruments or due to re-designation of the hedging instruments in other hedging relationships. These hedging relationships originally comprised of interest rate swaps (or a combination of interest rate swaps and cross-currency swaps) and were accounted for as highly effective hedges of interest rate risk (or a combination of interest rate and foreign exchange risks) relating to future interest and principal payments of bond liabilities.

Gains/(losses) on fair value hedges recognized in profit or loss for the years ended December 31, 2013, 2012 and 2011 are as follows:

| (\$m) | 2013 | 2012 | 2011 |
|---|------|------|-------|
| Total gains/(losses) from hedging instruments | 5 | – | 42 |
| Underlying hedged items | (5) | – | (42) |

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29. Derivatives and hedge accounting continued

Cash flow hedges and hedges of net investment in foreign operations

Syngenta maintains the following derivatives that qualify for cash flow hedge accounting:

–Cross currency swaps designated as hedges of foreign exchange risk of future interest and principal payments on bond liabilities.

–Foreign exchange forward contracts and net purchased currency options designated as hedges of foreign exchange risk of forecast foreign currency cash flows (uncommitted foreign exchange transaction risk) arising from (i) forecast sales and purchases between Syngenta subsidiaries and (ii) forecast transactions with third parties.

–Commodity forwards and futures designated as hedges of commodity price risks of anticipated and committed future purchases.

Hedge effectiveness for these hedges is measured on a quarterly or semi-annual basis. Syngenta uses the forward rate methodology to measure the effectiveness of the foreign exchange or commodity forward contracts. Hedge effectiveness for the swaps is measured by comparing the movement in the present value of future coupon bond payments to the movement in the present value of forecast future cash flows of the associated swaps. There is an immaterial amount of hedge ineffectiveness related to these hedges.

Gains/(losses) on derivative instruments recognized as cash flow hedges and hedges of net investments in foreign operations during the years ended December 31, 2013, 2012 and 2011 were as follows:

| (\$m) | 2013 | | | 2012 | | | 2011 | | |
|--|--|-------------------|-----------------------------|--|-------------------|-----------------------------|--|-------------------|-----------------------------|
| | Foreign exchange and interest rate | Commodity risk | Net investment hedges | Foreign exchange and interest rate | Commodity risk | Net investment hedges | Foreign exchange and interest rate | Commodity risk | Net investment hedges |
| Opening balance of (losses)/gains recognized in OCI | (5) | 18 | (72) | (88) | 3 | (72) | 21 | 10 | (72) |
| Income taxes | (13) | 2 | – | (11) | 1 | – | 29 | 5 | – |
| (Losses)/gains recognized in OCI | (8) | 1 | (1) | 18 | 4 | – | 59 | (7) | – |
| (Gains)/losses removed from OCI and recognized in profit or loss: | | | | | | | | | |
| Cost of goods sold | – | (4) | – | – | 10 | – | – | (5) | – |
| General and administrative | 5 | – | – | 54 | – | – | (160) | – | – |
| Financial expense, net | 21 | – | – | 22 | – | – | (37) | – | – |
| Closing balance of gains/(losses) recognized in OCI | – | 17 | (73) | (5) | 18 | (72) | (88) | 3 | (72) |

Undesignated hedges

Gains and losses on hedging instruments that were not designated for hedge accounting purposes were as follows:

Foreign currency forward contracts that are effective economic hedges of balance sheet exposures as part of Syngenta's committed exposure program. The fair value movements of the hedges and the retranslation of the underlying exposures are recorded in profit or loss and largely offset.

–Foreign currency forward contracts that are effective economic hedges of forecast cash flows arising from anticipated sales and purchases between Syngenta affiliates and third parties. The amount recorded in profit or loss in 2013 is a gain of \$1 million (2012: loss of \$8 million; 2011: gain of \$16 million).

–Purchased foreign currency options that are effective economic hedges of the exposure arising from written foreign currency options offered to customers as part of a sales contract. The fair values of both the purchased and written foreign currency options are recorded in profit or loss and largely offset.

–Commodity derivative contracts that are effective economic hedges of the anticipated purchases of raw materials or purchases and sales of crops in barter arrangements. The amount recorded in profit or loss in respect of these derivatives in 2013 is a loss of \$13 million (2012: gain of \$31 million; 2011: gain of \$4 million). The profit or loss impact from the corresponding forecasted transactions occurs when the related finished product inventories are sold, which is generally in the year following recognition of the gain or loss on the hedge.

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30. Other new IFRSs and accounting policies

Other new IFRSs

Syngenta has adopted the following new or revised IFRSs from January 1, 2013. Except where stated otherwise, these IFRSs have not been early adopted and their adoption had no impact on these consolidated financial statements:

–IFRS 10, “Consolidated Financial Statements”, establishes the control concept as the sole criterion for consolidation, and clarifies that control is an investor’s ability to use its power over another entity to affect the variable returns derived from its involvement with that entity. Syngenta’s consolidation scope and the accounting treatment of its investments in other entities was unaffected by the adoption of IFRS 10.

–IFRS 11, “Joint Arrangements” contains revised guidance for distinguishing joint operations, where each party accounts for its own rights and obligations, from jointly controlled entities, for which IFRS 11 requires the equity method of accounting. Syngenta previously applied the equity method to its jointly controlled entities in accordance with IAS 31, “Joint Ventures”, which has been replaced by IFRS 11. The accounting treatment of Syngenta’s joint arrangements was unaffected by the adoption of IFRS 11.

–IFRS 12, “Disclosures of Interests in Other Entities”, requires additional disclosures in Syngenta’s annual consolidated financial statements. The disclosures relevant to these consolidated financial statements have been included in Notes 1 and 14.

–IFRS 13, “Fair Value Measurement”, introduced guidance on how to measure fair value. As part of adopting IFRS 13, Syngenta is required to disclose additional information about the fair values of certain assets and liabilities in its consolidated financial statements, and about the methods, data and assumptions which underlie those fair value measurements. Most Syngenta assets and liabilities for which fair value is either presented in the consolidated balance sheet or disclosed in the notes to the financial statements are financial in nature. Fair value measurement methods for these financial assets and liabilities are described in the relevant accounting policies within Note 30, and their fair values at December 31, 2013 and 2012 are presented in Note 28. Adoption of IFRS 13 has had no material impact on how Syngenta measures fair value or on the resulting fair value amounts included in these consolidated financial statements.

