



INFORMATIONAL MEETING

OCTOBER 20, 2016



AGENDA

KEY POINTS

FINANCIAL RESULTS FOR 2015-2016

NEWS

COMPETITIVE ENVIRONMENT

OUTLOOK FOR 2016-2017 AND MID-TERM AMBITIONS

SCHEDULE

APPENDICES

■ Sales for fiscal year 2015-2016 of 1,325 million Euros, which is growth of 4.7%*, beyond the objectives specified at the end of the 3rd quarter:

- Vegetable seeds: +9.6%*
- Field seeds : +0.6%*

■ Mixed financial performances, in an unfavorable environment for field seeds and affected by non-recurring charges

- Operating result: €100 M, stable
- Current operating margin: 8.4%, a considerable increase
- Consolidated net income: €61 M, a marked decrease

■ Outlook for 2016-2017

- Dynamic business growth objectives, following on with trends for 2015-2016 and preservation of the current operating margin

Further deployment of the development and innovation strategy on markets which remain, when looking beyond temporary disturbances, fundamentally promising

**On a like-for-like basis*



RESULTS FOR FISCAL YEAR 2015-2016

REFERENCES

Accounting reference

- IFRS on June 30, 2016

Consolidation scope

- Acquisition of Genica Research (United States. Vegetable seeds) in February 2016

Rates of the main currencies on June 30, 2016 (and June 30, 2015)

	average rate		closing rate	
	2015	2016	2015	2016
\$	1.20	1.11	1.12	1.11
¥	137	129	137	114
£	0.76	0.75	0.71	0.83
TRY	2.85	3.22	3.00	3.21
ILS	4.54	4.28	4.22	4.28
BRL	3.20	4.10	3.47	3.59
INR	74.48	73.61	71.19	74.96
MXN	17.12	19.24	17.53	20.63
UAH	20.67	26.52	23.41	27.58
RUB	59.32	74.86	62.36	71.52

PERFORMANCES IN 2015-2016. VEGETABLE SEEDS

In M€	2014-2015	2015-2016	Variation
Sales	614.6	688.7	+9.6% ⁽¹⁾
Operating result	95.8	109.3	+13.5 M€
Operating margin	15.6%	15.9%	+0.3 pt
Current operating margin	15.8%	16.2%	+0.4 pt
EBITDA	175.1	195.3	+20.2 M€

⁽¹⁾ on a like-for-like basis

Another year of strong growth, confirming the average structural trend recorded in recent years (> 7%), characterized by:

- growth for all the Business Units and further market share gains,
- commercial development confirmed for major strategic crops and in all key zones, supported by an excellent innovation flow.

High quality operational performance with, in particular:

- an increase in the operating margin rising to 16%,
- a sustained (net) investment capacity in R&D (+€6 M),
- an increased contribution to the consolidated results (+€20 M in EBITDA, +€8 M in net income).

PERFORMANCES IN 2015-2016. FIELD SEEDS

In M€	2014-2015	2015-2016	Variation
Sales	595.3	581.7	+0.6% ⁽¹⁾
Operating income	20.9	10.6	-10.3 M€
Operating margin	3.5%	1.8%	-1.7 pt
Current operating margin	3.6%	2.8%	-0.8 pt
EBITDA	101.6	96.8	-4.8 M€

⁽¹⁾ on a like-for-like basis

■ **Context of agricultural markets still globally unfavorable** (level of prices, weather conditions), leading to a drop in the seeds markets in Western Europe (volumes and values)

■ **Business recovery in Ukraine and Russia** with record sales in sunflower seeds; corn market shares maintained in Western Europe

■ **Strong growth in business in South America** resulting in a real improvement in operational performance

■ **Further structuring of the more recent Business Units and continuing consolidation of (net) investments in R&D (+€4 M)**

■ **Contribution to consolidated income down considerably** (-€5 M in EBITDA, -€3 M in net income), balanced by a strong reduction in capital employed (-€17 M)

PERFORMANCES IN 2015-2016. INCOME FROM ASSOCIATED COMPANIES

Income from associated companies: €30.8 M (+€1.4 M with current data)

■ **AgReliant (Field seeds. North America)**

- Contribution of **€23.9 M (+€2 M)** corresponding to total sales of \$670 M and a total net income of \$53 M
- Solid commercial performance characterized by record sales (volumes) in corn
- Signing of agreements for access to the Syngenta technological platform for GM corn traits and acquisition of the company Golden Acres (Texas)

■ **Seed Co (Field seeds. Africa)**

- Contribution **€4.2 M (+€0.4 M)** corresponding to total sales of \$96 M (mainly corn) and a total net income of more than \$15 M
- A second year of integration marked by a very high level of contribution, in spite of extreme weather conditions (drought)
- Development of collaborations both for Field seeds (technologies, corn germplasm) and Vegetable seeds

PERFORMANCES IN 2015-2016. OTHER ASPECTS ANALYZED

Non-recurring items

- Impact of exceptional weather conditions in the fall of 2015 in certain corn seed production areas in Western Europe, leading to additional procurement costs of €5 M in order to respect contractual agreements with producers (compensation, counter-season production, etc.)
- Reorganization costs (€3.5 M) of certain activities – including the deployment of a job protection plan by Vilmorin Jardin
- Partial allocation (€2 M) of the acquisition goodwill of Genica Research (Vegetable seeds. United States) recorded as a reduction of the sales margin (IFRS 3R)

