



## KEY POINTS

First application of the standards IFRS 10, IFRS 11, IFRS 12, and IFRIC 21

Increase in sales: +3.1%\*

- Excellent performances by the Vegetable seeds activity: +8%\*
- Moderate drop in the Field seeds activity, in a context where markets are on hold: -2.2%\*

Marked decrease in the results for the first semester, with a net loss in the group share of 55.3 million Euros, due to the field seeds business and non-recurring items

Global growth objective for 2014-2015 maintained

*\*On a like-for-like basis*

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## HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015

### MARKET CONTEXT

**Field seeds**  
Persistently high volatility in the prices of agricultural raw materials

**Corn prices. Bordeaux: 147 €/tn.**  
**Wheat prices. Rouen: 189 €/tn.**  
January 2015

Legend: Blé rendu Rouen (yellow), Maïs rendu Bordeaux (green)

**Corn and soybean prices. Chicago**  
**Corn: 142 \$/t**  
**Soybean: 364 \$/t**  
**Wheat: 196 \$/t**  
January 2015

Legend: Blé US Chicago (yellow), Maïs US Chicago (green), Soja Chicago (red)

*Sources: FranceAgriMer, IGC, La dépêche. February 2015*

**Vegetable seeds**  
Confirmation of the globally favorable market trends

A SEEDS MARKET WITH CONSTANT, LASTING GROWTH

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## HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015

### DEPLOYMENT OF STRATEGIC PRIORITIES

**Vegetable seeds**  
Reinforce world leadership

CONTINUE TO GAIN  
MARKET SHARES

INNOVATION  
AND PROXIMITY TO MARKETS

- Continuing investment in research installations

*Brurim research center. Israel*

STRENGTHEN POSITIONS  
FOR CERTAIN CROPS  
AND GEOGRAPHICAL ZONES

TARGETED EXTERNAL  
GROWTH OPERATIONS

- Pertinence of new sites and acquisitions made in recent years
- Confirmation of the successful integration of recently acquired companies: Shamrock (United States), Century Seeds (India), Campbells' Seeds (United States).

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**HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015**

**DEPLOYMENT OF STRATEGIC PRIORITIES**

**Field seeds**  
Become a global payer in corn seeds

**INTERNATIONALIZATION OF POSITIONS**  
beyond Europe and North America

**CONTINUE TO STRUCTURE AND DEPLOY ORGANIZATION**

- Structuring organization in terms of research, production and sales development.
- Increased coordination of cross-cutting functions (research, strategic marketing).
- Sharing a network of genetic resources in tropical corn between the different areas concerned: Brazil, Asia and Africa.




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**HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015**

**FIELD SEEDS. SEED CO. ZIMBABWE**

**Consolidation method:**

- Sept. 30, 2014: Vilmorin & Cie held about 21% of Seed Co's capital stock
- **December 2014: financial option exercised allowing Vilmorin & Cie to hold 30.5% of Seed Co's capital stock**
- Consolidation, using the equity method (EM), of the proportion of Seed Co's income, on the basis of the financial statements for the first semester up to September 30, 2014




**Update on activity on September 30, 2014:**

- Global sales of \$16 million, slightly down for the first semester
  - Reduction in winter cereals
  - Increase in corn volumes, with high demand in Zimbabwe, in Zambia, in Malawi, etc.
- Significant contraction in operating and financial charges
  - A big reduction in the structural loss compared with the 1<sup>st</sup> semester 2013-2014

**Collaboration agreements with Seed Co:**

- Partnership to promote access to global and worldwide technologies and methods


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**HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015**

**GARDEN PRODUCTS. SUTTONS. UNITED KINGDOM**


**Operation achieved**


- Disposal of Suttons in December 2014, through a Management Buy-Out (MBO) with the support of a regional development fund and assistance from Vilmorin & Cie



