

SYNGENTA AG  
Form 6-K  
August 12, 2004

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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16**  
**of the Securities Exchange Act of 1934**

For the month of July 2004

Commission File Number: 001-15152

**SYNGENTA AG**

(Translation of registrant's name into English)

**Schwarzwaldallee 215**  
**4058 Basel**  
**Switzerland**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X                      Form 40-F   

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes                                         No X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes                                         No X

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes                                         No X

If    Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Re: SYNGENTA AG  
Press Release: Half Year Results 2004

Filed herewith is a press release related to Syngenta AG. The full text of the press release follows:

# # #

Item 1

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**Media Release**

## Half Year Results 2004

Basel, Switzerland, 29 July 2004

### □ Sales growth drives significant increase in profit □

- Sales up 12 percent to \$4.6 billion, +6% CER<sup>(1)</sup>
- EBITDA<sup>(2)</sup> up 17 percent to \$1367 million, +13% CER
- Earnings per share<sup>(3)</sup> up 49 percent to \$7.70
- Free cash flow<sup>(4)</sup> \$676 million

### Financial Highlights (unaudited)

| Excluding Restructuring and Impairment <sup>(5)</sup> |                  |             |          | Including Restructuring and Impairment <sup>(5)</sup> |                  |
|---|------------------|-------------|----------|---|------------------|
| 1st Half<br>2004                                      | 1st Half<br>2003 | Actual<br>% | CER<br>% | 1st Half<br>2004                                      | 1st Half<br>2003 |

|                           | \$m            | \$m     |     |     | \$m            | \$m     |
|---------------------------|----------------|---------|-----|-----|----------------|---------|
| <b>Sales</b>              | <b>4588</b>    | 4105    | +12 | +6  | <b>4588</b>    | 4105    |
| <b>Net Income</b>         | <b>964</b>     | 527     | +83 | n/a | <b>792</b>     | 468     |
| <b>Earnings per Share</b> | <b>\$ 9.05</b> | \$ 5.18 | +75 | n/a | <b>\$ 7.44</b> | \$ 4.60 |
| <b>EBITDA(2)</b>          | <b>1367</b>    | 1165    | +17 | +13 |                |         |
| <b>Earnings per Share</b> | <b>\$ 7.70</b> | \$ 5.18 | +49 | n/a | <b>\$ 6.09</b> | \$ 4.60 |

before one-off tax credit(3)

**Michael Pragnell, Chief Executive Officer, said:**

□ In the first half of 2004 the strength of our business and market leading products has enabled us to take full advantage of a recovery in agricultural markets. This has resulted in robust sales growth across both Crop Protection and Seeds. Professional Products and our consumer-driven Seeds businesses, Vegetables and Flowers, have again registered significant growth. With the recently announced acquisitions in Seeds we have reinforced our position in US corn and soybean. Improved product mix driven by higher sales of new products coupled with the further streamlining of the cost base has led to a significant improvement in profit; combined with a lower tax rate, this has contributed to strong growth in earnings per share. □

- (1) For a definition of constant exchange rates, see Appendix A.
- (2) EBITDA before restructuring and impairment is a non-GAAP measure in regular use as a measure of operating performance, see Appendix D.
- (3) EPS on a fully-diluted basis before restructuring and impairment, see Note 4, and before a one-off tax credit associated with the crystallization of previously unrecognized tax losses.
- (4) For a definition of free cash flow, see Appendix C.
- (5) The amounts including restructuring and impairment are reported in accordance with International Financial Reporting Standards (IFRS). The impact of restructuring and impairment in 2004 is \$172m (2003: \$59m) on net income and \$1.61 (2003: \$0.58) on earnings per share.

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## Highlights for first half 2004

**Sales** at constant exchange rates (CER) increased by six percent. Crop Protection sales were six percent higher; excluding the impact of range rationalization they were seven percent higher. Seeds sales rose by eight percent.

**EBITDA** improved by 13 percent (CER) benefiting from the growth in sales and an improved product mix.

**Earnings per share**, excluding restructuring and impairment, were \$9.05. Excluding a one-off tax benefit earnings per share were up 49 percent to \$7.70; after charges for restructuring and impairment earnings per share were \$6.09 (2003: \$4.60). In addition to the improvement in operating income, the increase reflects lower net financial expense as well as a lower underlying tax rate.

**Currency:** Sales were positively impacted by six percent due to the weakness of the US dollar, notably against the Euro. At the EBITDA level this positive impact was partly offset by the strength of the Swiss franc and sterling, which increased costs reported in dollars.

**Crop Protection:** Sales increased across all regions benefiting, in particular, from continuing buoyancy in Latin America and strong demand in Europe. Increased disease pressure in both regions contributed to a significant increase in fungicide sales. The further roll-out of new products and technologies drove double-digit growth in Insecticides. Professional Products continued its record of top line growth driven by the expansion of seed treatment. Total sales of new products grew by \$107 million (CER) to reach \$465 million reflecting, in particular, the continuing success of the CALLISTO® range (\$235 million, CER) and of ACTARA®/CRUISER® (\$153 million, CER). The range rationalization program, to be completed in 2004, reduced sales by \$32 million (CER); the cumulative impact of this program to date is \$288 million (CER). Sales growth combined with improving product mix resulted in an increase in gross margin to 54.7 percent (2003: 53.4 percent). EBITDA rose by 14 percent (CER) to \$1246 million.

**Seeds:** Sales increased across all businesses: Field Crops, Vegetables and Flowers. EBITDA increased by five percent to \$206 million reflecting the expansion of higher margin businesses and higher prices, partially offset by increased expenditure associated with new growth opportunities.

The Field Crops business in North America will be significantly strengthened through four acquisitions announced in the first half of 2004. These comprise corn breeding material acquired from CHS Research; the Garst corn and soybean business acquired from Advanta; the Golden Harvest group of companies; and GA21 herbicide tolerant technology. At completion, which is expected in the third quarter, the Garst and Golden Harvest acquisitions will increase Syngenta's US market share in corn from six percent to 15 percent and in soybean from five percent to 13 percent, providing an enhanced platform for the launch of a complete range of biotech traits in corn from 2005.

**Plant Science:** The range of traits currently under development includes traits to control insect pests which reduce yield in corn and cotton as well as the ingress of GA21 herbicide tolerance in corn germplasm. The recently announced Seeds acquisitions offer significant potential for leveraging these traits in corn. In enzymes, QUANTUM® microbial phytase has made its first sales in Mexico and is awaiting US registration.

**Operational efficiency:** Total restructuring and impairment charges during the period were \$264 million (cash: \$144m; non-cash: \$120m) of which the majority related to the program to streamline global operations, announced in February. The total cost of the program is expected to be around \$850 million over five years including a non-cash charge of \$350 million, with peak savings of \$300 million expected by 2008. Cumulative savings from the merger synergy program, now completed, amount to \$646 million.

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**Cash flow and balance sheet:** Free cash flow of \$676 million (2003: \$695 million) reflected the increase in EBITDA and the reduction in net financial expense. This strong cash generation was achieved after a \$455 million increase in trade working capital, largely accounts receivable, associated with higher sales. Tight inventory management ensured that the ratio of trade working capital as a percentage of sales at period end was maintained at 44 percent. Fixed capital expenditure of \$70 million was below depreciation of \$130 million.

At period end net debt was \$590 million (2003: \$1063 million) representing a gearing ratio of 11 percent (2003: 22 percent). In the second half, gearing is expected to increase due to the cash outflow associated with the acquisitions announced during the second quarter.

**Cash return to shareholders:** On 27 April 2004 the Annual General Meeting approved a doubling of the dividend for 2003 to CHF 1.70 per share which was paid on 16 July. In May the company commenced a share repurchase program; by 30 June 866,326 shares had been repurchased at an average price of CHF 101.5 which equates to \$68 million.

**Taxation:** The underlying tax rate for the first half was 25 percent (2003: 37 percent). This significant reduction was due to the earlier-than-expected completion of the tax structure optimization. The ongoing tax rate is expected to remain in the mid-twenties for the foreseeable future.

The reported tax rate for the first half was 12 percent. This reduction of 13 percentage points was due to a one-off credit associated with the crystallization of previously unrecognized tax losses. This one-off credit results in an expected cash benefit of \$120 million to be spread over three years.

## Outlook

Michael Pragnell, Chief Executive Officer, said:

“As we take advantage of all opportunities in a more stable agricultural environment notably in Europe, and of continued expansion in Latin America, we expect growth in earnings per share\* for the full year 2004 to be broadly in line with that achieved in the first half. We have made good progress in implementing our strategy and this is reflected in top-line growth; we look forward to completing the acquisitions of Garst and Golden Harvest during the third quarter and creating an integrated US corn and soybean business in this important market. Building on our expected strong performance in 2004 we remain committed to our target of annual growth in earnings per share\* in the high teens in 2005 and 2006. Furthermore, as announced earlier this year, we plan to return more than \$800 million to shareholders over the next three years through the combination of a progressive dividend policy and share repurchase program.”