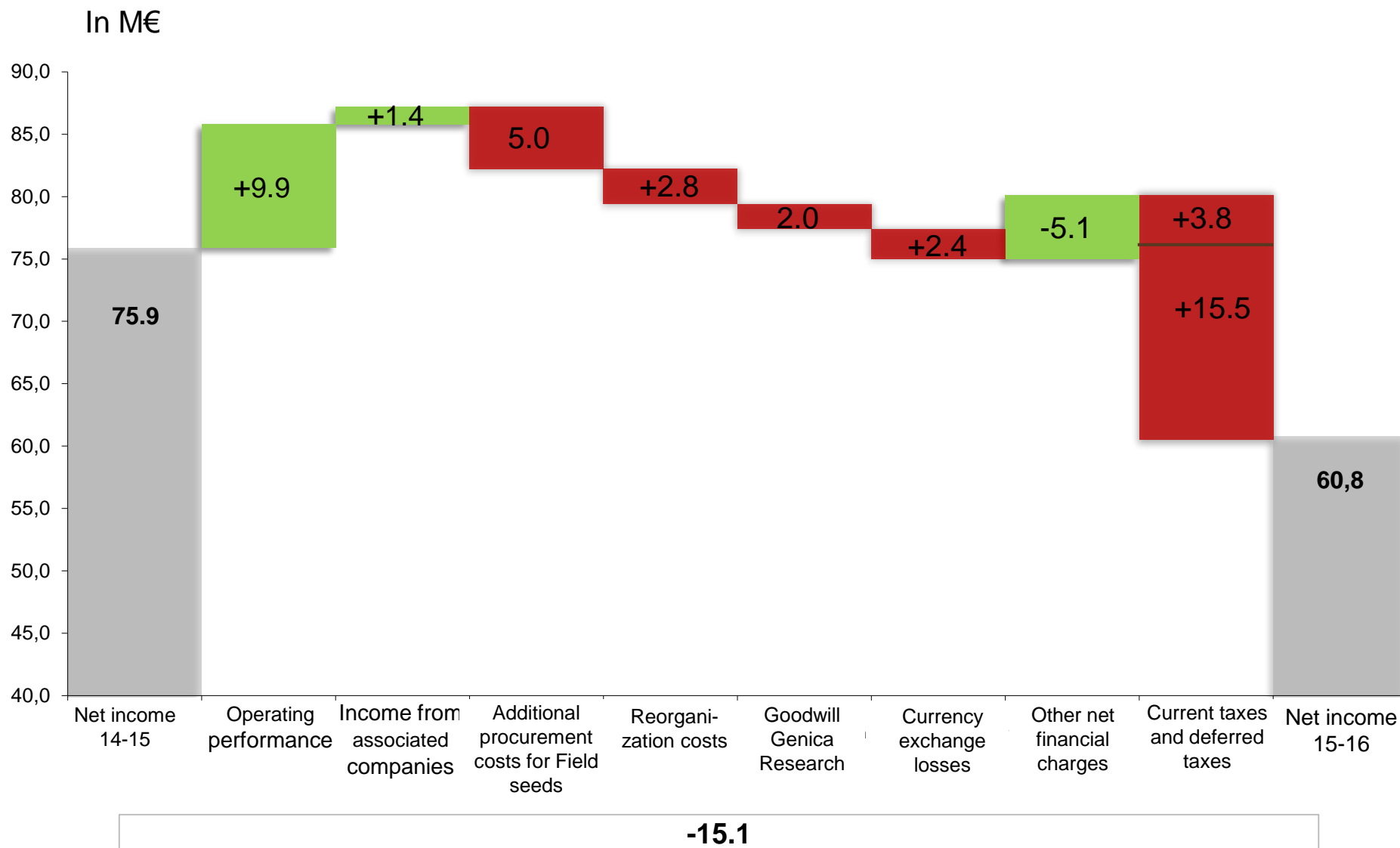
Financial result

- Further impairment (€6 M) of the minority stake held in the American biotechnology company Arcadia Biosciences, listed on the Nasdaq
- Reduction in the net financial indebtedness charge (-€3 M) in spite of the increase in the average debt (> €90 M)

Taxes

- Strong variation in income taxes (+€19 M), particularly because of the cap on deferred taxes on assets imposed by French tax integration.

PERFORMANCES IN 2015-2016 – SUMMARY



EVOLUTION OF THE BALANCE SHEET STRUCTURE

■ **Another increase in net indebtedness**, essentially due to:

- the signing of significant development and external growth operations (technological agreements with Syngenta, take-over of Genica Research, etc.)
- in spite of a contained budget for industrial investments and a marked improvement in operating working capital needs

KEY DATA ON JUNE 30, 2016

- Equity: €1,264 M
- Net financial debt: €742 M
including cash €207 M
- Gearing: 59%
- Leverage: 2.7

■ **Equity hit hard by currency exchange losses (-€17 M), and net actuarial losses on pension plans (-€23 M)**

■ **Diversified financial resources**, consolidated during fiscal year 2015-2016 through agreements to extend due dates and/or global commitment



NEWS

CREATION OF THE BUSINESS UNIT “VILMORIN-MKS”

FACTS AND FIGURES ABOUT THE VEGETABLE SEEDS DIVISION

A world leader

More than 30 crops

in particular those that are most widely consumed throughout the world: tomato, carrot, melon, onion, pepper, bean, etc.

For professional vegetable production players



KEY FIGURES 2015-2016

- No. **2** worldwide
- Sales: **€689 M**
- 31** countries with sites
- More than **3,500** employees

Organization until June 30, 2016:

4 Business Units:

- HM.CLAUSE
- Hazera
- Vilmorin
- Mikado Kyowa Seed



CREATION OF THE BUSINESS UNIT “VILMORIN-MKS”

- Unification of the Business Units Vilmorin and Mikado Kyowa Seed as of July 1, 2016
- Strong complementarity and several collaboration projects over the past 15 years (carrot breeding, distribution, production, etc.)



Objective: Accelerate the development of Vegetable seeds in Asia,
by benefitting from Mikado Kyowa Seed's solid bases in Japan and in Asia
and Vilmorin's strong international penetration

**Vilmorin & Cie's Vegetable seeds are now organized around
3 world Business Units**

FACTS AND FIGURES ABOUT VILMORIN AND MIKADO KYOWA SEED



A world Business Unit,
which makes sales
in more than 100 countries

■ Key dates:

- 1742: creation of the company
- 1975: acquisition by Limagrain
- 1993: integration in Vilmorin & Cie

■ Strategic crops:

- World leader for carrot and witloof chicory
- Major player in tomato, lettuce and tree seeds

A regional Business Unit
dedicated to Asian markets

■ Key dates:

- 1990: 1st purchase of a stake by Vilmorin & Cie in the capital of Mikado
- 2000 and 2005: two-stage takeover of Kyowa Seed
- 2007: merger of the two companies to create "Mikado Kyowa Seed"

■ Strategic crops:

- Carrot, daikon radish, tomato, bunching onion, broccoli

A new critical mass:

Vilmorin-MKS is present on all continents

12 legal entities and 16 time zones



FACTS AND FIGURES ABOUT VILMORIN-MKS



A wide range of products:

→ 4 leading crops: carrot, tomato, lettuce, pepper

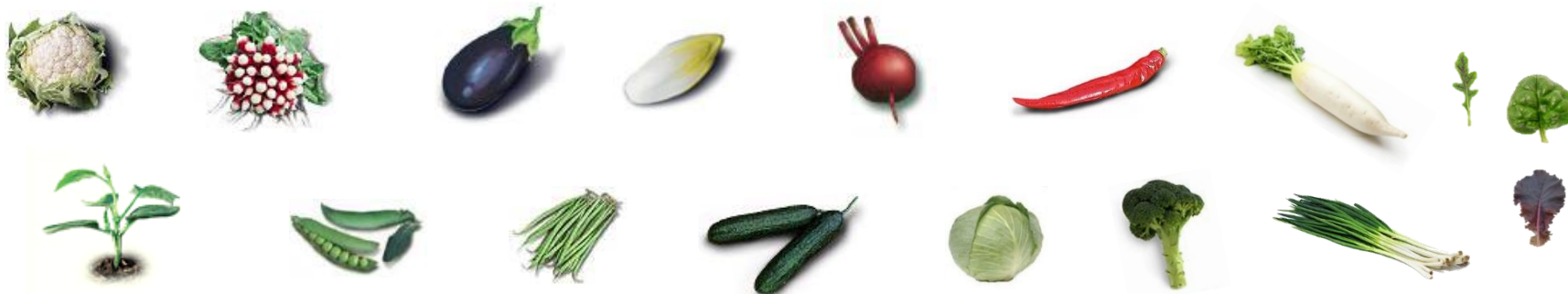


KEY FIGURES 2015-2016

- Sales : more than **€220 M**
- Headcount: more than **1,000 employees**
- More than **20 nationalities** for the employees
- **2 head offices**: La Ménitré (France) and Toke (Japan)