**Suttons. Profile**

- Creation: 1806
- Acquisition by Vilmorin & Cie: 1994
- Activity: production and distribution of garden products (vegetable and flower seeds, young plants, bulbs, garden equipment), through direct sales and distance trading (e-commerce, mail order)
- Headcount: almost 110
- Sales 2013-2014: £14.8 million (-1.5% vs 2012-2013)
- Net income 2013-2014: -£2.4 million (-60% vs 2012-2013)




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**HIGHLIGHTS OF THE 1<sup>ST</sup> SEMESTER 2014-2015**

**GARDEN PRODUCTS. SUTTONS. UNITED KINGDOM**

**Financial impact of the disposal of Suttons**

- Negative impact of €2.1 million on the operating income for the first semester including:
  - capital gains on the disposal of the securities,
  - non-recurring costs related to the transaction,
  - and a guarantee provision with a reserve covering pension plan commitments.
- Negative financial income impact for the first semester of €1.1 million
  - corresponding to the renunciation of rights to a financial current account.

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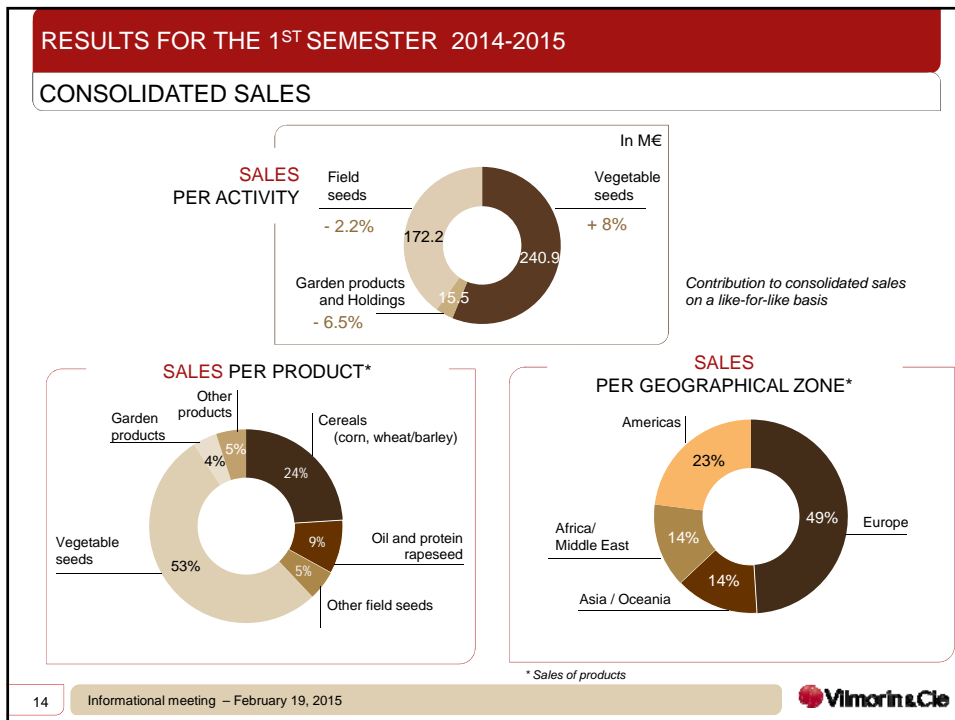
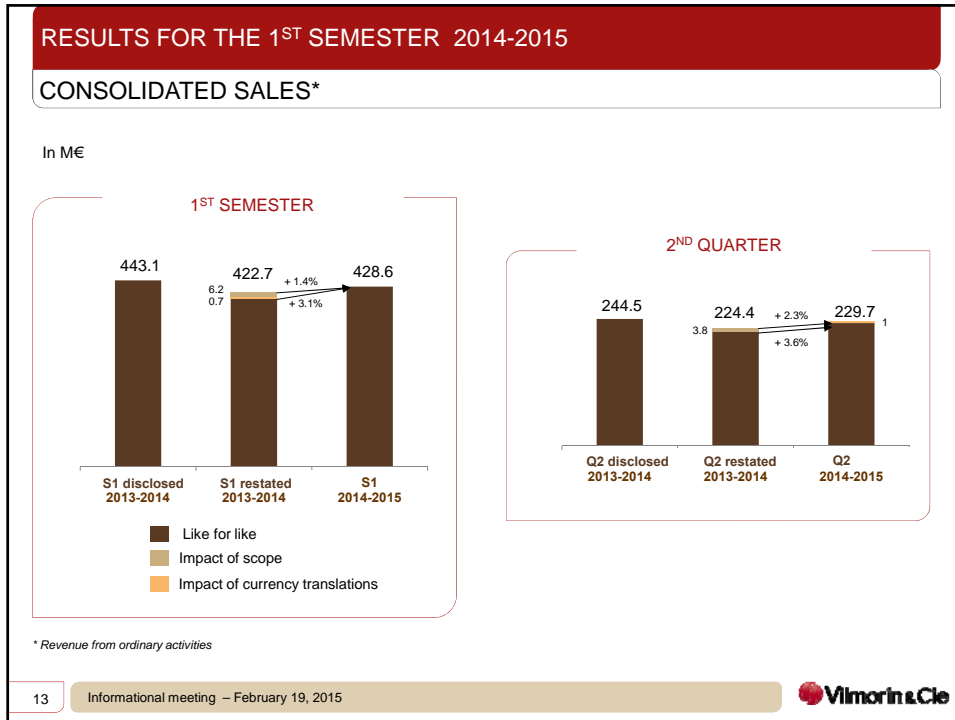