**Safe Harbor:** This document contains forward-looking statements, which can be identified by terminology such as “expect”, “would”, “will”, “potential”, “plans”, “prospects”, “estimated”, “aiming”, “on track” and similar expressions. Such statements may be subject to risks and uncertainties that could cause the actual results to differ materially from these statements. We refer you to Syngenta’s publicly available filings with the U.S. Securities and Exchange Commission for information about these and other risks and uncertainties. Syngenta assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors. This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer, to purchase or subscribe for any ordinary shares in Syngenta AG, or Syngenta ADSs, nor shall it form the basis of, or be relied on in connection with, any contract therefore.

\* Fully diluted, before restructuring and impairment and one-off tax credit.

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## Crop Protection

Except where stated, all narrative in this section refers to the half year. For a definition of constant exchanges rates and of range rationalization, see Appendix A and Appendix B respectively.

| Product line             | Half Year   |             | Growth      |          |                     | 2 <sup>nd</sup> Quarter |             | Growth      |          |                     |
|--------------------------|-------------|-------------|-------------|----------|---------------------|-------------------------|-------------|-------------|----------|---------------------|
|                          | 2004<br>\$m | 2003<br>\$m | Actual<br>% | CER<br>% | Ex RR<br>(CER)<br>% | 2004<br>\$m             | 2003<br>\$m | Actual<br>% | CER<br>% | Ex RR<br>(CER)<br>% |
| Selective herbicides     | 1290        | 1187        | +8          | +3       | +4                  | 673                     | 622         | +8          | +4       | +6                  |
| Non-selective herbicides | 376         | 364         | +4          | -        | -                   | 205                     | 218         | -4          | -6       | -6                  |

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|                       |             |             |            |           |           |             |             |           |           |           |
|-----------------------|-------------|-------------|------------|-----------|-----------|-------------|-------------|-----------|-----------|-----------|
| Fungicides            | 1048        | 898         | +17        | +10       | +10       | 549         | 474         | +16       | +11       | +11       |
| Insecticides          | 597         | 506         | +19        | +14       | +14       | 319         | 288         | +13       | +9        | +9        |
| Professional products | 370         | 328         | +11        | +7        | +11       | 173         | 159         | +7        | +4        | +9        |
| Others*               | 61          | 87          | -31        | -36       | -36       | 29          | 39          | -27       | -33       | -33       |
| <b>Total</b>          | <b>3742</b> | <b>3370</b> | <b>+11</b> | <b>+6</b> | <b>+7</b> | <b>1948</b> | <b>1800</b> | <b>+8</b> | <b>+5</b> | <b>+6</b> |

\* Includes industrial sales of intermediates largely in Europe.

**Selective Herbicides:** major brands BICEP® MAGNUM, CALLISTO® /LUMAX®, DUAL® MAGNUM, ENVOKE®, FUSILADE® MAX, TOPIK®

Sales of selective herbicides were driven by CALLISTO®, which confirmed its post-emergence leadership in US corn and expanded in European markets. The combination product LUMAX® gained share in pre-emergent control in US corn, to an extent replacing sales of DUAL® /BICEP® MAGNUM. ENVOKE® was successfully launched on cotton and sugar cane in the USA and Brazil. TOPIK® registered strong growth in Europe and Asia more than offsetting lower sales in Canada.

**Non-selective Herbicides:** major brands GRAMOXONE®, TOUCHDOWN®

GRAMOXONE® sales increased in all regions; the main driver was China following planned channel inventory reduction in 2003. A decline in TOUCHDOWN® reflected marked price reductions in the US glyphosate market. Sales of TOUCHDOWN® grew in Latin America and in Europe.

**Fungicides:** major brands ACANTO®, AMISTAR®, BRAVO®, RIDOMIL GOLD®, SCORE®, TILT®, UNIX®

Fungicides registered strong growth across all regions. AMISTAR® registered double digit growth driven by: higher disease pressure in Europe, notably France; treatment of soybean rust in Brazil; and increased demand on soybean and rice in the USA. RIDOMIL GOLD® also grew sales in all regions.

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

ACTARA® continued its broad-based increase in market penetration. Sales doubled in Brazil and grew strongly in the USA and Japan, where a new combination product was launched on rice. KARATE® also registered broad-based growth following the withdrawal of organophosphates in several markets. VERTIMEC® grew in the USA due to increased pest pressure. Sales of FORCE® were lower compared with a particularly strong first half in 2003.

**Professional Products:** major brands CRUISER®, DIVIDEND®, HERITAGE®, ICON®, MAXIM®

The main driver was Seed Treatment with the continuing success of CRUISER® and MAXIM®. In addition, the roll-out of insecticide/fungicide combinations offers growers complete early protection, leading to higher yield. Turf sales improved with better weather conditions in the US golf market. Home and Garden sales were impacted by the continuing phase-out of the insecticide diazinon in the USA.

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|           |        |                         |        |
|-----------|--------|-------------------------|--------|
| Half Year | Growth | 2 <sup>nd</sup> Quarter | Growth |
|-----------|--------|-------------------------|--------|

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| Regional                     | 2004 | 2003 | Actual | CER | Ex RR      | 2004 | 2003 | Actual | CER | Ex RR      |
|------------------------------|------|------|--------|-----|------------|------|------|--------|-----|------------|
|                              | \$m  | \$m  | %      | %   | (CER)<br>% | \$m  | \$m  | %      | %   | (CER)<br>% |
| Europe, Africa & Middle East | 1539 | 1335 | +15    | +5  | +5         | 751  | 665  | +13    | +6  | +7         |
| NAFTA                        | 1380 | 1345 | +3     | +2  | +4         | 823  | 783  | +5     | +5  | +7         |
| Latin America                | 337  | 243  | +39    | +39 | +39        | 147  | 133  | +11    | +11 | +11        |
| Asia Pacific                 | 486  | 447  | +9     | +1  | +1         | 227  | 219  | +3     | -3  | -3         |
| Total                        | 3742 | 3370 | +11    | +6  | +7         | 1948 | 1800 | +8     | +5  | +6         |

Growth in **Europe, Africa and the Middle East** reflected more normal weather conditions than in 2003. In France sales growth was particularly strong, benefiting from the closer alignment of sales with consumption. Demand in Central and Eastern Europe increased strongly as the Company's presence in the region expanded. Excluding industrial sales Europe, Africa and the Middle East showed CER growth of seven percent.

In **NAFTA**, US sales improved in the second quarter with strong growth in new products and AMISTAR® more than offsetting further price decline in glyphosate. Strong growth continued in Canada and Mexico.

**Latin America:** Sales expanded across the portfolio in Brazil and Argentina as the organization capitalized on buoyant conditions, its broad product offer and marketing strength. Soybean and cotton acreage in Brazil increased significantly and sales of fungicides grew strongly with the spread of soybean rust.

In **Asia Pacific** sales grew in Japan and India, and in China where sales of GRAMOXONE® have recovered following channel de-stocking. These more than offset lower sales in Thailand and Australia, the latter due to dry weather conditions.

## Seeds

Except where stated, all narrative in this section refers to the half year. For a definition of constant exchanges rates, see Appendix A.

| Product line         | Half Year   |             |             |          |                     | 2 <sup>nd</sup> Quarter |             |             |          |                     |
|----------------------|-------------|-------------|-------------|----------|---------------------|-------------------------|-------------|-------------|----------|---------------------|
|                      | 2004<br>\$m | 2003<br>\$m | Actual<br>% | CER<br>% | Ex RR<br>(CER)<br>% | 2004<br>\$m             | 2003<br>\$m | Actual<br>% | CER<br>% | Ex RR<br>(CER)<br>% |
| Field Crops          | 485         | 430         | +13         | +6       | +6                  | 156                     | 156         | -           | -4       | -4                  |
| Vegetables & Flowers | 361         | 305         | +18         | +11      | +11                 | 177                     | 150         | +18         | +13      | +13                 |
| Total                | 846         | 735         | +15         | +8       | +8                  | 333                     | 306         | +9          | +4       | +4                  |

**Field Crops:** major brands NK® corn, NK® oilseeds, HILLESHÖG® sugar beet

Sales of NK® soybean grew strongly and NK® corn benefited from increased demand for new offers incorporating seed treatment solutions. Sunflowers registered strong growth in Eastern Europe. HILLESHÖG® sugar beet sales improved with a notable increase in Eastern Europe.

Sales of GM products accounted for 18 percent of total Seeds sales and for three percent of total group sales.