→ 19 crops bred altogether

→ A worldwide research network

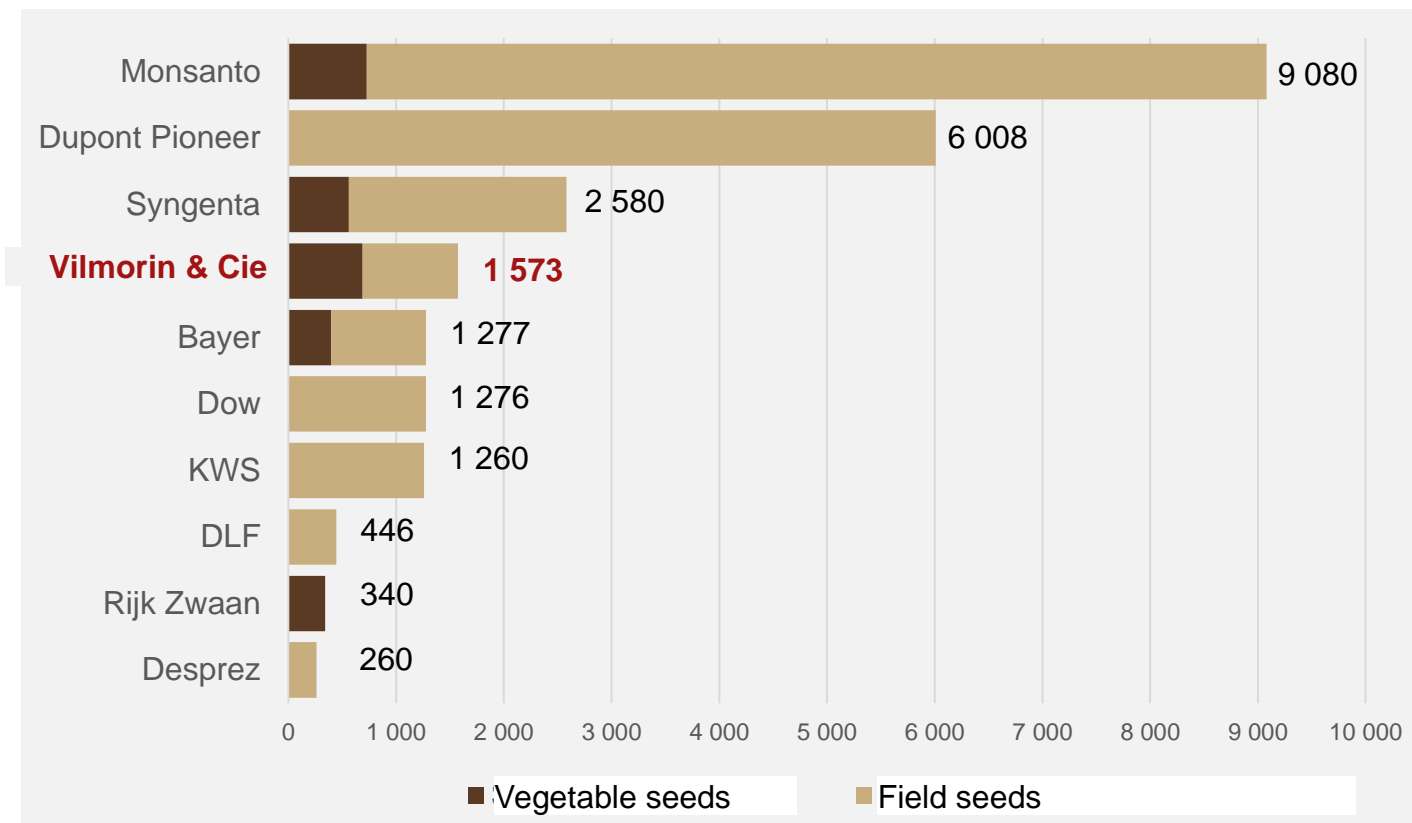




COMPETITIVE ENVIRONMENT

COMPETITIVE POSITIONS

Current positions of the main competitors in the Seeds business



Seeds activity – Sales for 2015 in millions of Euros

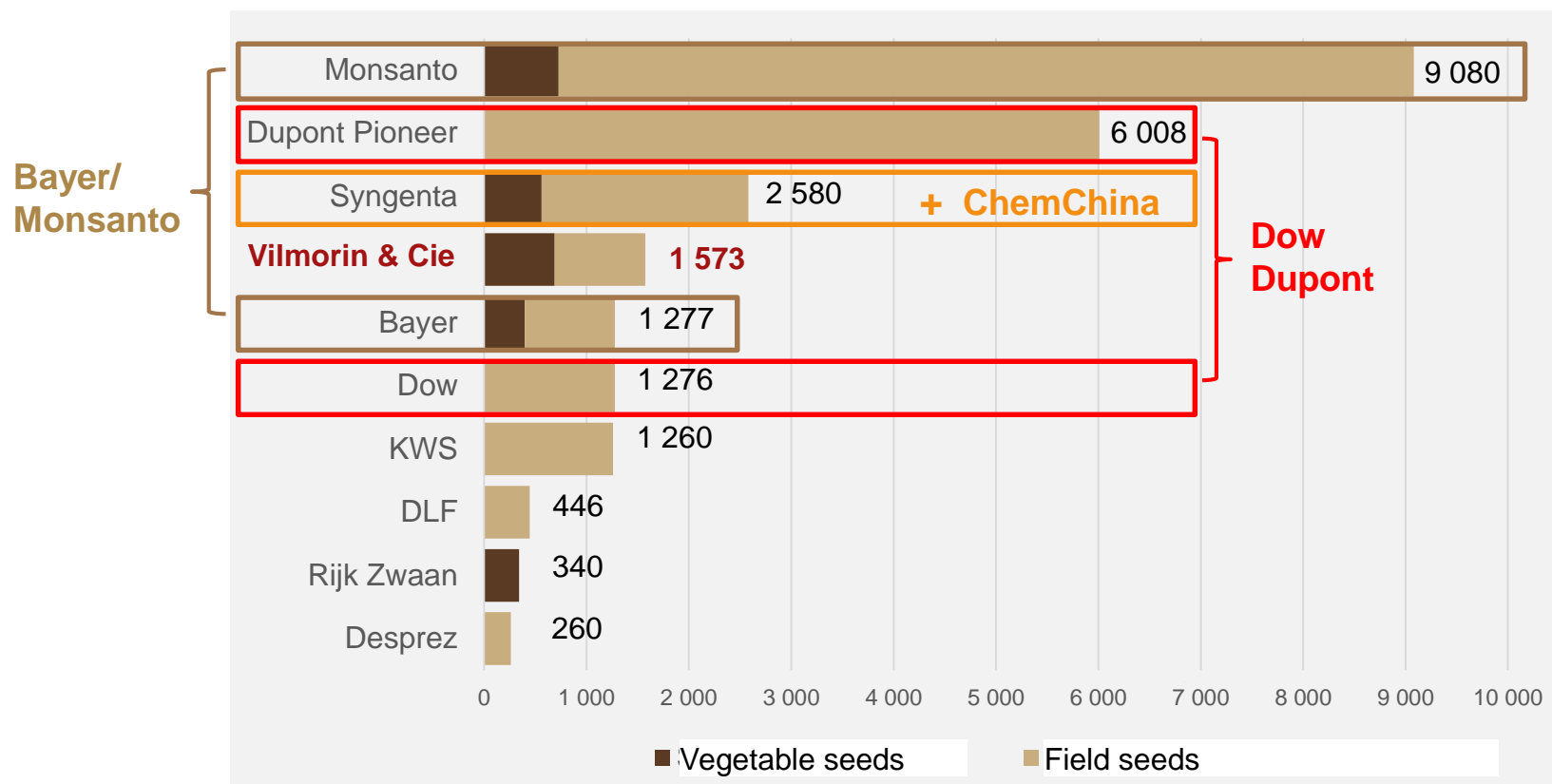
(Monsanto and Vilmorin & Cie: data for 2015-2016)

(Vilmorin & Cie: excluding sales for Garden products / without accounting for IFRS 11)