–Syngenta has adopted the amendments in “Annual Improvements to IFRSs, 2009-2011 Cycle”, other than those which it had already early adopted in its 2012 consolidated financial statements. These had no impact on the consolidated financial statements.

–“Disclosures – Offsetting Financial Assets and Financial Liabilities”, Amendments to IFRS 7, requires disclosures both about assets and liabilities that have been offset in the balance sheet and about amounts covered by conditional set-off rights which do not meet the criteria for offsetting. See Note 27 for information about set-off rights that apply to certain Syngenta financial assets and liabilities.

–“Recoverable Amount Disclosures for Non-Financial Assets”, Amendments to IAS 36, was issued in May 2013 and clarifies the disclosure requirements related to impairment tests for these assets. Syngenta has adopted the amendments early, in these financial statements.

The relevant new or revised IFRSs that Syngenta has not yet adopted are the following:

–IFRS 9, “Financial Instruments”, is being issued in separate chapters. In November 2009 and October 2010, chapters containing new measurement and classification rules for financial assets and financial liabilities were issued. Under these requirements, financial assets which are debt instruments and according to Syngenta’s business model are held to

collect contractual cash flows consisting of payments of principal and/or interest on defined dates would be measured at amortized cost, and all other financial assets would be measured at fair value. Gains and losses which Syngenta currently recognizes in OCI on remeasuring assets classified as available-for-sale would be recognized in profit or loss under IFRS 9. There is an exception for equity instruments which are not held for trading, for which Syngenta may make an irrevocable election on their initial recognition to present all gains and losses within OCI. Gains and losses on equity instruments for which this election is made would no longer be reclassified from OCI into profit or loss on disposal or on a significant or prolonged decline in value. For financial liabilities which are measured at fair value in accordance with the fair value option, changes in fair value which are due to changes in own credit risk will be reported in OCI, instead of in profit or loss. Syngenta currently does not apply the fair value option to any of its financial liabilities.

In addition, in November 2013 the chapter containing the hedge accounting rules was issued. These new rules require hedge accounting relationships to be based upon Syngenta's own risk management strategy and objectives, and to be discontinued only when the relationships no longer qualify for hedge accounting. This permits a wider range of designations than IAS 39. For example, a bond issued in Euros and a Euro to US Dollar cross currency swap may now be designated together as a single hedged item in a hedge of US Dollar interest rate risk; and the corn futures price risk can now be hedged separately as a component of the cash flows related to corn seed purchases and sales. The new rules also: introduce revised effectiveness testing requirements for hedge accounting relationships; require gains and losses on hedges of forecast purchases of non-financial assets to be included in the carrying amount of the purchased hedged asset when it is first recognized; require revaluation gains and losses arising on the time value of options when excluded from hedge designation, and permit revaluation gains and losses arising on the forward points in forward currency contracts and basis spreads in foreign currency swaps, to be accounted for through OCI during the life of the hedging instrument, and to be included in the carrying amount of the hedged item or amortized into profit and loss on a rational basis, depending on whether a transaction or a time period exposure is being hedged.

The IASB has not yet set an effective date by which IFRS 9 must be adopted, but all published parts of IFRS 9 are available for early adoption. Syngenta has not adopted IFRS 9 in these financial statements, but is currently assessing whether to adopt it early and, if so, whether to adopt with effect from January 1, 2014 or from a later date. In making this decision, Syngenta will take into account that the IASB have not yet completed all parts of IFRS 9 and that further amendments to the published classification and measurement model are planned. On the basis of the financial instruments Syngenta has at December 31, 2013, Syngenta does not expect adoption of the classification and measurement requirements to have a material impact on its financial statements. These requirements are mostly required to be applied retrospectively. The IFRS 9 hedge accounting requirements must be applied prospectively, except for the revised accounting for the time value of options, which must be applied retrospectively. Syngenta expects the new hedge accounting requirements to allow designation of hedges that are currently undesignated, including certain of the commodity derivatives described in Note 29. Such designation would synchronize the impact of these derivatives on cost of goods sold with that of the related hedged commodity purchases. Based on the extent to which it has used options as hedging instruments in the past, Syngenta does not believe that the revised accounting for the time value of options will have a material impact on its financial statements.

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30. Other new IFRSs and accounting policies *continued*

–“Offsetting Financial Assets and Financial Liabilities”, Amendments to IAS 32, was published in December 2011, and permits financial assets and financial liabilities to be offset against each other for balance sheet presentation only where a currently existing, legally enforceable, unconditional right of offset applies to all counterparties of the financial instruments in all situations, including both normal operations and insolvency. Syngenta must adopt the amendments effective January 1, 2014. Syngenta does not believe that the amendments will have a material impact on its consolidated financial statements.

–IFRIC 21 “Levies” was published in May 2013, and contains guidance on when to recognize the liability for a government levy. Syngenta must adopt IFRIC 21 with effect from January 1, 2014. Syngenta does not believe that adoption of IFRIC 21 will have a material impact on its consolidated financial statements.

–“Derivative Novation: Continuation of Hedge Accounting”, Amendments to IAS 39, was published in June 2013, and requires that hedge accounting is continued when a derivative is novated to a central clearing counterparty in consequence of changes to regulations. Syngenta must adopt the amendments effective January 1, 2014. Syngenta does not believe that the amendments will have any impact. Syngenta has not novated any derivatives to central clearing counterparties and currently does not believe that the current or proposed regulations that are likely to apply to it will require Syngenta to novate any derivatives in this way.

–The “Annual Improvements to IFRSs” amendments for the 2010-12 and 2011-13 annual improvement cycles were issued in December 2013, and generally their adoption is required for Syngenta with effect from January 1, 2015. Syngenta does not believe that the amendments will have a material impact on its consolidated financial statements.

Future changes in IFRS

IFRSs are undergoing a process of revision with a view to increasing harmonization of accounting rules internationally. Proposals to issue new or revised IFRSs, as yet unpublished, on financial instruments, revenue recognition, leases, and other topics may change existing standards, and may therefore affect the accounting policies applied by Syngenta in future periods. Transition rules for these potential future changes may require Syngenta to apply them retrospectively to periods before the date of adoption of the new standards.