**Vegetables and Flowers:** major brands S&G® vegetables, ROGERS® vegetables, S&G® flowers

Sales of vegetables grew in all regions and continued to benefit from strong consumer demand for fresh produce. Sales of DULCINEA® products in the USA progressed particularly well with the successful launch of a cantaloupe melon and continued growth of PUREHEART® seedless watermelons.

Sales of S&G® flowers increased reflecting the rapid introduction of new varieties and effective supply chain management.

| Regional                     | Half Year |      |        |     |             | 2 <sup>nd</sup> Quarter |      |        |     |             |     |     |
|------------------------------|-----------|------|--------|-----|-------------|-------------------------|------|--------|-----|-------------|-----|-----|
|                              |           |      | Growth |     |             |                         |      | Growth |     |             |     |     |
|                              | 2004      | 2003 | Actual | CER | Ex RR (CER) | 2004                    | 2003 | Actual | CER | Ex RR (CER) |     |     |
|                              | \$m       | \$m  | %      | %   | %           | \$m                     | \$m  | %      | %   | %           |     |     |
| Europe, Africa & Middle East |           |      | 461    | 394 | +17         | +5                      | +5   | 158    | 150 | +5          | -2  | -2  |
| NAFTA                        |           |      | 318    | 286 | +11         | +10                     | +10  | 131    | 115 | +14         | +13 | +13 |
| Latin America                |           |      | 27     | 25  | +7          | +7                      | +7   | 20     | 23  | -16         | -16 | -16 |
| Asia Pacific                 |           |      | 40     | 30  | +34         | +24                     | +24  | 24     | 18  | +39         | +30 | +30 |
| Total                        |           |      | 846    | 735 | +15         | +8                      | +8   | 333    | 306 | +9          | +4  | +4  |

Sales in **Europe, Africa and the Middle East** grew strongly in oilseeds, vegetables and flowers. Demand for Field Crops, in particular sunflower and sugarbeet, continues to grow in Central and Eastern Europe.

**NAFTA** performance was driven by strong demand for corn and soybean and the ongoing expansion of DULCINEA®, now fully consolidated.

Low season sales in **Latin America** benefited from an increase in corn sales in Argentina and some smaller Latin American countries.

In **Asia Pacific** all product lines increased sales. Corn continued to perform well in India and the Philippines. In Japan the consolidation of Dia-Engei, acquired in February, contributed to an increase in Flower sales.

Syngenta is a world-leading agribusiness committed to sustainable agriculture through innovative research and technology. The company is a leader in crop protection, and ranks third in the high-value commercial seeds market. Sales in 2003 were approximately \$6.6 billion. Syngenta employs some 19,000 people in over 90 countries. Syngenta is listed on the Swiss stock exchange (SYNN) and in New York (SYT). Further information is available at [www.syngenta.com](http://www.syngenta.com).

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## Financial Summary (unaudited)

| For the six months to<br>30 June                                      | Excluding Restructuring and<br>Impairment (1) |                |                    | Restructuring and<br>Impairment (1) |                  | Including<br>Restructuring and<br>Impairment(1) |                |
|---|---|----------------|--------------------|-------------------------------------|------------------|---|----------------|
|   | 2004<br>\$m                                   | 2003<br>\$m    | CER (2)<br>%       | 2004<br>\$m                         | 2003<br>\$m      | 2004<br>\$m                                     | 2003<br>\$m    |
| <b>Sales</b>  | <b>4588</b>                                   | <b>4105</b>    | <b>+ 6</b>         | <b>-</b>                            | <b>-</b>         | <b>4588</b>                                     | <b>4105</b>    |
| <b>Gross profit</b>   | <b>2500</b>                                   | <b>2185</b>    | <b>+ 9</b>         | <b>-</b>                            | <b>-</b>         | <b>2500</b>                                     | <b>2185</b>    |
| Marketing and distribution  | (649)   | (602)          | - 2                | -                                   | -                | (649)   | (602)          |
| Research and development  | (383)   | (355)          | - 1                | -                                   | -                | (383)   | (355)          |
| General and administrative  | (347)   | (318)          | - 1                | -                                   | -                | (347)   | (318)          |
| Restructuring and impairment  | -   | -              | -                  | (264)                               | (81)             | (264)   | (81)           |
| <b>Operating income</b>   | <b>1121</b>                                   | <b>910</b>     | <b>+ 19</b>        | <b>(264)</b>                        | <b>(81)</b>      | <b>857</b>                                      | <b>829</b>     |
| <b>Income before taxes and<br/>minority interests</b>                 | <b>1095</b>                                   | <b>841</b>     | <b>+ 30</b>        | <b>(264)</b>                        | <b>(81)</b>      | <b>831</b>                                      | <b>760</b>     |
| Income tax expense  | (130)   | (311)          | + 58               | 82                                  | 22               | (48)  | (289)          |
| <b>Net income</b>   | <b>964</b>                                    | <b>527</b>     | <b>+ 83</b>        | <b>(172)</b>                        | <b>(59)</b>      | <b>792</b>                                      | <b>468</b>     |
| <b>Earnings/(loss) per share (3)</b>                                  |   |                |                    |                                     |                  |   |                |
| - basic   | <b>9.14</b>                                   | <b>\$ 5.19</b> |                    | <b>\$ (1.63)</b>                    | <b>\$ (0.58)</b> | <b>\$ 7.51</b>                                  | <b>\$ 4.61</b> |
| - diluted   | <b>9.05</b>                                   | <b>\$ 5.18</b> |                    | <b>\$ (1.61)</b>                    | <b>\$ (0.58)</b> | <b>\$ 7.44</b>                                  | <b>\$ 4.60</b> |
| One-off tax credit  | (144)   | -              | -                  | -                                   | -                | (144)   | -              |
| <b>Net income before one-off tax<br/>credit</b>                       | <b>820</b>                                    | <b>527</b>     | <b>+ 56</b>        | <b>(172)</b>                        | <b>(59)</b>      | <b>648</b>                                      | <b>468</b>     |
| <b>Earnings/(loss) per share<br/>before one-off tax credit(3) (5)</b> |   |                |                    |                                     |                  |   |                |
| - basic   | <b>7.77</b>                                   | <b>\$ 5.19</b> |                    | <b>\$ (1.63)</b>                    | <b>\$ (0.58)</b> | <b>\$ 6.14</b>                                  | <b>\$ 4.61</b> |
| - diluted   | <b>7.70</b>                                   | <b>\$ 5.18</b> |                    | <b>\$ (1.61)</b>                    | <b>\$ (0.58)</b> | <b>\$ 6.09</b>                                  | <b>\$ 4.60</b> |
|   | <b>2004</b>                                   | <b>2003</b>    | <b>CER<br/>(2)</b> |                                     |                  |   |                |
| <b>Gross profit margin</b>  | <b>54.5%</b>                                  | <b>53.2%</b>   | <b>54.7%</b>       |                                     |                  |   |                |
| <b>EBITDA margin (4)</b>  | <b>29.8%</b>                                  | <b>28.4%</b>   | <b>30.3%</b>       |                                     |                  |   |                |

|   |             |             |
|---|-------------|-------------|
| <b>EBITDA (4)</b>                         | <b>1367</b> | <b>1165</b> |
| <b>Tax rate (5)</b>                       | <b>25%</b>  | <b>37%</b>  |
| <b>Free cash flow (6)</b>                 | <b>676</b>  | <b>695</b>  |
| <b>Trade working capital to sales (7)</b> | <b>44%</b>  | <b>44%</b>  |
| <b>Debt/Equity gearing (8)</b>            | <b>11%</b>  | <b>22%</b>  |
| <b>Net debt (8)</b>                       | <b>590</b>  | <b>1063</b> |