Sources: company disclosures, internal. 2016

COMPETITIVE POSITIONS

Current merger operations



Seeds activity – Sales for 2015 in millions of Euros

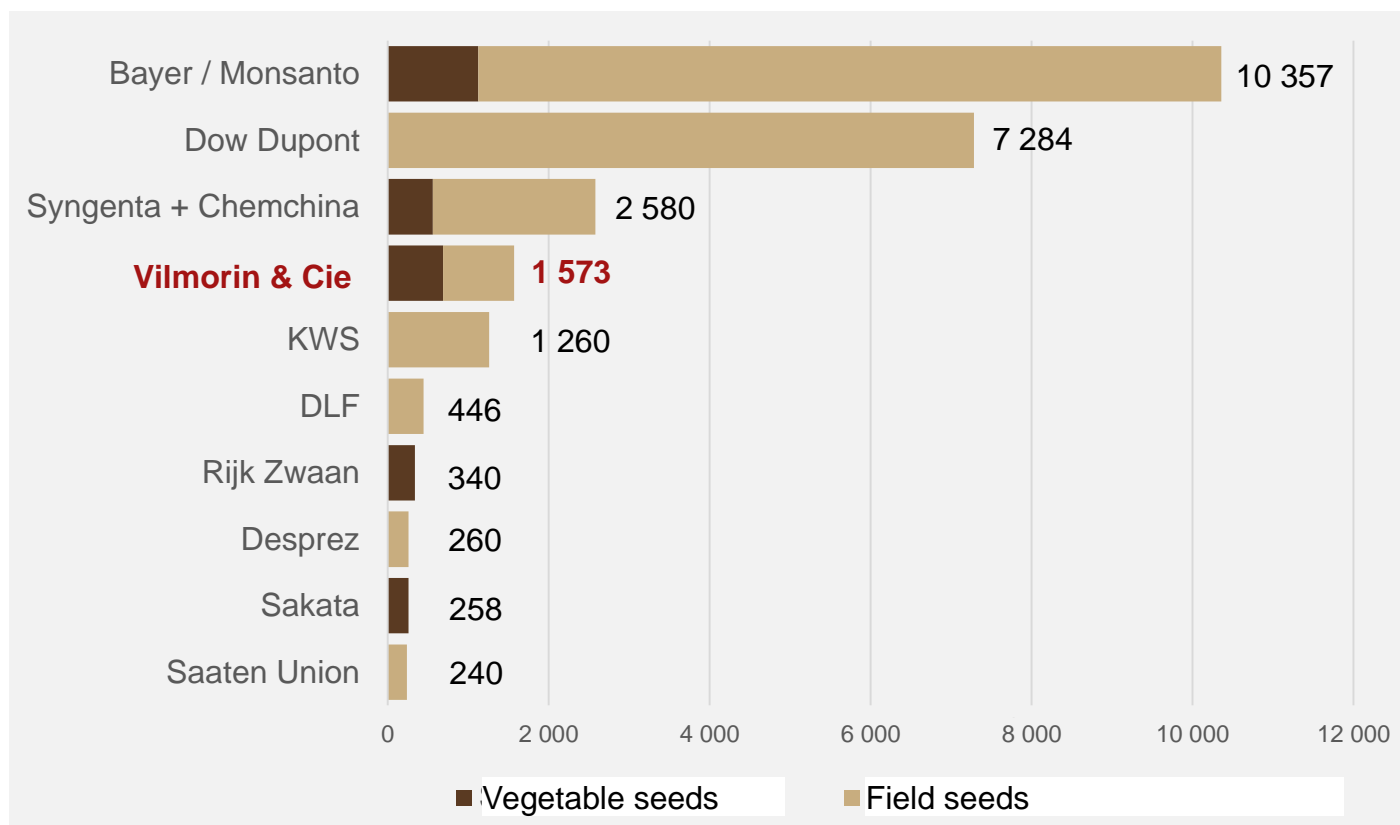
(Monsanto and Vilmorin & Cie: data for 2015-2016)

((Vilmorin & Cie: excluding sales for Garden products / without accounting for IFRS 11)

Sources: company disclosures, internal. 2016

COMPETITIVE POSITIONS

■ Projection of the positions of the main competitors in the Seeds activity after merger operations



Seeds activity – Sales for 2015 in millions of Euros

(Monsanto and Vilmorin & Cie: data for 2015-2016)

((Vilmorin & Cie: excluding sales for Garden products / without accounting for IFRS 11)

Sources: company disclosures, internal. 2016

COMPETITIVE POSITIONS

■ Within this competitive panorama which is changing in composition, the positions of Vilmorin & Cie remain unchanged:

- ➔ In vegetable seeds, Vilmorin & Cie remains solidly positioned as a world leader

- ➔ In field seeds, Vilmorin & Cie confirms its strategy and specific approach, with:
 - 2 strategic key crops worldwide: corn and wheat
 - Development based on partnerships, both commercially and in research



OUTLOOK FOR 2016-2017 AND MID-TERM AMBITIONS

STAKES AND OBJECTIVES FOR THE FISCAL YEAR

Vegetable seeds

Continuing on from previous fiscal years, achieve **growth in sales higher than that estimated for the market** for vegetable seeds, through continuing varietal innovation and close proximity to the markets

Field seeds

Strengthen positions in regions where facilities have been established

Europe

Consolidate commercial positions in markets that remain tense

New territories for development (South America, Asia and Africa)

Strengthen presence with tropical corn (yellow and white)

Pursue the deployment of a portfolio of complementary crops, defined in accordance with markets (particularly soybean in Brazil, and rice in India)

As part of the operational action plan announced in April 2016

- Moderation of the increase in research investments
- In terms of external growth, priority to the integration of recently acquired structures
- Tight control of operating charges and investments

OBJECTIVES*

I Achieve significant growth in sales

relying on the dynamism of the Vegetable seeds activity,
in spite of persistent pressure on agricultural prices affecting the Field seeds activity

Consolidated **sales** +5%
Vegetables > 7%
Field seeds > 2%

Current operating margin
at the same level as in 2015-2016,
taking into account investment in
research of > €240 M

- I Aim for a contribution from associated companies, at least equivalent to 2015-2016
- I Further deployment of the development and innovation strategy, in a long-term vision

**On a like-for-like basis*

STRATEGIC ORIENTATIONS

I Strategic ambition for 2020

- Accelerate development to reach business growth higher than market trends and increase operating margins, both in Vegetable seeds and Field seeds
- Consolidate the financial profile, in terms of leverage (aiming a level of between 1.5 and 2) and indebtedness (with gearing lower than 40%), and in particular make sure there is an increase in cash generation
- Materialize the 3 strategic priorities:

VEGETABLE SEEDS

REINFORCE WORLD LEADERSHIP



CORN SEEDS

BECOME A GLOBAL PLAYER



WHEAT SEEDS

ULTIMATELY BECOME THE WORLD REFERENCE



REMINDER OF THE AMBITIONS LOOKING TO 2020. VEGETABLE SEEDS

2015-2016 >>> 2016-2017

Coming fiscal years

Another fiscal year of dynamic and profitable growth in activity, demonstrating the pertinence of the strategy



Pursue the strategy of combining organic growth and external growth

- > Regular renewal and optimization of the product portfolio
- > Reinforcement of proximity to the markets
- > Targeted external growth operations

Continue to increase value in emerging markets

AMBITION FOR 2020

Average growth in sales
of more than 5% per year
Reach an operating margin
level of 18%

REMINDER OF THE AMBITIONS LOOKING TO 2020. FIELD SEEDS

2015-2016 >>> 2016-2017

Coming fiscal years

> Fine resistance of the activity in an unfavorable market, particularly in Europe, and structuring of the organization in new zones...

... affecting business and the operational performance

> Further internationalization of business and progress in the development of a proprietary range of genetically modified varieties

Continue the strategy of innovation and internationalization

- > Quality of product pipeline
- > International deployment
- > Development of a proprietary range of genetically modified varieties

AMBITION FOR 2020

Reach sales
of around 1 billion Euros
with an operating margin of 10%
(including AgReliant at 50%)



SCHEDULE

TUESDAY NOVEMBER 8, 2016, AFTER TRADING

- Disclosure of sales at the end of the first quarter 2016-2017 (on September 30, 2016)