Principles of consolidation

Subsidiaries

Subsidiaries are those entities which Syngenta controls. Control over an entity exists when: Syngenta has power, defined as existing rights that give Syngenta the current ability to direct the activities which affect the entity’s returns; Syngenta is exposed to or has rights to returns which may vary depending on the entity’s performance; and Syngenta has the ability to use its power to affect its own returns from its involvement with the entity. Syngenta controls all its subsidiaries through ownership of a majority of their voting rights. Syngenta fully consolidates the income, expenses, assets, liabilities and cash flows of subsidiaries from the date it acquires control up to the date control ceases.

Associates and joint ventures

Associates are those entities in which Syngenta has significant influence, but not control, and in which Syngenta generally has between 20 percent and 50 percent of voting rights. Joint ventures are those enterprises over whose activities Syngenta has joint control, established by contractual agreement. Syngenta has no interests in entities that it does not consolidate that would meet the definition of joint operations. Syngenta accounts for both associates and joint ventures using the equity method. Under this method, the consolidated financial statements show Syngenta’s investment in and its share of the total recognized gains and losses and transactions with shareholders of associates and joint ventures, from the date that significant influence or joint control commences until the date they cease. Any

premium over net asset value paid to acquire an interest in an associate or joint venture is recognized as goodwill, within the same line as the underlying investment. When Syngenta's share of accumulated losses reduces the carrying amount of an associate or joint venture to nil, no further losses are recognized unless Syngenta has an obligation to meet those losses.

Transactions eliminated on consolidation

Intercompany income and expenses, including profits from internal Syngenta transactions, and intercompany receivables and payables have been eliminated upon consolidation. Profits on transactions between Syngenta and its associates and joint ventures are eliminated in proportion to Syngenta's ownership share in the associate or joint venture, but losses are eliminated only if no impairment has occurred.

Business combinations

Syngenta accounts for business combinations in accordance with IFRS 3, (revised January 2008), using the acquisition method. At the date it acquires control of another business, Syngenta records the fair value of the agreed consideration payable, including the estimated fair value of any contingent consideration, and of any existing ownership interest it holds in the acquired entity, but excluding any amounts which are not part of the business combination, such as amounts which settle pre-existing relationships or relate to services Syngenta will receive post-acquisition. Any gain or loss arising on revaluing an existing interest in the acquired entity is recognized in profit or loss. Direct acquisition transaction costs are expensed as incurred. The assets and liabilities of acquired businesses are identified and recorded in the consolidated financial statements at their acquisition date fair values, with certain exceptions as set out in IFRS 3. Acquired intangible assets are generally valued based on the income approach: the relief from royalty method is used for brand names and product technology rights, and the residual income method for customer relationships. Acquired land and buildings are valued based on the market approach and specialized plant and equipment based on the cost approach. Non-controlling interests which either consist of actively traded financial instruments or which do not represent a proportionate ownership interest in the acquired entity to which they relate are recorded at their fair value. All other non-controlling interests are recorded at their proportionate share of the fair value of the acquired business's net assets.

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30. Other new IFRSs and accounting policies *continued*

If the sum of the amounts paid or payable upon acquisition of a controlling interest plus the fair value of any existing Syngenta ownership interest in the acquiree and any non-controlling interest exceeds the fair value of the acquiree's net assets, the excess is recognized as goodwill. If the fair value of the acquiree's net assets exceeds the sum of those amounts, the excess is immediately recognized as a gain in profit or loss at the acquisition date.

Once Syngenta has acquired control of a business, any further transaction that changes Syngenta's ownership interest but does not result in Syngenta losing control is accounted for as a transaction between shareholders. Any difference between the amount paid for the change in ownership interest and the corresponding share of the carrying amount of the net assets is charged or credited to shareholders' equity.

Business combinations completed before January 1, 2010 have been accounted for in accordance with the IFRSs which applied at the date they were completed. The successive changes which have been made over time to the IFRSs for business combinations have not been required to be applied retrospectively to business combinations completed before those changes were introduced.

Business divestments

Disposal or loss of Syngenta control of a business or of a controlling interest in a subsidiary is accounted for by derecognizing the underlying assets and liabilities disposed of and any related goodwill and third party non-controlling interests, at their carrying amounts. If Syngenta retains a non-controlling ownership interest, this is recognized at fair value. The difference between those carrying amounts and the total fair value of the disposal proceeds and of any retained Syngenta interest is recognized in profit or loss together with related currency translation gains and losses (see "Foreign currencies" below).

Syngenta recognizes the proceeds of disposals in profit or loss at the date on which it loses control of the divested business, separately from amounts receivable for any services Syngenta is obliged to continue to provide, which are recognized over the periods in which Syngenta performs the related obligations. If completion of a disposal within 12 months is highly probable in accordance with the definition in IFRS 5, the assets and liabilities to be disposed of are reclassified as held-for-sale in the consolidated balance sheet. If a separate major line of business is to be divested and has met the highly probable criterion, its post-tax result of operations for each period presented in the consolidated income statement is presented within discontinued operations, together with related impairment losses. Any profit or loss on disposal which is recognized is also presented within discontinued operations.

Other accounting policies

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost or fair value, are translated into the functional currency at the foreign exchange rate prevailing at the date of the transaction or the date the fair value was determined, respectively. Foreign currency transactions are translated into the relevant functional currency at the exchange rate prevailing at the date of the transaction. With exceptions for certain regional supply center, holding and finance subsidiaries, each Syngenta subsidiary uses the local currency of its country of operations as its functional currency. Unrealized gains or losses related to equity loans, designated cash flow and net investment hedging arrangements and gains and losses on retranslating equity instruments that are available-for-sale financial assets are recognized in OCI. All other resulting foreign exchange transaction gains and losses are recognized in profit or loss. Equity loans are intercompany loans to subsidiaries that are not expected to be repaid in the foreseeable future and therefore considered part of Syngenta's net investment in the subsidiary.

Income, expense and cash flows of foreign operations are translated into US dollars using average exchange rates prevailing during the period. Assets and liabilities of foreign operations are translated to US dollars using exchange rates prevailing at the balance sheet date. Foreign exchange differences arising on these translations are recognized directly in OCI. Upon disposal or loss of control of a foreign subsidiary, the cumulative currency translation difference relating to the subsidiary is reclassified from equity to profit or loss as part of the gain or loss on disposal.