- (1) Amounts including restructuring and impairment are in accordance with IFRS. For further analysis of restructuring and impairment charges, see Note 4 on [page 16](#). Net income and earnings per share excluding restructuring and impairment are provided as additional information, and not as an alternative to net income and earnings per share determined in accordance with IFRS.
- (2) Growth rates are shown at constant exchange rates except for income before taxes, income tax expense and net income which are at actual dollar rates. For a description of CER see [Appendix A on page 20](#).
- (3) The weighted average number of ordinary shares in issue used to calculate the earnings per share were as follows: for 2004 basic EPS 105,561,791 and diluted EPS 106,511,422; 2003 basic EPS 101,546,327 and diluted EPS 101,730,032.
- (4) EBITDA is a non-GAAP measure but is in regular use as a measure of operating performance and is defined in [Appendix D](#).
- (5) Tax rate on results excluding restructuring and impairment and one-off tax credit. For a description of the one-off tax credit, see taxation comment on page 3.
- (6) Includes restructuring and impairment cash outflows. For a description of free cash flow, see [Appendix C on page 20](#).
- (7) Period end trade working capital as a percentage of twelve-month sales, see [Appendix G on page 22](#).
- (8) For a description of net debt and the calculation of debt/equity gearing, see [Appendix F on page 22](#).
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## Unaudited Half Year Segmental Results<sup>(1)</sup>

| Syngenta                   | 1st Half<br>2004<br>\$m | 1st Half<br>2003<br>\$m | CER(2)<br>% |             |
|----------------------------|-------------------------|-------------------------|-------------|-------------|
| <b>Sales</b>               |                         | <b>4588</b>             | <b>4105</b> | <b>+ 6</b>  |
| Gross Profit               |                         | 2500                    | 2185        | + 9         |
| Marketing and distribution |                         | (649)                   | (602)       | - 2         |
| Research and development   |                         | (383)                   | (355)       | - 1         |
| General and administrative |                         | (347)                   | (318)       | - 1         |
| <b>Operating income</b>    |                         | <b>1121</b>             | <b>910</b>  | <b>+ 19</b> |
| <b>EBITDA (3)</b>          |                         | <b>1367</b>             | <b>1165</b> | <b>+ 13</b> |
| <b>EBITDA (%)</b>          |                         | <b>29.8</b>             | <b>28.4</b> |             |

| <b>Crop Protection</b>     | <b>1<sup>st</sup> Half<br/>2004<br/>\$m</b> | <b>1<sup>st</sup> Half<br/>2003<br/>\$m</b> | <b>CER(2)<br/>%</b> |
|----------------------------|---|---|---------------------|
| <b>Sales</b>               | <b>3742</b>                                 | <b>3370</b>                                 | <b>+ 6</b>          |
| Gross Profit               | 2048  | 1799  | + 9                 |
| Marketing and distribution | (491)                                       | (470)                                       | + 1                 |
| Research and development   | (239)                                       | (224)                                       | + 1                 |
| General and administrative | (293)                                       | (274)                                       | + 2                 |
| <b>Operating income</b>    | <b>1025</b>                                 | <b>831</b>                                  | <b>+ 20</b>         |
| <b>EBITDA (3)</b>          | <b>1246</b>                                 | <b>1060</b>                                 | <b>+ 14</b>         |
| <b>EBITDA (%)</b>          | <b>33.3</b>                                 | <b>31.4</b>                                 |                     |

| <b>Seeds</b>               | <b>1<sup>st</sup> Half<br/>2004<br/>\$m</b> | <b>1<sup>st</sup> Half<br/>2003<br/>\$m</b> | <b>CER(2)<br/>%</b> |
|----------------------------|---|---|---------------------|
| <b>Sales</b>               | <b>846</b>                                  | <b>735</b>                                  | <b>+ 8</b>          |
| Gross Profit               | 452   | 386   | + 9                 |
| Marketing and distribution | (157)                                       | (132)                                       | - 12                |
| Research and development   | (68)  | (62)  | - 3                 |
| General and administrative | (46)  | (35)  | - 28                |
| <b>Operating income</b>    | <b>181</b>                                  | <b>157</b>                                  | <b>+ 5</b>          |
| <b>EBITDA (3)</b>          | <b>206</b>                                  | <b>180</b>                                  | <b>+ 5</b>          |
| <b>EBITDA (%)</b>          | <b>24.4</b>                                 | <b>24.5</b>                                 |                     |

| <b>Plant Science</b>       | <b>1<sup>st</sup> Half<br/>2004<br/>\$m</b> | <b>1<sup>st</sup> Half<br/>2003<br/>\$m</b> | <b>CER(2)<br/>%</b> |
|----------------------------|---|---|---------------------|
| <b>Sales</b>               | -   | -   | -                   |
| Gross Profit               | -   | -   | -                   |
| Marketing and distribution | (1)   | -   | n/a                 |
| Research and development   | (76)  | (69)  | - 5                 |
| General and administrative | (8)   | (9)   | + 11                |
| <b>Operating loss</b>      | <b>(85)</b>                                 | <b>(78)</b>                                 | <b>- 5</b>          |
| <b>EBITDA (3)</b>          | <b>(85)</b>                                 | <b>(75)</b>                                 | <b>- 9</b>          |

**EBITDA (%)** **n/a** **n/a**

(1) Excluding restructuring and impairment, see [Note 4 on page 16](#).

(2) Growth at constant exchange rates, see [Appendix A on page 20](#).

(3) For a reconciliation of segment EBITDA to segment operating income, see [Appendix E on page 21](#).

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## Unaudited Half Year Product Line and Regional Sales

| <b>Syngenta</b> | <b>1st Half<br/>2004<br/>\$m</b> | <b>1st Half<br/>2003<br/>\$m</b> | <b>Actual<sup>(1)</sup><br/>%</b> | <b>CER<sup>(1)</sup><br/>(2)<br/>%</b> | <b>Ex RR<sup>(1)</sup><br/>(3)<br/>%</b> |
|-----------------|----------------------------------|----------------------------------|-----------------------------------|--|--|
| Crop Protection | 3742                             | 3370                             | + 11                              | + 6                                    | + 7                                      |
| Seeds           | 846                              | 735                              | + 15                              | + 8                                    | + 8                                      |
| <b>Total</b>    | <b>4588</b>                      | <b>4105</b>                      | <b>+ 12</b>                       | <b>+ 6</b>                             | <b>+ 7</b>                               |

### Crop Protection

#### Product line

|                          |             |             |             |            |            |
|--------------------------|-------------|-------------|-------------|------------|------------|
| Selective herbicides     | 1290        | 1187        | + 8         | + 3        | + 4        |
| Non-selective herbicides | 376         | 364         | + 4         | -          | -          |
| Fungicides               | 1048        | 898         | + 17        | + 10       | + 10       |
| Insecticides             | 597         | 506         | + 19        | + 14       | + 14       |
| Professional products    | 370         | 328         | + 11        | + 7        | + 11       |
| Others                   | 61          | 87          | - 31        | - 36       | - 36       |
| <b>Total</b>             | <b>3742</b> | <b>3370</b> | <b>+ 11</b> | <b>+ 6</b> | <b>+ 7</b> |

### Regional

|                                |             |             |             |            |            |
|--------------------------------|-------------|-------------|-------------|------------|------------|
| Europe, Africa and Middle East | 1539        | 1335        | + 15        | + 5        | + 5        |
| NAFTA                          | 1380        | 1345        | + 3         | + 2        | + 4        |
| Latin America                  | 337         | 243         | + 39        | + 39       | + 39       |
| Asia Pacific                   | 486         | 447         | + 9         | + 1        | + 1        |
| <b>Total</b>                   | <b>3742</b> | <b>3370</b> | <b>+ 11</b> | <b>+ 6</b> | <b>+ 7</b> |

### Seeds

| <b>Product line</b>            |            |            |             |            |            |
|--------------------------------|------------|------------|-------------|------------|------------|
| Field Crops                    | 485        | 430        | + 13        | + 6        | + 6        |
| Vegetables and Flowers         | 361        | 305        | + 18        | + 11       | + 11       |
| <b>Total</b>                   | <b>846</b> | <b>735</b> | <b>+ 15</b> | <b>+ 8</b> | <b>+ 8</b> |
| <b>Regional</b>                |            |            |             |            |            |
| Europe, Africa and Middle East | 461        | 394        | + 17        | + 5        | + 5        |
| NAFTA                          | 318        | 286        | + 11        | + 10       | + 10       |
| Latin America                  | 27         | 25         | + 7         | + 7        | + 7        |
| Asia Pacific                   | 40         | 30         | + 34        | + 24       | + 24       |
| <b>Total</b>                   | <b>846</b> | <b>735</b> | <b>+ 15</b> | <b>+ 8</b> | <b>+ 8</b> |

(1) Product line variances take into account minor reclassifications made in 2004.

(2) Growth at constant exchange rates, see [Appendix A on page 20](#).

(3) Growth at constant exchange rates excluding the effects of range rationalization, see [Appendix B on page 20](#).