FRIDAY NOVEMBER 18 AND SATURDAY NOVEMBER 19, 2016

- Actionaria Fair in Paris

FRIDAY DECEMBER 9, 2016

- Annual General Meeting of Shareholders in Paris

TUESDAY DECEMBER 13, 2016

- Dividend detachment

THURSDAY DECEMBER 15, 2016

- Payment of the dividends



APPENDICES



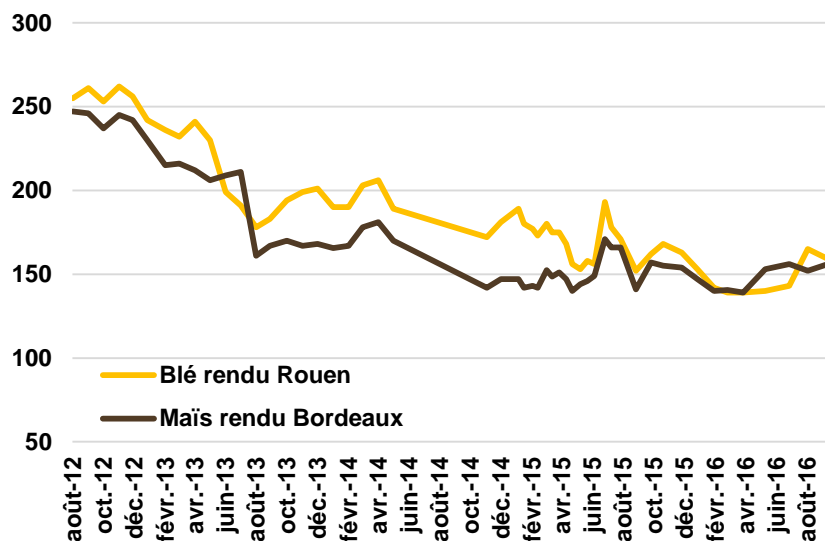
APPENDICES

MARKET CONTEXT

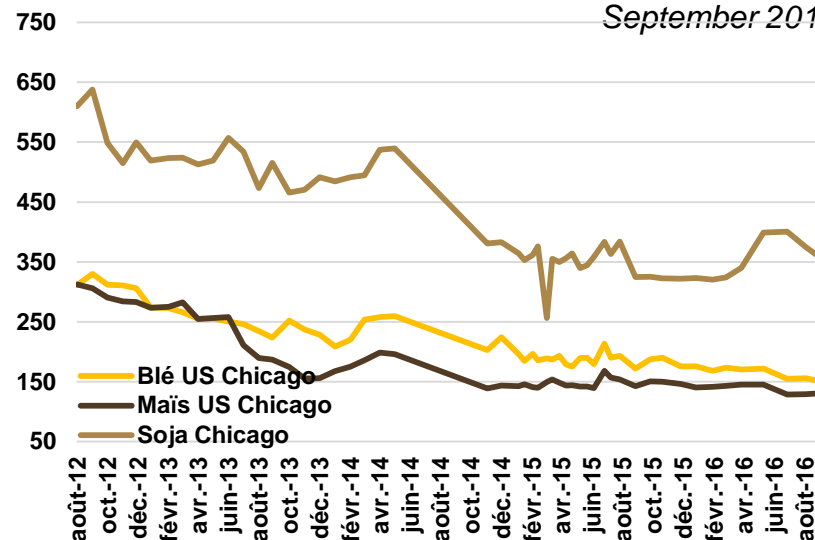
TRENDS FOR FIELD SEEDS

Low price levels of agricultural raw materials

Corn price. Bordeaux: **156 €/tn**
Wheat price. Rouen: **159 €/tn**
September 2016



Corn, soybean and wheat prices. Chicago
Corn: 131 \$/t
Soybean: 351 \$/t
Wheat: 149 \$/t
September 2016



Sources: Cereals market - FranceAgriMer, IGC, La dépêche. September 2016

TRENDS FOR FIELD SEEDS

Corn acreages

United States

↗ Acreage
(+7%)

Europe 28

↘ Acreage (~-3%)

Greater Europe

↘ Acreage

Brazil

↘ Acreage Safrá

↗ Acreage Safrinha

Sunflower acreages

Europe 28

↗ Acreage (+1%)

Greater Europe

↗ Acreage (mainly in Ukraine
and Russia)

Wheat acreages (bread)

Europe 28

↗ Acreage (+1%)

Greater Europe

↘ Acreage

Sources: internal estimates

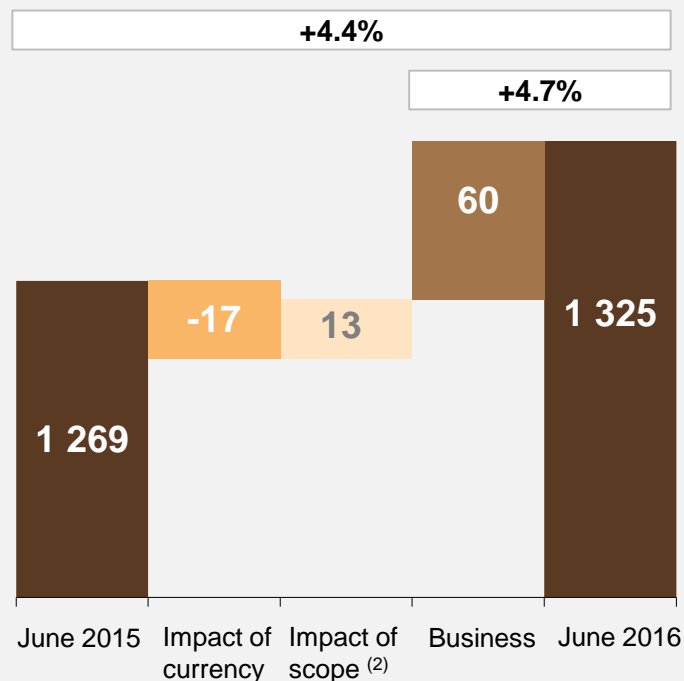


APPENDICES

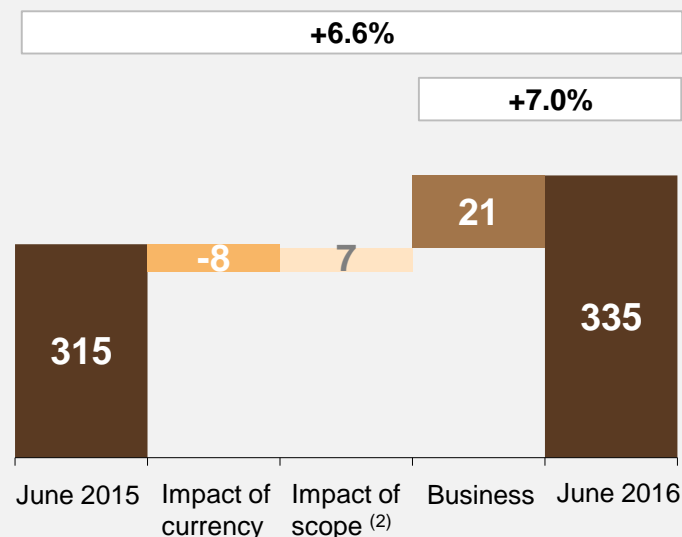
KEY FINANCIAL DATA ON JUNE 30, 2016

CONSOLIDATED SALES⁽¹⁾

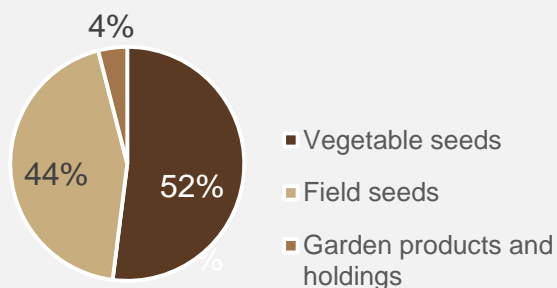
SALES FOR THE FISCAL YEAR



4th QUARTER*



SALES FOR FISCAL YEAR 2015-2016 BY DIVISION



* of which:

