

Vilmorin & Cie SA

Public limited company with Board of Directors, with a capital of 288 833 642.75 Euros

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SIREN Paris 377 913 728

Fiscal year from July 1<sup>st</sup> to June 30<sup>th</sup>

NYSE Euronext Paris (Compartment A) - Eligible for Deferred Settlement Order

Indices: SBF 120, CAC Mid & Small, CAC All-Tradable, CAC All Share

February 18, 2014

- SALES FOR THE 1<sup>ST</sup> SEMESTER ENDING ON DECEMBER 31, 2013 UP 4.2 % LIKE FOR LIKE
- CONTRACTION IN RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2013-2014: NET LOSS IN THE GROUP SHARE OF 41.7 MILLIONS EUROS
- INCREASE IN GROWTH OBJECTIVE FOR 2013-2014 SALES

It is important to note that, on average, sales for the first semester represent less than one third of the annual sales for Vilmorin & Cie. Because of this highly seasonal nature, the consolidated financial statements for the first semester traditionally show negative income.

In millions of Euros	2012-2013	2013-2014	Variation like for like
<b>Sales for the first semester</b>	<b>432.0</b>	<b>443.1</b>	<b>+4.2%</b>
Vegetable seeds	218.2	224.6	+10.0%
Field seeds	191.3	195.1	-1.6%
Garden products	22.2	23.0	+0.8%
Holdings	0.3	0.4	-

In millions of Euros	2012-2013	2013-2014	Variation with current data
Operating income	-22.1	-37.3	-15.2
Financial income	-7.7	-12.7	-5.0
Income taxes	+3.8	+5.6	+1.8
<b>Net income</b>	<b>-25.8</b>	<b>-43.0</b>	<b>-17.2</b>
<b>Group share in net income</b>	<b>-25.0</b>	<b>-41.7</b>	<b>-16.7</b>

The consolidated financial statements for the first semester 2013-2014, closed on December 31, 2013, were approved at the Vilmorin & Cie Board meeting of February 17, 2014. The Statutory Auditors have carried out a limited audit of the financial information for the first semester; in their conclusions they have not indicated any significant anomaly.

Consolidated financial information is established in compliance with the IFRS referential (International Financial Reporting Standards) as adopted by the European Union on December 31, 2013, and for the first time, taking into account the changes in the accounting principles resulting from the application of the revised standard IAS 19 "Employee benefits".

The main changes to the consolidation scope concern the majority takeover of Link Seed (South Africa. Field seeds) in January 2013, and the acquisition of the companies Shamrock (United States and Mexico. Vegetable seeds) in October 2013 and Eureka Seeds (United States. Field seeds) in November 2013.

**SALES FOR THE FIRST SEMESTER:  
GROWTH IN BUSINESS FUELLED BY THE EXCELLENT PERFORMANCE  
OF THE VEGETABLE SEEDS DIVISION**

Vilmorin & Cie's consolidated sales for the first semester of 2013-2014, closing on December 31, 2013, came to 443.1 million Euros, a rise of 2.6% with current data and 4.2% like for like, including the negative impact of variations in exchange rates of 22.7 million Euros.

④ **VEGETABLE SEEDS DIVISION:  
A HIGH QUALITY SEMESTER**

Sales for the Vegetable seeds division for the first semester came to 224.6 million Euros, an increase of 2.9% with current data compared with the first semester for 2012-2013. Restated like for like, the division achieved an increase of 10%.

During the course of the second quarter, business continued to expand in a favorable market context, confirming the recovery which began several months ago. With the exception of the Japanese business which remained flat, hit by local consumption which remains sluggish, all the Business Units achieved excellent performances and continued to progress with the strategic crops (tomato, carrot, pepper, onion, etc.), in North and South America, in the Africa/Middle East zone and in Europe (in particular Spain and Italy). This confirmation of a very good start to the fiscal year means that Vilmorin & Cie can now anticipate that growth guidance for 2013-2014 will be exceeded.

④ **FIELD SEEDS DIVISION:  
A SLIGHT CONTRACTION IN BUSINESS FOR THE SEMESTER,  
DUE TO A LATE START IN THE COMMERCIAL CAMPAIGN FOR THE SPRING**

Sales for the Field seeds division for the first semester came to 195.1 million Euros, an increase of 2% compared with the first semester 2012-2013, and a decrease of 1.6% like for like.

- ④ In Europe, the campaign for straw cereals (wheat, barley) closed with a drop in business, as a result of a return to usual business, after a particularly favorable season in 2012-2013. Furthermore, the second quarter was marked by a later start for the spring campaigns (corn, sunflower) than last year. In spite of a market context marked by a drop in the prices of agricultural raw materials in recent months, and by a real lack of visibility on certain markets in Eastern Europe (mainly Ukraine and Russia), orders for corn and sunflower look promising.
- ④ On the North American market, the start of the commercial campaign for corn and soybean seeds is running well, and globally the objectives for sales and margins can be confirmed, with very good quality supplies.
- ④ In South America, sales have progressed well for the first corn campaign, and acreage for soybean production continues to increase.

• **GARDEN PRODUCTS DIVISION:**  
**STABLE BUSINESS IN A MOROSE MARKET ENVIRONMENT**

Sales for the Garden products division came to 23 million Euros on December 31, 2013, up 3.7% with current data and 0.8% like for like.

On the British market, the increase in sales for this first half of the fiscal year is largely due to the successful performance of distance sales. In France, business remained stable globally; it was marked by an increase in international sales and a cyclical drop in certain business segments in a context of pressure on purchasing power.