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## Unaudited Second Quarter Product Line and Regional Sales

| <b>Syngenta</b> | <b>2nd<br/>Quarter<br/>2004<br/>\$m</b> | <b>2nd<br/>Quarter<br/>2003<br/>\$m</b> | <b>Actual<sup>(1)</sup><br/>%</b> | <b>CER<sup>(1)</sup><br/>(2)<br/>%</b> | <b>Ex RR<sup>(1)</sup><br/>(3)<br/>%</b> |
|-----------------|---|---|-----------------------------------|--|--|
| Crop Protection | 1948                                    | 1800                                    | + 8                               | + 5                                    | + 6                                      |
| Seeds           | 333                                     | 306                                     | + 9                               | + 4                                    | + 4                                      |
| <b>Total</b>    | <b>2281</b>                             | <b>2106</b>                             | <b>+ 8</b>                        | <b>+ 5</b>                             | <b>+ 6</b>                               |

### Crop Protection

#### Product line

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|                          |     |     |      |      |      |
|--------------------------|-----|-----|------|------|------|
| Selective herbicides     | 673 | 622 | + 8  | + 4  | + 6  |
| Non-selective herbicides | 205 | 218 | - 4  | - 6  | - 6  |
| Fungicides               | 549 | 474 | + 16 | + 11 | + 11 |
| Insecticides             | 319 | 288 | + 13 | + 9  | + 9  |
| Professional products    | 173 | 159 | + 7  | + 4  | + 9  |
| Others                   | 29  | 39  | - 27 | - 33 | - 33 |

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|       |      |      |     |     |     |
|-------|------|------|-----|-----|-----|
| Total | 1948 | 1800 | + 8 | + 5 | + 6 |
|-------|------|------|-----|-----|-----|

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**Regional**

|                                |     |     |      |      |      |
|--------------------------------|-----|-----|------|------|------|
| Europe, Africa and Middle East | 751 | 665 | + 13 | + 6  | + 7  |
| NAFTA                          | 823 | 783 | + 5  | + 5  | + 7  |
| Latin America                  | 147 | 133 | + 11 | + 11 | + 11 |
| Asia Pacific                   | 227 | 219 | + 3  | - 3  | - 3  |

---

|       |      |      |     |     |     |
|-------|------|------|-----|-----|-----|
| Total | 1948 | 1800 | + 8 | + 5 | + 6 |
|-------|------|------|-----|-----|-----|

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**Seeds**

**Product line**

|                        |     |     |      |      |      |
|------------------------|-----|-----|------|------|------|
| Field Crops            | 156 | 156 | -    | - 4  | - 4  |
| Vegetables and Flowers | 177 | 150 | + 18 | + 13 | + 13 |

---

|       |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|
| Total | 333 | 306 | + 9 | + 4 | + 4 |
|-------|-----|-----|-----|-----|-----|

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**Regional**

|                                |     |     |      |      |      |
|--------------------------------|-----|-----|------|------|------|
| Europe, Africa and Middle East | 158 | 150 | + 5  | - 2  | - 2  |
| NAFTA                          | 131 | 115 | + 14 | + 13 | + 13 |
| Latin America                  | 20  | 23  | - 16 | - 16 | - 16 |
| Asia Pacific                   | 24  | 18  | + 39 | + 30 | + 30 |

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|       |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|
| Total | 333 | 306 | + 9 | + 4 | + 4 |
|-------|-----|-----|-----|-----|-----|

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(1) Product line variances take into account minor reclassifications made in 2004.

(2) Growth at constant exchange rates, see Appendix A on page 20.

(3) Growth at constant exchange rates excluding the effects of range rationalization, see Appendix B on page 20.

## Unaudited Interim Condensed Consolidated Financial Statements

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The following unaudited interim condensed consolidated financial statements and notes thereto have been prepared in accordance with International Financial Reporting Standards (IFRS). A reconciliation to US GAAP has been prepared for US investors.

## Unaudited Interim Condensed Consolidated Income Statement

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| For the six months to 30 June                     | 2004<br>\$m | 2003<br>\$m |
|---|-------------|-------------|
| <b>Sales</b>                                      | <b>4588</b> | <b>4105</b> |
| Cost of goods sold                                | (2088)      | (1920)      |
| <b>Gross profit</b>                               | <b>2500</b> | <b>2185</b> |
| Marketing and distribution                        | (649)       | (602)       |
| Research and development                          | (383)       | (355)       |
| General and administrative                        | (347)       | (318)       |
| Restructuring and impairment                      | (264)       | (81)        |
| <b>Operating income</b>                           | <b>857</b>  | <b>829</b>  |
| Income/(loss) from associates and joint ventures  | (4)         | (1)         |
| Financial expenses, net                           | (22)        | (68)        |
| <b>Income before taxes and minority interests</b> | <b>831</b>  | <b>760</b>  |
| Income tax expense                                | (48)        | (289)       |
| <b>Income/(loss) before minority interests</b>    | <b>783</b>  | <b>471</b>  |
| Minority interests                                | 9           | (3)         |
| <b>Net income/(loss)</b>                          | <b>792</b>  | <b>468</b>  |

### Earnings/(loss) per share<sup>(1)</sup>

|           |         |         |
|-----------|---------|---------|
| - Basic   | \$ 7.51 | \$ 4.61 |
| - Diluted | \$ 7.44 | \$ 4.60 |

(1) The weighted average number of ordinary shares in issue used to calculate the earnings per share were as follows: for 2004 basic EPS 105,561,791 and diluted EPS 106,511,422; 2003 basic EPS 101,546,327 and diluted EPS 101,730,032.

## Unaudited Interim Condensed Consolidated Balance Sheet

|  | 30 June<br>2004<br>\$m | 30 June<br>2003<br>\$m | 31 December<br>2003<br>\$m |
|--|------------------------|------------------------|----------------------------|
| <b>Assets</b>                                |                        |                        |                            |
| <b>Current assets</b>                        |                        |                        |                            |
| Cash and cash equivalents                    | 277                    | 283                    | 206                        |
| Trade accounts receivable                    | 2879                   | 2303                   | 1707                       |
| Other accounts receivable                    | 342                    | 333                    | 308                        |
| Other current assets                         | 570                    | 674                    | 696                        |
| Inventories                                  | 1667                   | 1633                   | 1811                       |
| <b>Total current assets</b>                  | <b>5735</b>            | <b>5226</b>            | <b>4728</b>                |
| <b>Non-current assets</b>                    |                        |                        |                            |
| Property, plant and equipment                | 2216                   | 2307                   | 2374                       |
| Intangible assets                            | 2589                   | 2708                   | 2658                       |
| Investments in associates and joint ventures | 102                    | 98                     | 107                        |
| Deferred tax assets                          | 765                    | 701                    | 668                        |
| Other financial assets                       | 400                    | 404                    | 430                        |
| <b>Total non-current assets</b>              | <b>6072</b>            | <b>6218</b>            | <b>6237</b>                |
| <b>Total assets</b>                          | <b>11807</b>           | <b>11444</b>           | <b>10965</b>               |
| <b>Liabilities and equity</b>                |                        |                        |                            |
| <b>Current liabilities</b>                   |                        |                        |                            |
| Trade accounts payable                       | (1435)                 | (1094)                 | (862)                      |
| Current financial debts                      | (234)                  | (776)                  | (749)                      |
| Income taxes payable                         | (415)                  | (430)                  | (289)                      |
| Other current liabilities                    | (955)                  | (929)                  | (747)                      |
| Provisions                                   | (207)                  | (218)                  | (265)                      |
| <b>Total current liabilities</b>             | <b>(3246)</b>          | <b>(3447)</b>          | <b>(2912)</b>              |
| <b>Non-current liabilities</b>               |                        |                        |                            |
| Non-current financial debts                  | (977)                  | (952)                  | (1017)                     |
| Deferred tax liabilities                     | (1040)                 | (1158)                 | (1071)                     |
| Provisions                                   | (924)                  | (923)                  | (845)                      |
| <b>Total non-current liabilities</b>         | <b>(2941)</b>          | <b>(3033)</b>          | <b>(2933)</b>              |
| <b>Total liabilities</b>                     | <b>(6187)</b>          | <b>(6480)</b>          | <b>(5845)</b>              |



|                                     |                |                |                |
|-------------------------------------|----------------|----------------|----------------|
| Minority interests                  | (52)           | (62)           | (67)           |
| <b>Total shareholders equity</b>    | <b>(5568)</b>  | <b>(4902)</b>  | <b>(5053)</b>  |
| <hr/>                               |                |                |                |
| <b>Total liabilities and equity</b> | <b>(11807)</b> | <b>(11444)</b> | <b>(10965)</b> |
| <hr/>                               |                |                |                |