Vegetable seeds: 218

Field seeds: 103

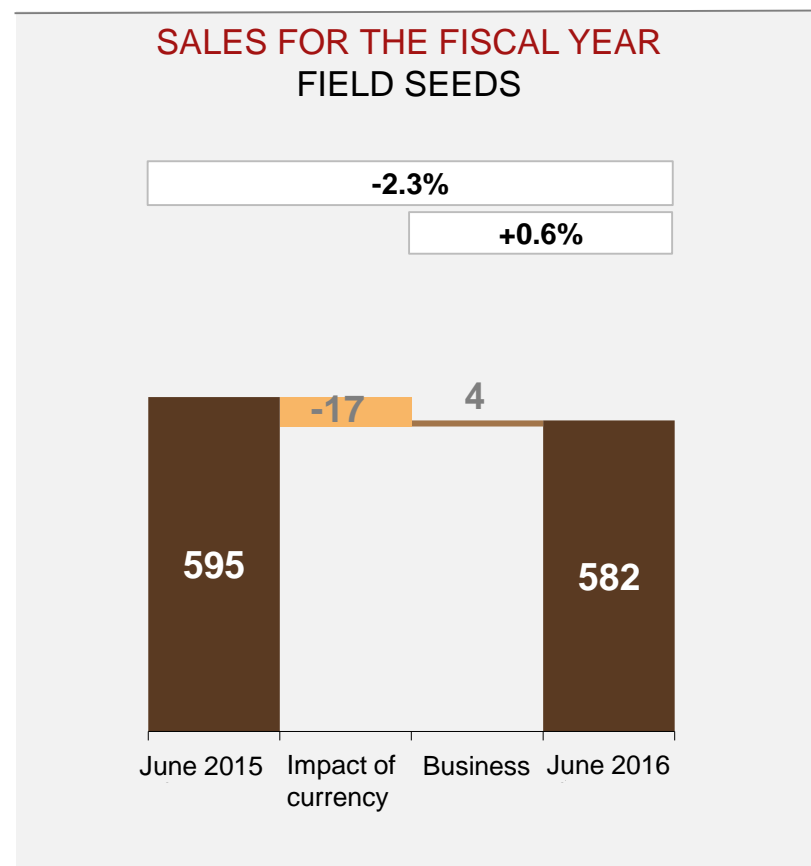
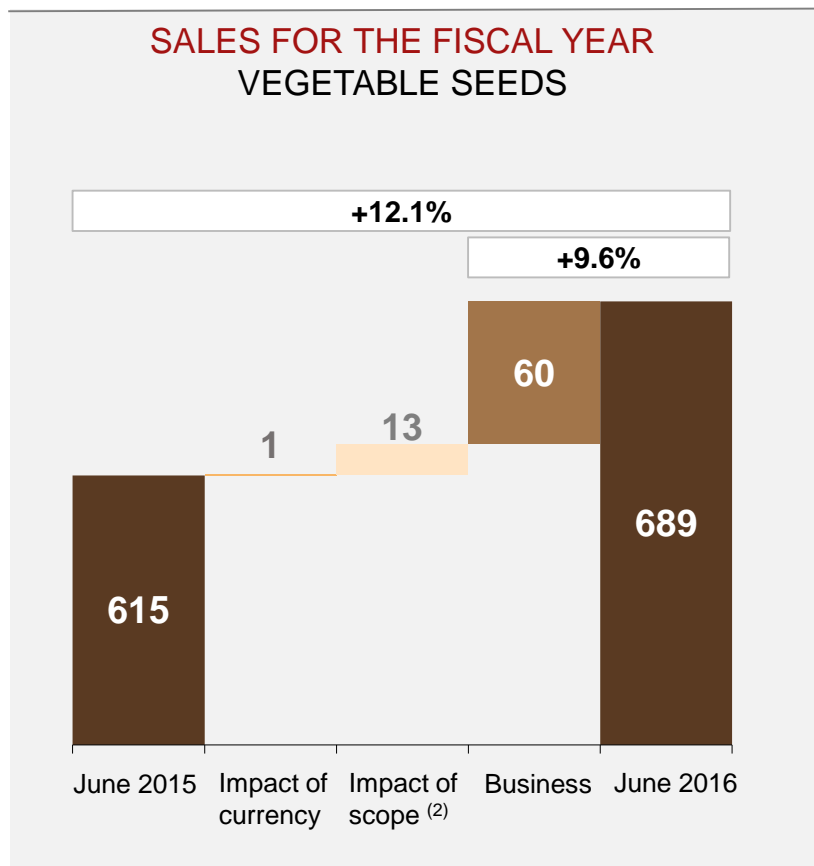
In M€

⁽¹⁾ Revenue from ordinary activities

⁽²⁾ Acquisition of Genica Research (Vegetable seeds. United States)