Revenue

Revenue is measured as the fair value of the consideration received or receivable. If the consideration is receivable more than 12 months after the transaction date and the effect of discounting is material, the revenue amount recognized is discounted to its present value at the transaction date. Revenue from sales of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, which is usually upon delivery, at a fixed or determinable price, and when collectability is reasonably assured. Delivery is defined based on the terms of the sale contract. Revenue is reported net of sales taxes, returns, discounts and rebates. Rebates to customers are provided for in the same period that the related sales are recorded based on the contract terms.

In certain markets, sales terms allow customers to exchange purchased products at a later date for other Syngenta products of their choice, to the same value. Revenue is recognized upon delivery of the original products, and is reduced by a provision for products expected to be exchanged. This provision is released, and the corresponding revenue is recorded, when the substitute products are delivered or the period available to exchange the products expires, whichever is earlier.

In certain markets, sales terms allow customers the option of a one-time, non-repeatable extension of credit, for a defined additional period, in respect of a defined proportion of purchases made during a defined period, if the customers still have the inventories on hand upon expiration of the initial agreed credit period. Customers have no right to return these inventories, and must pay unconditionally when the additional credit period expires. In accordance with IAS 18, revenue for these sales is recognized upon product delivery.

Where a right of return exists, revenue is recognized when a reasonable estimate of returns can be made, or when the right of return expires, whichever is earlier. Where Syngenta's distributors hold inventories and have the right of return, or Syngenta's commercial practice is to accept returns from distributors, and it is not possible to make a reasonable estimate of returns, Syngenta recognizes revenue when its distributors sell the inventories to their customers.

Where third parties hold Syngenta inventories on a consignment basis, revenue is recognized in the period that inventories are withdrawn from consignment and delivered to customers.

Table of Contents30. Other new IFRSs and accounting policies *continued*

Syngenta periodically enters into prepayment contracts with customers whereby it receives advance payments for products to be delivered in a future period. These advance payments are recorded as liabilities and presented as part of Trade accounts payable. Advance payment liabilities are released and revenues associated with such advance payment transactions are recognized upon delivery of and transfer of title, ownership, and risk of loss of the related products to the customer.

Royalty income is recognized when earned. If the license agreement contains performance obligations for Syngenta, the related income is considered earned when Syngenta has performed the obligations. Contractual minimum royalty income is considered earned when there are no substantive performance obligations or contingencies associated with its receipt other than the passage of time. Amounts received in advance of performance are deferred in the consolidated balance sheet. If the license agreement provides for royalties based on sales made by the licensee, income is considered earned in the period that the related sales occur.

Cash rebates and discounts granted to customers are classified as a reduction of revenue. Awards of free or discounted products or services supplied by Syngenta in connection with customer loyalty programs are recognized as revenue when the customer redeems the credits. Awards supplied by a third party are recognized as revenue when the third party becomes obliged to supply the awards if Syngenta is an agent for the third party, and when Syngenta has performed its obligations to the customer if Syngenta is a principal. Net profit from programs where Syngenta is an agent is shown as part of Sales. Revenue related to programs where Syngenta is a principal is presented as part of Sales, and associated costs are presented within Cost of goods sold or Marketing and distribution expense as appropriate. Syngenta determines whether it is a principal or an agent according to whether it is exposed to the risks and rewards of supplying the third party products or services. Liabilities associated with customer loyalty programs are classified within Trade accounts payable.

Barter transactions

For certain customers in certain markets, trade receivables are settled either with proceeds from sales by such customers of agricultural commodities or by delivery of commodities to Syngenta by such customers. For these arrangements, Syngenta recognizes revenue when it has a legally enforceable receivable, the amount of which is reliably measurable based on an agreed price for the Syngenta products. Where Syngenta has a contract with the customer for physical delivery of a commodity at a fixed price, an embedded derivative is recognized for the fair value of the contract until physical delivery. When it subsequently sells the commodity, Syngenta classifies additional revenue as sales only to the extent that the original contract for the sale of Syngenta products included revenue that was contingent upon the commodity sales proceeds. Any remaining gains or losses on the commodity sale are recorded in Marketing and distribution expense in the consolidated income statement.

Research and development

Research expenses are charged to the consolidated income statement when incurred. Internal development costs are capitalized as intangible assets only when there is an identifiable asset that can be completed and is expected to generate future economic benefits and when the cost of such an asset can be measured reliably. Costs incurred internally to develop new chemical or biological crop protection products based on active ingredients that have not yet obtained regulatory approval, or to develop new seed varieties which contain new traits that have not yet obtained regulatory approval, are expensed as incurred because of the uncertainty inherent in the outcome of the regulatory approval process. Costs incurred in the design, construction and testing of new or improved production processes that do not themselves require regulatory approval and that can be applied to products which have already obtained approval are capitalized if the processes are technically feasible, Syngenta intends and has sufficient resources to complete the development, the process will generate future economic benefits, and expenditure attributable to developing the process can be measured reliably. Development expenses Syngenta incurs to develop technology on

behalf of a third party under a collaboration agreement are capitalized and amortized over the agreement term if Syngenta expects to recover the costs under the provisions in that agreement.

Costs of purchasing distribution rights, patent rights and licenses to use or sell products, or technology or registration data are capitalized as intangible assets. Costs of applying for patents for internally developed products, costs of defending existing patents and costs of challenging patents held by third parties where these are considered invalid, are considered part of development expense and expensed as incurred.