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## Unaudited Interim Condensed Consolidated Cash Flow Statement

| For the six months to 30 June                               | 2004<br>\$m  | 2003<br>\$m  |
|---|--------------|--------------|
| <b>Operating income</b>                                     | <b>857</b>   | <b>829</b>   |
| <b>Reversal of non-cash items;</b>                          |              |              |
| Depreciation, amortization and impairment on:               |              |              |
| Property, plant and equipment                               | 187          | 136          |
| Intangible assets   | 129          | 123          |
| Loss/(gain) on disposal of fixed assets                     | (2)          | (46)         |
| Charges in respect of provisions                            | 288          | 216          |
| <b>Cash (paid)/received in respect of;</b>                  |              |              |
| Interest and other financial receipts                       | 128          | 38           |
| Interest and other financial payments                       | (88)         | (119)        |
| Taxation  | (56)         | (23)         |
| Restructuring costs   | (102)        | (104)        |
| Contributions to pension schemes                            | (65)         | (42)         |
| Other provisions  | (37)         | (32)         |
| <b>Cash flow before working capital changes</b>             | <b>1239</b>  | <b>976</b>   |
| Change in net current assets and other operating cash flows | (450)        | (154)        |
| <b>Cash flow from operating activities</b>                  | <b>789</b>   | <b>822</b>   |
| Additions to property, plant and equipment                  | (70)         | (88)         |
| Proceeds from disposals of property, plant and equipment    | 28           | 10           |
| Purchase of intangibles and other financial assets          | (77)         | (24)         |
| Proceeds from disposals of intangible and financial assets  | 9            | 5            |
| Business divestments  | -            | (1)          |
| Acquisition of minorities                                   | (3)          | (29)         |
| <b>Cash flow used for investing activities</b>              | <b>(113)</b> | <b>(127)</b> |
| Increases in third party interest-bearing debt              | 74           | -            |
| Repayment of third party interest-bearing debt              | (574)        | (587)        |
| Sale/(purchase) of Treasury shares                          | (97)         | -            |

|   |              |              |
|---|--------------|--------------|
| Dividends paid to group shareholders                            | -            | (65)         |
| Dividends paid to minorities                                    | (5)          | (4)          |
| <b>Cash flow used for financing activities</b>                  | <b>(602)</b> | <b>(656)</b> |
| Net effect of currency translation on cash and cash equivalents | (3)          | 12           |
| <b>Net change in cash and cash equivalents</b>                  | <b>71</b>    | <b>51</b>    |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>206</b>   | <b>232</b>   |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>277</b>   | <b>283</b>   |

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## Unaudited Interim Condensed Consolidated Statement of Changes in Equity

|  | Total<br>equity<br>\$m) |
|--|-------------------------|
| <b>31 December 2002</b>  | <b>4350</b>             |
| Net income   | 468                     |
| Unrealized holding gains/(losses) on available for sale financial assets | 14                      |
| Unrealized gains/(losses) on derivatives designated as cash flow hedges  | 14                      |
| Income tax (charged)/credited to equity                                  | 16                      |
| Acquisition of minority interests  | (5)                     |
| Dividends payable to group shareholders                                  | (65)                    |
| Foreign currency translation effects                                     | 110                     |
| <b>30 June 2003</b>  | <b>4902</b>             |
| <b>31 December 2003</b>  | <b>5053</b>             |
| Net income   | 792                     |
| Unrealized holding gains/(losses) on available for sale financial assets | 20                      |
| Unrealized gains/(losses) on derivatives designated as cash flow hedges  | 4                       |
| Income tax (charged)/credited to equity                                  | (13)                    |
| Dividends payable to group shareholders                                  | (142)                   |
| Issue of shares under employee purchase plans                            | 15                      |
| Share repurchase scheme  | (68)                    |
| Cash impact of share options under share repurchase scheme               | (44)                    |
| Foreign currency translation effects                                     | (49)                    |

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## Notes to the Unaudited Interim Condensed Consolidated Financial Statements

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### Note 1: Basis of Preparation

**Nature of operations:** Syngenta AG ( Syngenta ) is a world leading crop protection and seeds business that is engaged in the discovery, development, manufacture and marketing of a range of agricultural products designed to improve crop yields and food quality.

**Basis of presentation and accounting policies:** The condensed consolidated financial statements for the six months ended 30 June 2004 are prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee (IASC) that remain in effect. The condensed consolidated financial statements have been prepared in accordance with our policies as set out in the 2003 Financial Report, applied consistently. These principles differ in certain significant respects from generally accepted accounting principles in the United States ( US GAAP ). Application of US GAAP would have affected shareholders' net income and equity for the six months ended 30 June 2003 and 2004 as detailed in Note 6.

The condensed consolidated financial statements are presented in United States dollars ( \$ ) as this is the major trading currency of the company.

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

### Note 2: Changes in Accounting Policies - IFRS

No new IFRS accounting pronouncements were adopted in the six months ended 30 June 2004.

The IASB issued several new or revised accounting standards between December 2003 and March 2004. These standards are mandatory for Syngenta as from 1 January 2005. Assessment of the impact of these IFRS changes on Syngenta will be concluded in the second half of 2004. Wherever practicable, Syngenta intends to adopt these standards early as from 1 January 2004 in its full year 2004 consolidated financial statements. This will include adoption of IFRS 2, Share-based Payment . However, due to ongoing further revisions to IAS 39, early adoption of the revised version of this standard in 2004 is uncertain. Also, because of the complexities associated with the adoption of IFRS 3 and the related changes to IAS 36, Syngenta intends to apply these standards as from 1 January 2005, which will affect goodwill arising on acquisitions made in previous years. To comply with the retrospective transition requirements for certain of the changes, comparative figures for 2002 and 2003 will be restated where appropriate as if the new IFRS requirements had always been in force.

### Note 3: Changes in the Scope of Consolidation

There have been no material acquisitions or divestments completed in 2004 to date.

On 28 January 2003 additional shares were acquired in Syngenta India Limited increasing Syngenta's shareholding to 84 percent from 51 percent. The acquisition was accounted for under the purchase method at a cost of \$29 million. Goodwill of \$6 million was recognized on this transaction and will be amortized over a period of 10 years. Goodwill amortization is included in general and administrative expenses on the consolidated income statement.

### Note 4: Restructuring and Impairment

| For the six months to 30 June                              | 1 <sup>st</sup> Half 2004 |              | 1 <sup>st</sup> Half 2003 |             |
|--|---------------------------|--------------|---------------------------|-------------|
|  | \$m                       | \$m          | \$m                       | \$m         |
| Restructuring costs:                                       |                           |              |                           |             |
| Write-off or impairment                                    |                           |              |                           |             |
| - property, plant & equipment                              | (57)                      |              | (3)                       |             |
| - intangible assets  | (9)                       |              | -                         |             |
| Non-cash pension restructuring charges                     | (54)                      |              | -                         |             |
| Cash costs   |                           |              |                           |             |
| - operational efficiency                                   | (120)                     |              | -                         |             |
| - merger and other cash costs                              | (24)                      |              | (119)                     |             |
| Total  |                           | (264)        |                           | (122)       |
| Other impairment of assets                                 |                           | -            |                           | -           |
| Gains from product disposals                               |                           | -            |                           | 2           |
| Gain on sale of technology & intellectual property license |                           | -            |                           | 39          |
| <b>Total restructuring and impairment charge</b>           |                           | <b>(264)</b> |                           | <b>(81)</b> |

Restructuring represents the effect on reported performance of initiating business changes which are considered major and which, 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 effects of completing and integrating significant business combinations and divestments. 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. Reported performance before restructuring and impairment is one of the measures used in Syngenta's short term employee incentive compensation schemes. Syngenta's definition of restructuring and impairment may not be comparable to similarly titled line items in financial statements of other companies.

Restructuring and impairment includes the impairment costs associated with major restructuring and also impairment losses and reversals of impairment losses resulting from major changes in the markets in which a reported segment operates.

As part of the operational efficiency program, the closure of three production sites has been announced together with the rationalization of two further production sites. A further focusing of R&T activities, including the closure of one site, has also been announced. Cash costs of \$120 million and impairments of tangible and intangible assets totaling \$66 million have been recorded in the first half of 2004. In addition, the rules of Syngenta's Swiss pension plan were amended in April 2004 so that, whilst it continues to be accounted as a defined benefit plan, there is increased sharing of risks with the employee members against a one-time transition charge of \$60 million. The change reduces the expense related to early retirement in 2005 and future years and reduces Syngenta's exposure to pension fund investment returns. This charge has been partially offset by the non-cash impact of pension fund curtailments associated with restructuring.

Merger and other costs include provisions associated with the closure of two of the production sites as part of the merger restructuring program.