SALES⁽¹⁾ PER ACTIVITY

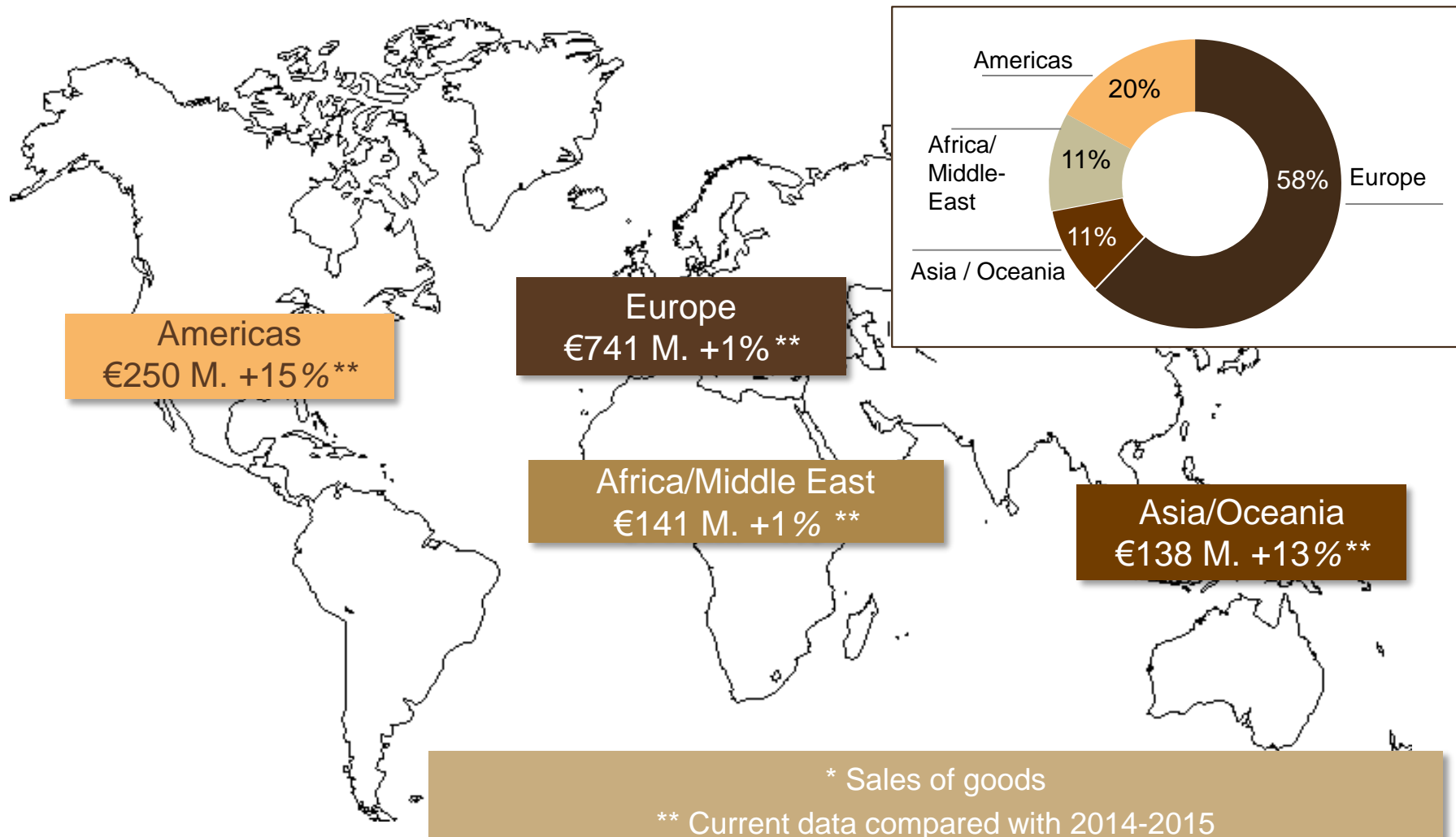
In M€



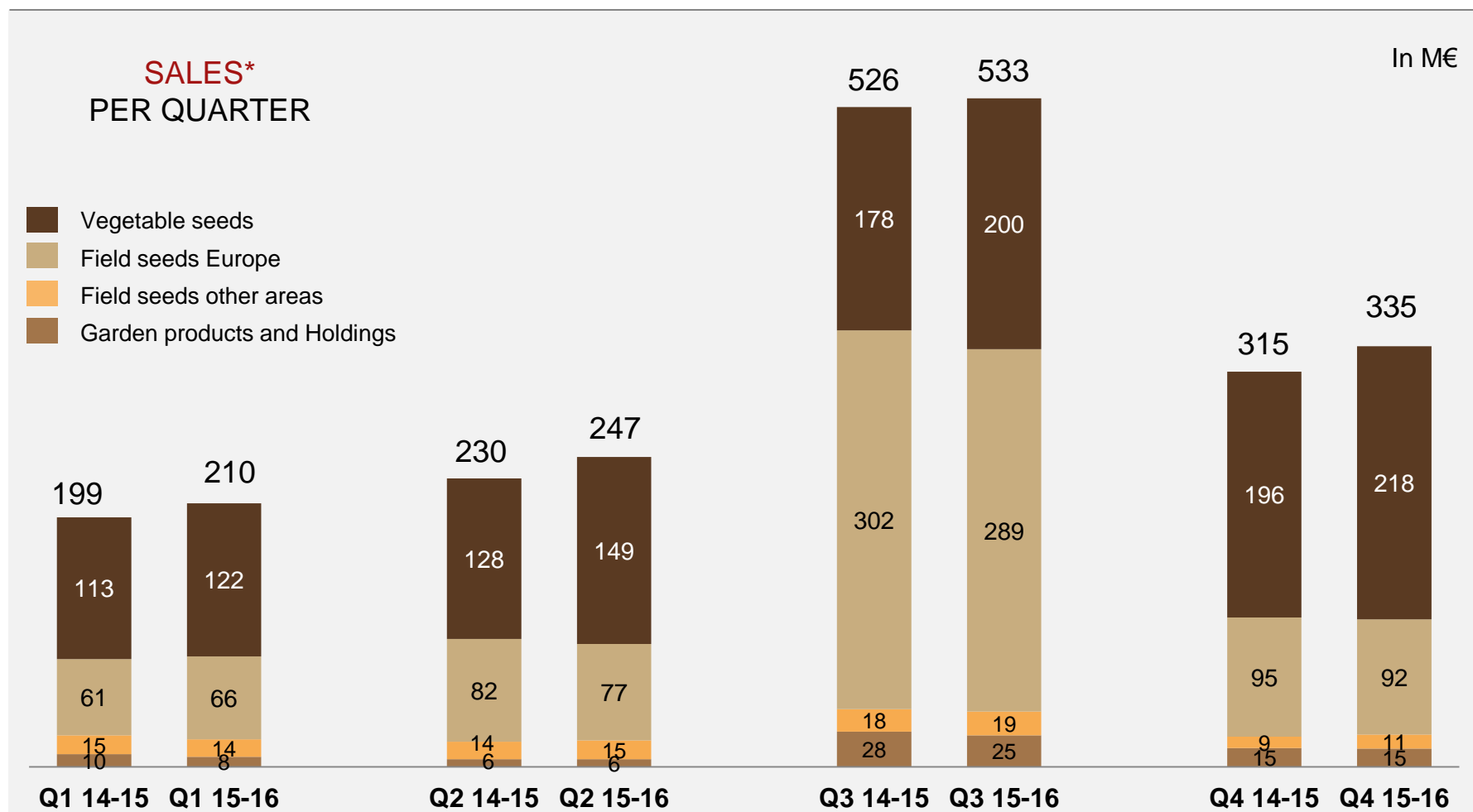
⁽¹⁾ Revenue from ordinary activities

⁽²⁾ Acquisition of Genica Research (Vegetable seeds. United States)

BREAKDOWN AND EVOLUTION OF SALES* PER GEOGRAPHICAL AREA



BREAKDOWN PER QUARTER



* Revenue from ordinary activities

INCOME STATEMENT

In M€	2014-2015	2015-2016	Variation
Sales	1 269.4	1 325.1	+4.4%
Sales margin	603.3	632.2	+28.9 M€
Sales margin rate	47.5%	47.7%	+0.2 pt
Operating income	100.2	100.3	+0.1 M€
Operating margin rate	7.9%	7.6%	-0.3 pt
Current operating margin rate ⁽¹⁾	8.0%	8.4%	+0.4 pt
Financial income	-39.2	-36.5	-(2.7) M€
Income from associated companies	29.4	30.8	+1.4 M€
Income taxes	-14.5	-33.8	+(19.3) M€
Net income	75.9	60.8	-15.1 M€
Net income Group share	72.9	59.3	-13.6 M€

(1) The current operating margin is defined as the operating margin in the accounts restated for impairments, reorganization costs and certain items of an extraordinary nature (additional procurement costs and partial allocation of goodwill in 2015-2016).

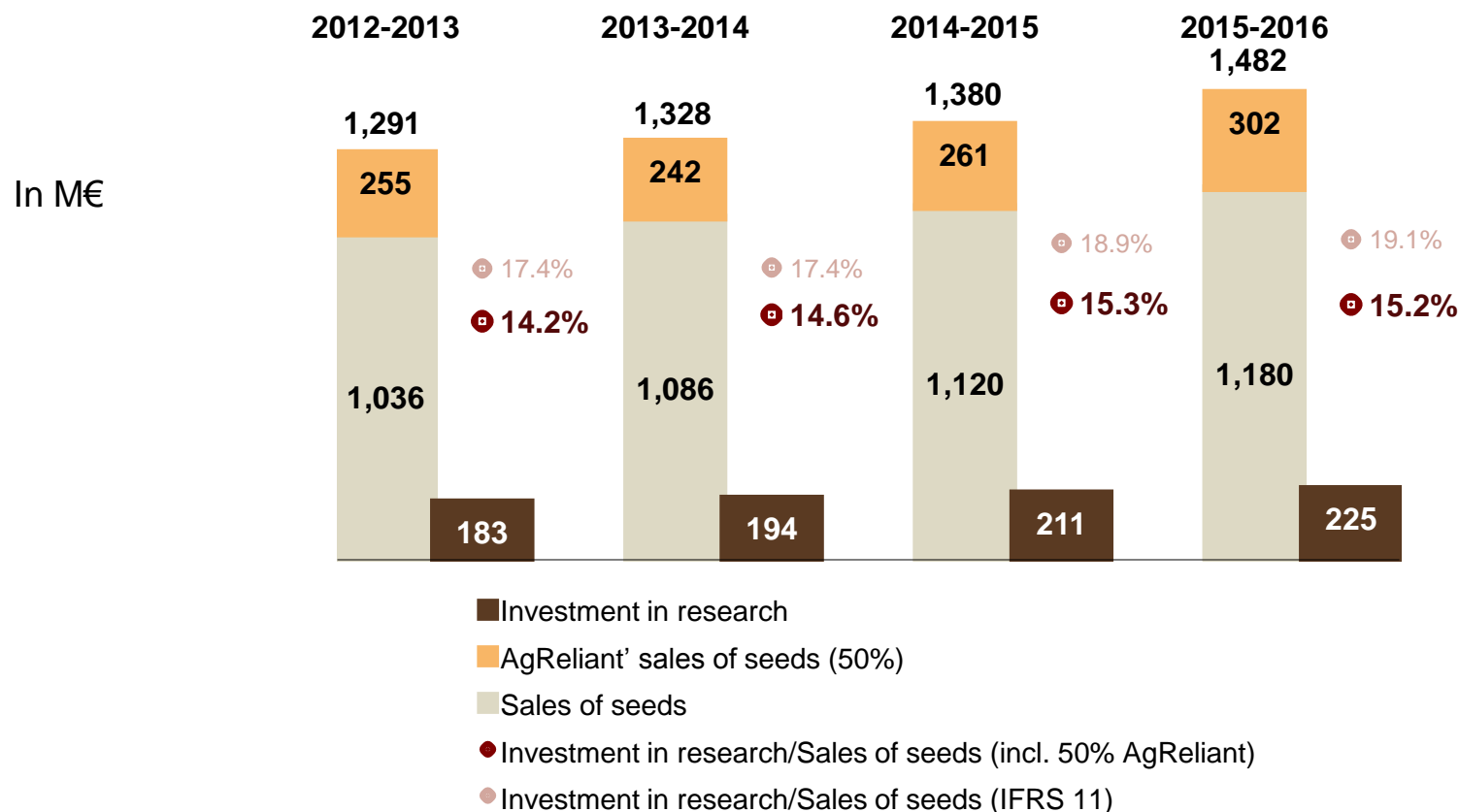
OPERATING CHARGES

In M€	2014-2015	2015-2016	Variation
Marketing and sales	-179.9	-186.1	+3.4% *
Research and development	-162.8	-177.5	+9.0% *
Administration and other charges	-161.7	-165.3	+2.2% *
Impairments	-0.8	-0.7	-(0.1) M€
Reorganization operations	-0.7	-3.5	+(2.8) M€
Disposal of assets	2.8 (CG)	1.2 (CG)	-1.6 M€
Net operating charges	-503.1	-531.9	+(28.8) M€