**FINANCIAL STATEMENTS FOR THE SEMESTER:**  
**A DECREASE IN THE RESULTS FOR THE SEMESTER DUE TO THE LATE START IN THE FIELD SEEDS BUSINESS AND TO CURRENCY TRANSLATION**

• After taking into account the cost of destruction and depreciation of inventory, margin on the cost of sales came to 206.5 million Euros, representing 46.6% of total sales, down 0.9 percentage points compared with the first semester of the previous fiscal year. This year, it is mainly affected by an advance payment of 6 million Euros royalties made during the first semester for access to certain technologies.

Net operating charges came to 243.8 million Euros, an increase of 16.3 million Euros compared with the first semester of fiscal year 2012-2013, including an additional investment of 5.3 million Euros in research and development.

It should be highlighted that, for this first semester 2013-2014, no significant non-recurring charge/income was recorded (reorganization costs, disposal of assets, impairments).

**Consequently, the operating result for the first semester shows a loss of 37.3 million Euros on December 31, 2013, an increase of 15.2 million Euros compared with the first semester for 2012-2013.**

• The financial result shows a net charge of 12.7 million Euros as opposed to 7.7 million Euros on December 31, 2012. There were foreign exchange losses of 4.7 million Euros as opposed to net exchange gains of 1.7 million Euros for the first semester of the previous fiscal year; these losses mainly concern currency translation differences recorded on December 31, 2013.

• Income tax on December 31, 2013 shows a net tax income of 5.6 million Euros, an increase of 1.8 million Euros compared with the previous year.

• **As a result of all these factors, the net result for the semester shows a loss of 43 million Euros, including a Group share loss of 41.7 million Euros, an increase of 17.2 million Euros compared with December 31, 2012.**

• At the end of December 2013, the balance sheet structure is naturally influenced to a large extent by the seasonal nature of the annual business cycle.

Net of cash and cash equivalents (318.7 million Euros), indebtedness came to 575.8 million Euros, including a non-current share of 559.4 million Euros.

The Group share of equity stood at 906 million Euros and minority interests at 118.3 million Euros.

**PURCHASE OF A STAKE IN SEED CO (FIELD SEEDS):  
IMPLEMENTATION OF THE AGREEMENTS SIGNED WITH AICO AND SEED CO**

Vilmorin & Cie has just implemented the agreement signed at the end of 2013 with the African company Seed Co and its reference shareholder, AICO Africa Limited (AICO). Accordingly, Vilmorin & Cie acquired a block of Seed Co shares from AICO and also subscribed to a reserved stock capital increase; Vilmorin & Cie now holds an initial stake of 15% in the capital stock of Seed Co.

**OUTLOOK FOR 2013-2014:  
GROWTH OBJECTIVE FOR SALES RAISED, BORNE BY THE DYNAMISM OF THE  
VEGETABLE SEEDS ACTIVITY**

In view of the results for the first semester, as presented above, and on the basis of current trends for the commercial spring campaigns as perceived today, Vilmorin & Cie is raising its growth objective for consolidated sales, now fixing it at more than 6% like for like, compared with more than 5% previously.

Vilmorin & Cie reaffirms its objective of achieving a current operating margin of at least 10.5%, accounting for an investment in research estimated at 200 million Euros.

**COMING DISCLOSURES**

**Wednesday March 5, 2014:** update of the reference document for 2012-2013 in French filed with the AMF

**Tuesday April 29, 2014 (before the Paris stock market opens):** sales at the end of the 3<sup>rd</sup> quarter

**Wednesday July 30, 2014 (at the end of trading on the Paris stock market):** sales for the fiscal year

**Tuesday October 7, 2014 (at the end of trading on the Paris stock market):** results for the fiscal year

**Vilmorin & Cie develops vegetable and field seeds with high added value to better meet global food requirements.**

Accompanied by its reference shareholder, Limagrain, an international agricultural co-operative group, Vilmorin & Cie is currently the fourth largest seed company in the world.

True to its vision of sustainable development, Vilmorin & Cie relies on ongoing investments in research and international growth to strengthen its market shares. An ambition that is driven by its corporate culture which is based on the sharing of knowledge, quality of life and respect for the needs of mankind.

**FOR ANY FURTHER INFORMATION:**

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**APPENDIX:**
**SALES FOR THE FIRST SEMESTER 2013-2014 AND EVOLUTION PER QUARTER AND PER DIVISION**

In million of Euros	2012-2013	2013-2014	Variation with current data	Variation like for like
<b>First quarter</b>	<b>187.3</b>	<b>198.6</b>	<b>+6.1%</b>	<b>+9.2%</b>
Vegetable seeds	107.6	110.9	+3.1%	+12.3%
Field seeds	67.2	74.9	+11.5%	+6.6%
Garden products	12.3	12.6	+2.3%	-0.8%
Holdings	0.2	0.2	-	-
<b>Second quarter</b>	<b>244.7</b>	<b>244.5</b>	<b>-0.1%</b>	<b>+0.4%</b>
Vegetable seeds	110.6	113.7	+2.8%	+7.9%
Field seeds	124.1	120.2	-3.2%	-6.0%
Garden products	9.8	10.4	+5.6%	+2.8%
Holdings	0.1	0.2	-	-
<b>First semester</b>	<b>432.0</b>	<b>443.1</b>	<b>+2.6%</b>	<b>+4.2%</b>
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