Expenses by function

Cost of goods sold includes costs of purchasing and producing inventories that have been sold to third parties, inbound and inter-site distribution expenses, impairment of inventories, environmental remediation costs associated with ongoing Syngenta manufacturing sites, and general overhead expenses of Syngenta's Production and supply function which are expensed as incurred. Marketing and distribution includes costs of selling products, providing technical support for products sold, marketing and promotional expenses, distribution of finished products to third party customers, and impairment of trade and other receivables. Research and development includes the expenses of Syngenta's research sites and third party research collaboration agreements, expenses incurred during the regulatory process for Syngenta products and the costs of Syngenta's global field trials organization. General and administrative includes expenses of general management, finance, human resources, information systems, legal affairs and taxes, corporate affairs and communications, business planning and corporate development functions. Services provided by these departments to the Production and Supply, Marketing and Distribution and Research and Development functions are allocated to and included within those other functions. Gains and losses arising on routine asset disposals, gains and losses reclassified from OCI when hedged forecast foreign currency trading transactions affect profit or loss, and impairment of available-for-sale financial assets are also reported within General and administrative. Restructuring is a separate general and administrative function as it is managed through a project management office which is accountable to the Executive Committee. Impairment of property, plant and equipment that results from restructuring plans, rather than ongoing activities of the functions responsible for the assets, is included in Restructuring. Impairment of goodwill and intangible assets is also included in Restructuring unless a specific function is accountable for the impairment loss. Non-current asset depreciation and amortization are charged to the functions responsible for the related assets.

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30. Other new IFRSs and accounting policies *continued*

Restructuring

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 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.

Income taxes

Income taxes for the year comprise current and deferred taxes, calculated using rates enacted or substantively enacted at the balance sheet date. Current tax is the expected tax payable on taxable income for the year and any adjustments to tax payable in respect of previous years. Deferred tax is recognized using the liability method and thus is calculated on temporary differences between the tax bases of assets and liabilities and their respective carrying amounts in the consolidated balance sheet.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognized on the initial recognition of goodwill if the carrying amount of goodwill exceeds its tax base. Deferred tax assets, including those related to unused tax losses, are recognized to the extent that it is probable that future taxable profit will be available against which the assets can be utilized. Income tax expense, current and deferred, is recognized in profit or loss unless it relates to items recognized in OCI or in equity in which case the tax expense is also recognized in OCI or equity respectively.

Syngenta's policy is to comply fully with applicable tax regulations in all jurisdictions in which Syngenta's operations are subject to income taxes. Syngenta's estimates of current income tax expense and liabilities are calculated assuming that all tax computations filed by Syngenta's subsidiaries will be subject to review or audit by the relevant tax authorities. Syngenta and the relevant tax authorities may have different interpretations of how regulations should be applied to actual transactions. Syngenta records provisions for taxes it estimates will ultimately be payable when the reviews or audits have been completed, including allowances for any interest and penalties which may become payable. Syngenta releases these provisions when the tax audit of the applicable year is completed or an Advance Pricing Agreement (APA) settlement is reached that impacts previous years' tax payments, or otherwise when the statute of limitations for the applicable year expires, unless there is evident reason for earlier release.

Deferred tax on share based compensation awards is based on the tax deduction, if any, that would be obtained if the Syngenta AG share price at the period end was the tax base for the award. Deferred tax on unvested awards is recognized ratably over the vesting period. Deferred tax on awards already vested is recognized immediately. Any income tax benefits recorded in the income statement are limited to the tax effect of the related cumulative pre-tax compensation expense recorded. The total tax benefit on an award may exceed this amount in some circumstances. The excess tax benefit is considered by IFRS to be the result of a transaction with shareholders rather than with employees, and is recorded within shareholders' equity.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and are subject to only an insignificant risk of changes in value.

Trade and other accounts receivable

Trade and other accounts receivable include invoiced amounts less adjustments for doubtful receivables which are calculated by taking into account whether receivables are past due based on contractual terms, payment history and other available evidence of collectability. Receivable balances are written off only when there is no realistic prospect of their being collected.

Factoring arrangements transferring substantially all economic risks and rewards associated with accounts receivable to a third party are accounted for by derecognizing the accounts receivable upon receiving the cash proceeds of the factoring arrangement. Factoring arrangements that transfer to a third party some, but not all economic risks and rewards are accounted for by continuing to recognize Syngenta's continuing rights over the receivable and by recognizing any related obligation to the third party factor.

In certain foreign currency sales transactions, Syngenta offers to its customers a written exchange rate option embedded into the sales contract. The resulting trade receivable/option contract is designated as an asset which is measured at fair value through profit or loss as the embedded option derivative meets the conditions of paragraph 11A of IAS 39. The fair value of these trade receivables is determined after:

- (a)remeasuring the embedded exchange rate option at fair value;
- (b)retranslating the underlying account receivable into the selling entity's functional currency using closing spot exchange rates at the balance sheet date; and
- (c)adjusting the resulting carrying amount of the combined receivable contract to reflect changes in customer credit risk. Syngenta includes this adjustment in the provision for doubtful receivables.

Derivative and other financial assets

Financial and other current assets include financial instruments with positive fair values and remaining contractual maturities of less than 12 months at the balance sheet date. Debt investments are classified as available-for-sale assets in accordance with IAS 39, and are revalued to fair value at each reporting date. Fair value is the quoted market price of the specific investments held. Unrealized revaluation gains are recorded in OCI except to the extent that they reverse impairment losses recorded on debt investments in prior periods. When an investment is sold, revaluation gains and losses are transferred from OCI and recognized in profit or loss. Regular way purchases and sales of marketable securities are recognized at settlement date.

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30. Other new IFRSs and accounting policies *continued*

Derivative financial instruments are recorded initially at their fair value when Syngenta becomes a party to the instrument. They are revalued to fair value at each reporting date and presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Fair values of publicly traded derivatives are based on quoted market prices of the specific instruments held at the balance sheet date.

Fair values of non-publicly traded derivatives are valued using accepted economic methodologies for pricing these financial instruments, such as discounted cash flow analysis or option pricing models. The valuation models seek to make maximum use of market inputs existing at the balance sheet date. The methods used to determine the fair value of specific types of non-publicly traded derivatives are as follows:

–Interest rate and cross-currency swaps are calculated as the present value of the estimated future cash flows. The future cash flows are determined using relevant market forward interest rates at the balance sheet date and are discounted using the zero-coupon rates with equivalent maturities for AA rated entities at the balance sheet date, as adjusted for the counterparty’s credit risk. These discount rates incorporate the impact of net credit risk present in those derivative instruments. For cross-currency swaps, the discount rates reflect the impact of the currency basis on the future cash flows denominated in different currencies;

–Forward contracts are determined using relevant market exchange rates at the balance sheet date;

–Currency options are valued using the Black-Scholes-Merton option pricing model, which incorporates spot exchange rates, zero coupon rates with equivalent maturities for entities with credit ratings which approximate Syngenta’s counterparty credit risk, and implied volatility in the market forward exchange rates at the balance sheet date;

–Commodity options are valued using the Black-Scholes-Merton option pricing model, which incorporates future commodity price curves with equivalent maturities and implied volatilities in the commodities markets at the balance sheet date, adjusted for counterparty credit risk.