* With current data

CG = capital gains

RESEARCH AND DEVELOPMENT



In M€ (variation / 2014-2015)

R&D costs	225.2	(+14.1)
Impact of R&D activation	17.7	(- 1.7)
Tax relief for research	30.0	(+ 1.1)

KEY FIGURES CONTRIBUTED TO CONSOLIDATED SALES PER DIVISION

In M€	Sales*		Operating income		Net income	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Vegetable seeds	614.6	688.7	95.8	109.3	63.9	71.6
Field seeds	595.3	581.7	20.9	10.6	20.7	17.3
Garden products	58.4	53.6	-0.7	-4.6	-1.3	-4.6
Holdings	1.1	1.1	-15.8	-15.0	-7.4	-23.5
Consolidated	1,269.4	1,325.1	100.2	100.3	75.9	60.8

* Revenue from ordinary activities

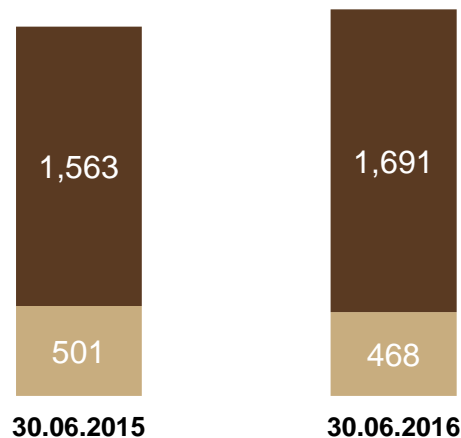
FREE CASH-FLOW

In M€	2014-2015	2015-2016
Net indebtedness at the beginning of the FY	515	660
EBITDA ⁽¹⁾	263	278
Variation of working capital needs	(44)	20
Other operating items	(41)	(28)
Net industrial investments	(62)	(46)
Activated development costs	(148)	(157)
Operating cash-flow	(32)	68
Net financial investments	(62)	(116)
Capital and other equity contributions	-	(1)
Dividends	(21)	(10)
Net financial charges	(28)	(23)
Free cash-flow	(142)	(83)
Other restatements (IFRS/ Currency, etc.)	(4)	1
Net indebtedness at the end of FY	660	742

(1) EBITDA is defined as follows: Operating income + Net depreciation & amortization + Net impairment

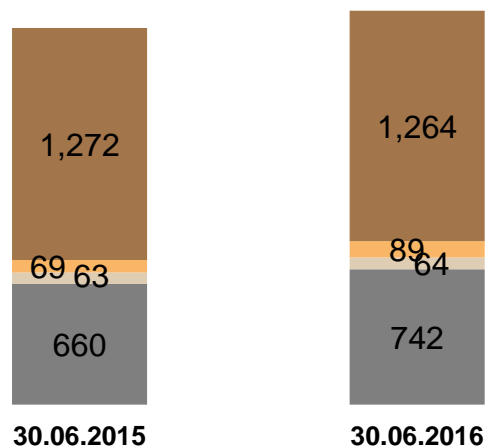
BALANCE SHEET STRUCTURE

In M€



Assets

- Net fixed assets
- Net working capital needs



Liabilities

- Equity
- Provisions
- Net deferred taxes
- Net indebtedness

Total balance sheet

2,064

2,159

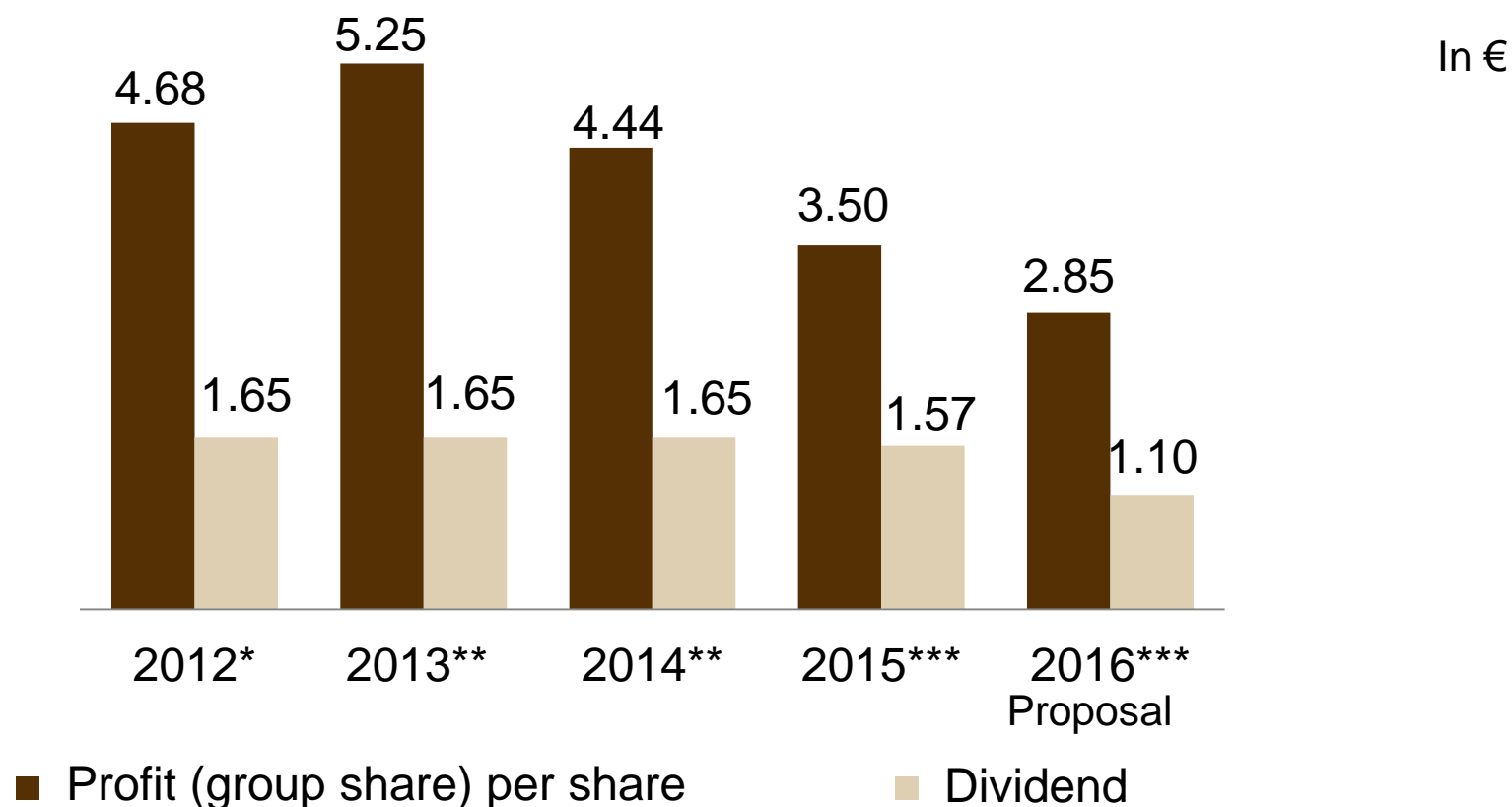
** of which cash*

373

207

Gearing 59%
Leverage 2.67

DIVIDEND PROPOSAL



Pay-out **35.3%** **31.4%** **37.2%** **44.8%** **38.6%**

* calculated on the basis of 17 218 101 shares** calculated on the basis of 18 939 911 shares

*** calculated on the basis of 20 833 902 shares



THANK YOU

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