## Note 5: Principal Currency Translation Rates

As an international business selling in over 100 countries, with major manufacturing and R&D facilities in Switzerland, the UK and the USA, movements in currencies impact business performance. The principal currencies and adopted exchange rates against the US dollar used in preparing the financial statements contained in this communication were as follows:

|                     | Average<br>1 <sup>st</sup> Half 2004 | Average<br>1 <sup>st</sup> Half 2003 | Period end<br>30 June 2004 | Period end<br>30 June 2003 |
|---------------------|--------------------------------------|--------------------------------------|----------------------------|----------------------------|
| Brazilian real. BRL | 2.96                                 | 3.31                                 | 3.11                       | 2.88                       |
| Swiss franc. CHF    | 1.27                                 | 1.35                                 | 1.26                       | 1.36                       |
| Euro. EUR           | 0.81                                 | 0.91                                 | 0.82                       | 0.88                       |
| British pound. GBP  | 0.55                                 | 0.62                                 | 0.55                       | 0.61                       |
| Japanese yen. JPY   | 107.7                                | 118.8                                | 109.1                      | 119.9                      |

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

## Note 6: Reconciliation to US GAAP from the Interim Condensed Consolidated Financial Statements

The condensed consolidated financial statements have been prepared in accordance with IFRS which, as applied by Syngenta, differs in certain significant respects from US GAAP. The effects of the application of US GAAP to net income and equity are set out in the following tables:

|   | 2004          | 2003          |
|---|---------------|---------------|
| Net income (for the six months ended 30 June)                         | \$m           | \$m           |
| <b>Net income/(loss) under IFRS</b>                                   | <b>792</b>    | <b>468</b>    |
| US GAAP adjustments:  |               |               |
| Purchase accounting:  |               |               |
| Zeneca agrochemicals  | 21            | 21            |
| Other acquisitions  | (35)          | (33)          |
| Impairment losses   | -             | -             |
| Restructuring charges   | 60            | 45            |
| Pension provisions (including post-retirement benefits)               | 51            | -             |
| Stock-based compensation  | (2)           | 1             |
| Deferred taxes on unrealized profit in inventory                      | (21)          | (13)          |
| Other items   | (9)           | 3             |
| Deferred tax effect on US GAAP adjustments                            | (10)          | (4)           |
| <b>Net income/(loss) under US GAAP</b>                                | <b>847</b>    | <b>488</b>    |
| Weighted average number of ordinary shares in issue (million) basic   | 105.56        | 101.55        |
| Weighted average number of ordinary shares in issue (million) diluted | 106.43        | 101.73        |
| <b>Earnings/(loss) per share under US GAAP (basic)</b>                | <b>\$8.03</b> | <b>\$4.81</b> |
| <b>Earnings/(loss) per share under US GAAP (diluted)</b>              | <b>\$7.96</b> | <b>\$4.80</b> |

For the six months ended 30 June 2004, the net income under IFRS was \$792 million, compared to a net income of \$847 million under US GAAP.

The application of the purchase method to business combinations completed in prior periods, and the subsequent accounting for goodwill, are different under IFRS and US GAAP. For intangible assets, this has led to different balance sheet values and amortization charges in each subsequent accounting period, including 2003 and 2004. Also, as Syngenta adopted SFAS No. 142

Goodwill and Intangible Assets as of 1 January 2002, it ceased to record goodwill amortization for US GAAP from that date, but has continued to amortize for IFRS. The \$21 million reconciling item for Zeneca agrochemicals principally represents the goodwill amortization expense recorded under IFRS. The \$(35) million reconciling item for other acquisitions mainly arises because the Sandoz and Ciba-Geigy merger was accounted for as a uniting of interests under IFRS. For US GAAP the merger was accounted for as a purchase, including recognition and subsequent amortization of purchased product rights.

The \$60 million reconciling item for restructuring provisions represents employee termination costs which have been recorded under IFRS, but have not been recognized for US GAAP because the employees affected will continue to work beyond the minimum retention period stipulated by SFAS No.146. These costs will be recognized for US GAAP in future periods as the employees complete their remaining service. The \$51 million reconciling item for pensions mainly represents past service cost arising from the amendment to the Swiss pension plan. Under IFRS, this cost has been recognized in full in the period, because the related benefits vested immediately. US GAAP requires the cost to be recognized over the expected future service of the employees affected.

| <b>Equity (as at 30 June)</b>                           | <b>2004</b> | <b>2003</b> |
|---|-------------|-------------|
|   | <b>\$m</b>  | <b>\$m</b>  |
| <b>Equity under IFRS</b>                                | <b>5568</b> | <b>4902</b> |
| US GAAP adjustments:                                    |             |             |
| Purchase accounting:                                    |             |             |
| Zeneca agrochemicals                                    | (473)       | (461)       |
| Other acquisitions                                      | 833         | 898         |
| Impairment losses                                       | 23          | 23          |
| Restructuring charges                                   | 85          | 36          |
| Pension provisions (including post-retirement benefits) | (114)       | (95)        |
| Stock-based compensation                                | -           | -           |
| Deferred taxes on unrealized profit in inventory        | (17)        | (58)        |
| Other items   | 32          | 29          |
| Deferred tax effect on US GAAP adjustments              | (157)       | (177)       |
| <b>Equity under US GAAP</b>                             | <b>5780</b> | <b>5097</b> |

The difference arising in shareholders' equity for pension provisions at 30 June 2004 includes \$169 million which has been directly charged to US GAAP shareholders' equity (2003: \$94 million). US GAAP, unlike IFRS, requires this charge to equity so that provisions are at least equal to the unfunded pension liability for each pension plan on an accumulated benefit basis. This charge does not affect cash or earnings.

## Note 7: New US GAAP Accounting Pronouncements and Other Disclosures

No new US GAAP pronouncements with a material effect on the consolidated financial statements have been adopted by Syngenta in the six months ended 30 June 2004.

The US GAAP expense for pension and other post-retirement benefits for the six months was as follows:

| <b>For the six months to 30 June</b>  | <b>Pension</b> |             | <b>Other post-<br/>retirement benefits</b> |             |
|---|----------------|-------------|--|-------------|
|   | <b>2004</b>    | <b>2003</b> | <b>2004</b>                                | <b>2003</b> |
|   | <b>\$m</b>     | <b>\$m</b>  | <b>\$m</b>                                 | <b>\$m</b>  |
| Current service cost  | (62)           | (57)        | (1)  | (1)         |
| Interest cost   | (83)           | (75)        | (5)  | (5)         |
| Expected return on assets   | 81             | 70          | 1  | -           |
| Employee contributions  | 10             | 9           | -  | -           |
| Amortization of actuarial losses  | (8)            | (13)        | (4)  | (2)         |
| Past service cost   | (5)            | -           | 2  | 2           |
| Curtailments and settlements  | (15)           | (22)        | -  | -           |
| <b>Expense for pension and other post-retirement benefits under US GAAP</b> | <b>(82)</b>    | <b>(88)</b> | <b>(7)</b>                                 | <b>(6)</b>  |

## Supplementary Financial Information

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### Appendix A: Constant Exchange Rates (CER)

In this report results from one period to another period are, where appropriate, compared using constant exchange rates (CER). To present that information, current period results for entities reporting in currencies other than US dollars are converted into US dollars at the prior period's exchange rates, rather than at the exchange rates for the current year. CER margin percentages for gross profit and EBITDA are calculated by the ratio of these measures to sales after restating the measures and sales at prior period exchange rates. The CER presentation indicates the underlying business performance before taking into account currency exchange fluctuations. See Note 5: Principal Currency Translation Rates on page 17 for information on average exchange rates in 2004 and 2003.

### Appendix B: Sales Excluding Range Rationalization (Ex RR)

Following the formation of Syngenta, the Crop Protection business has sought to improve business quality and create value through the rationalization and modernization of the product portfolio. From 121 active ingredients (AIs) at the time of the merger, plans are in place to reduce the portfolio to 76 AIs and the range had been reduced to 83 AIs by the end of 2003. In addition, various third party products previously formulated and distributed by Syngenta but generating lower levels of profitability have been exited. Sales growth rates excluding rationalization impact have been calculated by excluding the sales decline at constant exchange rates between current year and prior period caused by these phase-out products.

### Appendix C: Free Cash Flow

Free cash flow comprises cash flow after operating activities, investing activities, taxes and operational financing activities prior to capital financing activities such as drawdown or repayment of debt, dividends paid to Syngenta Group shareholders, share repurchase and other equity movements. Free cash flow is not a measure of financial performance under generally accepted accounting principles and the free cash flow measure used by Syngenta may not be comparable to similarly titled measures of other companies. Free cash flow has been included as it is used by many investors as a useful supplementary measure of cash generation.

|   | 2004       | 2003       |
|---|------------|------------|
|   | \$m        | \$m        |
| <b>For the six months to 30 June</b>                  |            |            |
| Cash flow from operating activities                   | 789        | 822        |
| Cash flow used for investing activities               | (113)      | (127)      |
| <b>Free cash flow</b>                                 | <b>676</b> | <b>695</b> |
| Foreign exchange effect on cash and cash equivalents  | (3)        | 12         |
| Free cash flow, including foreign exchange effect (1) | 673        | 707        |

(1) Free cash flow disclosed by Syngenta in prior periods included the effect of foreign exchange movements on cash and cash equivalents. Management believes it to be more prudent to exclude this translation effect in determining free cash flow.