Realized gains and losses, unrealized revaluation gains and losses on derivatives not designated as accounting hedges and gains and losses corresponding to the ineffective portion of derivatives designated as accounting hedges are recorded in profit or loss as they arise.

Syngenta applies hedge accounting as follows:

Fair value hedges

Both the designated hedging instruments and the underlying hedged items are remeasured to fair value and the resulting remeasured gains or losses are recognized in profit or loss as they occur.

Cash flow hedges

For the effective portion of the hedge, gains and losses on remeasuring designated hedging instruments to fair value are recognized in OCI as part of the cash flow hedge reserve, and are reclassified into profit or loss in the period (or periods) during which the underlying hedged cash flows affect profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for cash flow hedge accounting, any cumulative unrealized gain or loss on the hedging instrument remains in equity until the underlying

hedged item affects profit or loss. However, if a hedged forecasted transaction is no longer expected to occur, the cumulative unrealized gain or loss on the hedging instrument is immediately reclassified into profit or loss.

When measuring effectiveness of cash flow hedging relationships that include cross-currency swaps, cash flows related to the currency basis component of the future cash flows of the cross-currency swaps are assumed to be reflected also in the hedged item.

Net investment hedges

Hedges of net investments in foreign operations, including hedges of monetary items that are accounted for as part of a net investment, are accounted for similarly to cash flow hedges. The accumulated gain or loss arising from such a hedge is reclassified from equity into profit or loss upon disposal of the net investment.

Inventories

Purchased products are recorded at acquisition cost while own-manufactured products are recorded at manufacturing cost including a share of production overheads based on normal capacity. Cost is determined on a first-in-first-out basis. Allowances are made for inventories with a net realizable value less than cost, or which are slow moving. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs to sell. Costs to sell include direct marketing, selling and distribution costs. Unsaleable inventories are fully written off.

Biological assets

Biological assets represent growing plants and cuttings in Syngenta's Flowers business and sugar cane seedlings within its Sugar cane business. In Flowers, young plants and cuttings are measured at fair value less costs to sell, with key inputs being current average third party net selling prices, actual average selling costs and, for immature assets, estimated stage of growth relative to mature assets. Sugar cane seedlings are measured at cost less impairment because fair value is not reliably measurable due to the nature of the asset not corresponding to traded assets or products in the market. The carrying amount of current consumable biological assets measured using the cost model is tested for impairment by comparing it with the assets' net realizable value determined in accordance with IAS 2, "Inventories". Non-current bearer biological assets, which are measured using the cost model, are amortized over their productive lives. When indicators of impairment exist, their carrying amount is compared with the assets' recoverable amount determined in accordance with IAS 36, "Impairment of Assets". Syngenta classifies gains and losses from remeasuring biological assets to fair value, and impairment losses for biological assets measured at cost less impairment, within Cost of goods sold.

Table of Contents30. Other new IFRSs and accounting policies *continued*

Property, plant and equipment

Property, plant and equipment are recorded at acquisition or production cost, less accumulated depreciation and any impairment losses. Eligible borrowing costs are capitalized as part of the asset cost if construction is expected to take more than one year to complete. Capitalization ceases when the asset is ready for its intended use. Depreciation is charged on a straight-line basis to the income statement, starting from the date the asset is ready for use, over the following estimated useful lives:

| | |
|-------------------------|----------------|
| Buildings | 20 to 40 years |
| Machinery and equipment | 10 to 25 years |
| Furniture and vehicles | 5 to 10 years |
| Computer hardware | 3 to 7 years |

Land is recorded at acquisition cost and is not subject to depreciation.

Expenditures made for existing property, plant and equipment that will provide future economic benefit are capitalized and depreciated over the revised remaining useful life of the asset. Components of an asset are accounted for as separate assets if their useful lives differ from that of the larger asset of which they are a part. When a component of an asset is replaced, a disposal of the replaced component is accounted for and the new component is capitalized and depreciated over the shorter of its own useful life and that of the asset of which it is a component.

Leases

Property, plant and equipment financed by leases giving rights to use the leased assets as if they were owned by Syngenta are capitalized at the lower of fair value and the present value of minimum lease payments at the inception of the lease. Such leases are also embedded in contracts for goods or services provided by suppliers to Syngenta when the supplier can fulfil their obligations only by using a specific asset to supply Syngenta and the contract price is neither fixed per unit of output nor represents a market price. Finance lease assets and liabilities are recognized at the commencement of the lease, which is when the leased asset is ready for use and Syngenta has the right to use it. Finance lease assets are depreciated over the shorter of the remaining lease term and the estimated useful life of the leased asset.

Sale and leaseback transactions

Property, plant and equipment are generally recorded as having been sold, and profit on disposal recognized, when legal title passes to the purchaser. If Syngenta leases back the sold assets under operating leases, profits on the asset sales are recognized when legal title passes if the leases have at-market rental terms. If the leasebacks are finance leases, profits on sales are recognized over the terms of the leaseback agreements.

Intangible assets other than goodwill

Intangible assets, other than goodwill, are recorded at cost less accumulated amortization and any impairment losses. Currently, all such intangible assets are assigned a finite estimated useful life. The cost of acquired intangible assets other than goodwill consists of the purchase price including transaction costs. The cost of internally generated intangible assets consists of direct internal and external design, development, and testing costs incurred to make the asset ready for use in the manner intended by management. Borrowing costs associated with internal software development projects are capitalized if the project is expected to take more than one year to complete. Capitalization ceases when the software is ready for its intended use.

Intangible assets are amortized starting from the date the asset is ready for use. In respect of product rights, this is when regulatory approval has been obtained. Asset lives are reviewed annually. The straight-line method of

amortization is used except where another systematic basis better reflects the pattern of consumption of the economic benefits represented by the asset. Amortization is charged within the consolidated income statement to the function responsible for the asset, or to General and administrative.