## Appendix D: Reconciliation of EBITDA<sup>(1)</sup> to Net Income

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

|   | 1 <sup>st</sup> Half<br>2004<br>\$m | 1 <sup>st</sup> Half<br>2003<br>\$m |
|---|-------------------------------------|-------------------------------------|
| <b>Net Income in accordance with IFRS</b>       | <b>792</b>                          | <b>468</b>                          |
| Minority interests                              | (9)                                 | 3                                   |
| Income tax expense                              | 48                                  | 289                                 |
| Financial expense, net                          | 22                                  | 68                                  |
| Pre-tax restructuring and impairment            | 264                                 | 81                                  |
| Depreciation, amortization and other impairment | 250                                 | 256                                 |
| <b>EBITDA excluding restructuring</b>           | <b>1367</b>                         | <b>1165</b>                         |

## Appendix E: Reconciliation of Segment EBITDA to Segment Operating Income<sup>(1)</sup>

|  | 1st Half 2004             |              |                         | 1st Half 2003             |              |                         |
|--|---------------------------|--------------|-------------------------|---------------------------|--------------|-------------------------|
|  | Crop<br>Protection<br>\$m | Seeds<br>\$m | Plant<br>Science<br>\$m | Crop<br>Protection<br>\$m | Seeds<br>\$m | Plant<br>Science<br>\$m |
| <b>Operating income</b>                          | <b>1025</b>               | <b>181</b>   | <b>(85)</b>             | <b>831</b>                | <b>157</b>   | <b>(78)</b>             |
| Income/(loss) from associates and joint ventures | (2)                       | 1            | (3)                     | (2)                       | 1            | -                       |
| Depreciation, amortization and other impairment  | 223                       | 24           | 3                       | 231                       | 22           | 3                       |
| <b>EBITDA</b>                                    | <b>1246</b>               | <b>206</b>   | <b>(85)</b>             | <b>1060</b>               | <b>180</b>   | <b>(75)</b>             |

(1) Excluding restructuring and impairment, see Note 4 on page 16.

## Appendix F: Net Debt Reconciliation

Net debt comprises total debt net of related hedging derivatives and cash and cash equivalents. Net debt is not a measure of financial position under generally accepted accounting principles and the net debt measure used by Syngenta may not be comparable to the similarly titled measure of other companies. Net debt has been included as it is used by many investors as a useful measure of financial position and risk. The following table provides a reconciliation of movements in net debt during the period:

|  | 2004<br>\$m | 2003<br>\$m |
|--|-------------|-------------|
| <b>Opening balance at 1 January</b>          | <b>1209</b> | <b>1671</b> |
| Acquisitions and disposals                   | -           | -           |
| Other non-cash items                         | (32)        | (44)        |
| Foreign exchange effect on debt              | (13)        | 62          |
| Purchase of Treasury shares                  | 97          | -           |
| Dividends paid to group shareholders         | -           | 65          |
| Dividends paid to minorities                 | 5           | 4           |
| Free cash flow                               | (676)       | (695)       |
| <b>Closing balance as at 30 June</b>         | <b>590</b>  | <b>1063</b> |
| Constituents of closing balance;             |             |             |
| Cash and cash equivalents                    | (277)       | (283)       |
| Current financial debts                      | 234         | 776         |
| Non-current financial debts                  | 977         | 952         |
| Financing-related derivatives <sup>(1)</sup> | (344)       | (382)       |
| <b>Closing balance at 30 June</b>            | <b>590</b>  | <b>1063</b> |

(1) Included within other current assets.

The following table presents the derivation of the Debt/Equity gearing ratio:

|                                      | 30 June<br>2004<br>\$m | 30 June<br>2003<br>\$m |
|--------------------------------------|------------------------|------------------------|
| Net debt                             | 590                    | 1063                   |
| Shareholders' equity                 | 5568                   | 4902                   |
| <b>Debt/Equity gearing ratio (%)</b> | <b>11%</b>             | <b>22%</b>             |

## Appendix G: Period End Trade Working Capital

The following table provides detail of trade working capital at the period end as a percentage of twelve-month sales:

|             | 30 June<br>2004<br>\$m | 30 June<br>2003<br>\$m |
|-------------|------------------------|------------------------|
| Inventories | 1667                   | 1633                   |

|   |            |            |
|---|------------|------------|
| Trade accounts receivable                               | 2879       | 2303       |
| Trade accounts payable                                  | (1435)     | (1094)     |
| Net trade working capital                               | 3111       | 2842       |
| Twelve-month sales                                      | 7061       | 6400       |
| <b>Trade working capital as percentage of sales (%)</b> | <b>44%</b> | <b>44%</b> |

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## Announcements and Meetings

|  |                  |
|--|------------------|
| Third quarter trading statement 2004         | 22 October 2004  |
| Announcement of 2004 full year results       | 10 February 2005 |
| AGM and first quarter trading statement 2005 | 26 April 2005    |
| Announcement of the half year results 2005   | 28 July 2005     |

## Glossary and Trademarks

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

### Selective Herbicides

|               |   |
|---------------|---|
| APIRO®        | novel grass weed herbicide for rice                             |
| BICEP® MAGNUM | broad spectrum pre-emergence herbicide for corn and sorghum     |
| CALLISTO®     | novel herbicide for flexible use on broad-leaved weeds for corn |
| DUAL® MAGNUM  | grass weed killer for corn and soybeans                         |
| ENVOKE®       | novel low-dose herbicide for cotton and sugar cane              |
| FLEX®         | broad spectrum broad-leaf weed herbicide for soybeans           |
| FUSILADE®     | grass weed killer for broad-leaf crops                          |
| LUMAX®        | unique season-long grass and broad leaf weed control            |
| TOPIK®        | post-emergence grass weed killer for wheat                      |

### Non-selective Herbicides

|                |   |
|----------------|---|
| GRAMOXONE®     | rapid, non-systemic burn-down of vegetation |
| TOUCHDOWN®     | systemic total vegetation control           |
| TOUCHDOWN® IQ® | improved TOUCHDOWN®                         |

### Fungicides

|               |   |
|---------------|---|
| ACANTO®       | second-generation strobilurin with particular advantages in early cereal applications |
| AMISTAR®      | broad spectrum strobilurin for use on multiple crops                                  |
| BRAVO®        | broad spectrum fungicide for use on multiple crops                                    |
| RIDOMIL GOLD® | systemic fungicide for use in vines, potatoes and vegetables                          |
| SCORE®        | triazole fungicide for use in vegetables, fruits and rice                             |

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|                               |   |
|-------------------------------|---|
| TILT®                         | broad spectrum triazole for use in cereals, bananas and peanuts                         |
| UNIX®                         | cereal and vine fungicide with unique mode of action                                    |
| <b>Insecticides</b>           |   |
| ACTARA®                       | second-generation neonicotinoid for controlling foliar and soil pests in multiple crops |
| FORCE®                        | unique pyrethroid controlling soil pests in corn  |
| KARATE®                       | foliar pyrethroid offering broad spectrum insect control                                |
| PROCLAIM®                     | novel, low-dose insecticide for controlling lepidoptera in vegetables and cotton        |
| VERTIMEC®                     | acaricide for use in fruits, vegetables and cotton                                      |
| <b>Professional Products</b>  |   |
| AVID®                         | acaricide for ornamentals   |
| BARRICADE®                    | pre-emergence crabgrass herbicide for turf  |
| CRUISER®                      | novel broad spectrum seed treatment - neonicotinoid insecticide                         |
| DIVIDEND®                     | triazole seed treatment fungicide   |
| HERITAGE®                     | strobilurin turf fungicide  |
| ICON®                         | public health insecticide   |
| IMPASSE®                      | termite barrier   |
| MAXIM®                        | broad spectrum seed treatment fungicide   |
| <b>Field Crops</b>            |   |
| NK®                           | global brand for corn, oilseeds and other field crops                                   |
| HILLESÖG®                     | global brand for sugar beet   |
| <b>Vegetables and Flowers</b> |   |
| S&G® vegetables               | leading brand in Europe, Africa and Asia  |
| S&G® flowers                  | global brand for seeds and young plants   |
| ROGERS® vegetables            | leading brand throughout the Americas   |
| DULCINEA                      | consumer produce brand for value-added fruits and vegetables in North America           |
| PUREHEART                     | Dulcinea brand for personal size seedless watermelon                                    |

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### Cautionary Statement Regarding Forward-Looking Statements

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This document contains forward-looking statements, which can be identified by terminology such as expect, would, will, potential, plans, prospects, estimated, aiming, on track and similar expressions. Such statements may be subject to risks and uncertainties that could cause the actual results to differ materially from these statements. We refer you to Syngenta's publicly available filings with the US Securities and Exchange Commission for information about these and other risks and uncertainties. Syngenta assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors. This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer, to purchase or subscribe for any ordinary shares in Syngenta AG, or Syngenta ADSs, nor shall it form the basis of, or be relied on in connection with, any contract therefore.

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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

#### SYNGENTA AG

Date: August 12, 2004

By: /s/ Damian Heller

\_\_\_\_\_  
Name: Damian Heller  
Title: Authorized Signatory

By: /s/ Eva Catilon

\_\_\_\_\_  
Name: Eva Catilon  
Title: Authorized Signatory