Useful lives assigned to acquired product rights are based on the period over which Syngenta expects economic benefit from the product rights. Estimated lives assigned to most product rights upon acquisition are between 10 and 20 years and do not exceed 20 years for any asset.

Patents and trademarks are amortized over their estimated economic or legal life, whichever is shorter. Lives assigned are between 3 and 20 years for patents and between 5 and 30 years for trademarks.

Business combinations give Syngenta access to the distribution channels and customer relationships of the acquired business. These relationships normally continue to generate economic benefit to Syngenta following the acquisition. The useful lives of customer relationships are determined from management estimates of customer attrition rates. Estimated lives assigned are between 5 and 30 years.

Acquired in-process research and development (IPR&D), is valued at fair value at acquisition. It is assessed for impairment annually until it has been successfully developed and is available for use at which time it begins being amortized over its estimated useful life. Lives assigned are between 10 and 20 years.

Assets attributable to long-term supply agreements are amortized as part of cost of goods sold over the period of the supply agreements, which are between 5 and 12 years.

Purchased software licenses are amortized over their remaining license terms. Internally developed software is amortized from the date it is ready for use until the sooner of its expected replacement date or the date significant costs are expected to be incurred to upgrade it. Lives assigned are between 3 and 7 years.

Goodwill

Goodwill is the excess of the fair value of an acquired business over the fair value of its identifiable net assets at the acquisition date. Goodwill is recognized as an asset and presented within intangible assets. Goodwill is not amortized, but is tested annually for impairment and reduced by any impairment losses.

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30. Other new IFRSs and accounting policies *continued*

Impairment

Property, plant and equipment, intangible assets and investments in associates and joint ventures are tested for impairment (“tested”) in accordance with IAS 36 unless classified as held-for-sale. Goodwill and intangible assets not yet ready for use are tested annually and are also reviewed at each interim and annual reporting date to determine whether conditions changed since the most recent review or annual test. Individual other non-current assets are reviewed at each reporting date to determine whether events or changes in conditions indicate that the carrying amount of each asset may not be recoverable. If any such indication exists, the asset is tested for impairment. Syngenta estimates an asset’s recoverable amount as the higher of the asset’s fair value less selling costs and value in use, which is the present value of the cash flows expected from the asset’s use and eventual disposal. An impairment loss is recorded in the consolidated income statement to the extent that the carrying amount of the tested asset exceeds its recoverable amount. Impairment losses are not reversed for goodwill, but are reversed for other assets if their recoverable amounts subsequently increase.

Financial and other non-current assets

Financial and other non-current assets include equity investments in other entities, other non-current receivables, and derivative financial instruments with positive fair values and remaining contractual maturities of more than 12 months.

Equity investments in other entities which are not subsidiaries, associates or joint ventures of Syngenta are classified as available-for-sale in accordance with IAS 39. They are revalued to fair value at each reporting date. Unrealized revaluation gains are recorded in OCI unless objective evidence of impairment exists, upon which an impairment loss is recorded in profit or loss. Significant technological, market, economic or legal changes with an adverse impact on the investee entity or a significant or prolonged decline in the fair value of Syngenta’s investment below its cost, as reduced by prior impairments, constitute objective evidence of impairment. Impairment losses are not reversed if the fair value of an equity investment increases subsequently. The fair value of equity investments traded in active markets is measured at the quoted price at the balance sheet date, multiplied by the number of shares held by Syngenta. The fair value of other equity investments is based on recent observable market transactions for equity shares in the investee company or, where there are no recent transactions, on valuation multiples for equity shares in similar companies, which are traded.

Other non-current receivables represent royalty and license receivables, loans to employees and other third parties, and amounts recoverable from third parties in reimbursement of environmental remediation and other costs. These receivables are stated at amortized cost, less provision for impairment where appropriate.

Derivative financial instruments are measured and accounted for as described above under “Derivative and other financial assets”.

Non-current assets held-for-sale

Non-current assets and groups of assets are reclassified as held-for-sale when the assets are available for immediate sale in their present condition and a sale within one year is highly probable. Property, plant and equipment and intangible assets held-for-sale are remeasured at the lower of fair value less costs to sell or carrying amount at the date they meet the held-for-sale criteria at which time depreciation and amortization also ceases. Any resulting impairment loss is recognized in profit or loss. Fair value is measured based on bids received from potential buyers of the assets.

Financial debt

Financial debt is recognized initially at its fair value less transaction costs, which represents the net proceeds from issuing the debt. Subsequently, financial debt is stated at amortized cost using the effective interest method, except

where subject to a fair value hedge relationship, in which case the carrying amount of the debt is adjusted by the change in the fair value of the hedged exposure. Financial debt is classified as current if the debt agreement terms in force at the balance sheet date require repayment within one year of that date. Otherwise, it is classified as non-current.

Provisions

A provision is recognized in the balance sheet when Syngenta has a legal or constructive obligation to a third party or parties as a result of a past event, the amount of which can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect of discounting is material, provisions are discounted to the expected present value of their future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the expected reimbursement is recognized as a separate asset only when virtually certain. Where Syngenta has a joint and several liability for a matter with one or more other parties, no provision is recognized by Syngenta for those parts of the obligation expected to be settled by another party. Syngenta self-insures or uses a combination of insurance and self-insurance for certain risks. Provisions for these risks are estimated in part by considering historical claims experience and other actuarial assumptions and, where necessary, counterparty risk.

Environmental provisions

Provisions for remediation costs are made when there is a present obligation, it is probable that expenditures for remediation work will be required within ten years (or a longer period if specified by a legal obligation) and the cost can be estimated within a reasonable range of possible outcomes. The costs are based on currently available facts: technology expected to be available at the time of the clean up; laws and regulations presently or virtually certain to be enacted; and prior experience in remediation of contaminated sites. Environmental liabilities are recorded at the estimated amount at which the liability could be settled at the balance sheet date, and are discounted if the impact is material and if cost estimates and timing are considered reasonably certain.

Syngenta's restructuring programs have involved closure of several sites to date. Remediation liabilities recognized when site closures are announced are accounted for as restructuring provisions.

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30. Other new IFRSs and accounting policies *continued*

Legal and product liability settlements

For claims for which, according to Syngenta's assessment, it is not probable that a liability exists or that there will be a future cash outflow or other sacrifice of economic benefits, Syngenta provides for the costs of defense only. For claims where an outcome unfavorable to Syngenta is assessed as more likely than not, provision is made for the estimated amount of damages and settlement, including legal costs. No provision is made where the legal procedures are at too early a stage to estimate the outcome with any reliability.

Restructuring provisions and costs

Restructuring costs are accrued (charged to provisions) when Syngenta has approved a detailed and formal restructuring plan and the restructuring has either commenced or been announced publicly and they qualify for recognition in accordance with IAS 37. Provisions for severance payments and related employment termination costs that do not depend on future service, are made in full when employees are given details of the restructuring plan and the termination benefits that will apply to individual employees should their contracts be terminated. Retention and other payments that depend on future service are recognized over the required service period. Restructuring costs relating to ongoing activities, such as relocation, training and information systems, do not qualify for provisioning under IAS 37 and are expensed when incurred.

Post-employment benefits

For defined benefit plans, plan assets are measured at fair value. The plans' holdings in publicly quoted investments are valued at closing prices at the balance sheet date. The plans' holdings in pooled investment vehicles (PIVs) that are not publicly quoted are valued at the respective investment managers' current estimate of fair value, on a basis consistent with each PIV's most recent audited financial statements. Derivative contracts entered into directly by the pension plans are included within plan assets. Exchange traded derivatives are valued at quoted balance sheet date bid prices for contracts which are assets, or offer prices for contracts which are liabilities, at the balance sheet date. Fair values of over the counter derivatives are measured using independent third party pricing services. The defined benefit obligations are measured at the present value of future benefit payments attributable to employee service rendered up to the balance sheet date, according to the benefit formula set out in the pension plan rules adopted at the balance sheet date. Where a surplus of plan assets over the benefit obligation exists at the balance sheet date or would arise upon payment of a minimum funding commitment, the amount recognized for the asset is reduced or, where applicable, an additional liability is recognized to the extent that Syngenta cannot obtain future economic benefits from the surplus through refunds from, or reductions in the present value of its future contributions to, the plan. Benefit expense charged to profit or loss comprises service cost, which is the cost to Syngenta of the increase in benefits earned from employee service in the period, and interest on the net defined benefit asset or liability, which is the change in the present value of that asset or liability arising from the passage of time during the period, measured using the rate used to discount the defined benefit obligation at the previous period end. The benefit obligation and cost are attributed to periods using the projected unit credit actuarial method and are measured using long-term assumptions about expected future length of employee service, increases in pay and pensions, longevity, and for healthcare plans, medical costs. Assumptions are reviewed annually. Gains and losses arising from variances between assumptions and actual outcomes, and from changes to assumptions, are recognized in OCI in the period in which they arise. Past service cost is recognized immediately in profit or loss. If plan membership or benefits are significantly reduced by a restructuring, or an event or transaction results in Syngenta's benefit obligations being settled, the effects are recorded in profit or loss when the restructuring or settlement occurs.

Contributions to defined contribution pension plans are recognized as an expense in profit or loss when they are due.

Share based payments

The fair value of equity-settled share and share option awards to employees is recognized as compensation expense, and as a corresponding increase in equity, over the period in which the shares or options vest. An award is granted when it has been approved by the Compensation Committee of Syngenta AG's Board of Directors and its terms have been communicated to share plan members. Grants of Syngenta AG ordinary shares are measured at market value on the grant date, less any cash amount payable by the employee. The fair value of grants of share awards and unvested shares that do not carry dividend rights until vesting, is reduced by the present value of the expected dividends to which the holder will not be entitled. No discount is applied to grant date market value to reflect vesting conditions. The fair value of grants of options over Syngenta AG ordinary shares is measured using the Black-Scholes-Merton formula. Compensation expense is measured using Syngenta's best estimate of the shares and options expected to vest, and is adjusted subsequently so that final expense is based on the number of shares and options that actually vest. Grants with a cash or equity alternative for plan members are accounted for as liabilities until the members' choice is known. The incremental fair value of members' equity option is zero. A member's choice to receive equity instruments is accounted for by transferring the fair value of the liability to shareholders' equity when the choice is made. For certain share plans, Syngenta has withholding obligations in respect of plan members' personal income tax liabilities on vesting or exercise of awards. Where members have the choice of settling the tax and receiving all the award or selling part of the award to cover the tax and receiving the balance of the award ("sell to cover") the plans are accounted for as fully equity-settled. Where Syngenta requires members to sell to cover, cash-settled share based payment accounting is applied to that part of the award and equity-settled accounting to the remainder.

The fair value of equity settled and cash settled share grants awarded to customers in cash rebate sacrifice arrangements is recognized as a reduction in sales in the same way as the cash rebate.

Dividends and capital distributions

Dividends payable to shareholders of Syngenta AG are recorded as liabilities and as a reduction in shareholders' equity in the period in which they are approved by the shareholders of Syngenta AG.

Treasury shares

Share capital includes the par value of treasury shares held by Syngenta that have not been cancelled. Treasury shares are shown as a separate component of shareholders' equity and stated at the amount paid to acquire them. Differences between this amount and the amount received upon their disposal are recorded as a movement in consolidated shareholders' equity.

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30. Other new IFRSs and accounting policies continued

Derivative instruments over Syngenta AG shares

Forward contracts and purchased and written call options over Syngenta AG ordinary shares, other than those related to share based compensation plans, are accounted for as equity instruments if they involve the exchange of a fixed number of Syngenta ordinary shares for a fixed cash amount and gross physical settlement is required by the option contract. Equity instruments are recognized in shareholders' equity at fair value at the date the instruments are issued or acquired, and are not subsequently revalued. Any difference between the value recognized at issue or acquisition and the value at settlement is recognized as an increase or decrease in shareholders' equity.

31. Subsequent events

On February 4, 2014, the Board of Directors approved a new restructuring program to drive further improvement in operating income margins and accelerate delivery of operational leverage as sales grow. The program targets an improvement in profitability as a percentage of sales over the period up to 2018. The program includes plans to further improve efficiency in customer facing operations, research and development and production and to enable an improvement in the ratio of trade working capital to sales. The cash cost of the restructuring program is estimated at approximately \$900 million, including the costs of implementing new systems, but excluding related capital expenditures.