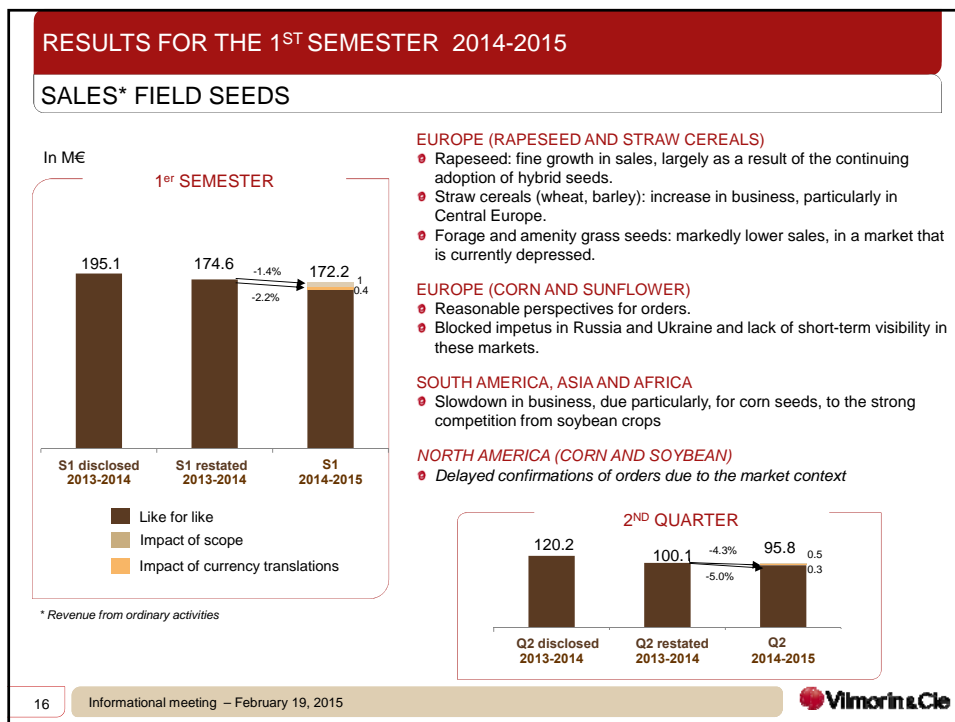
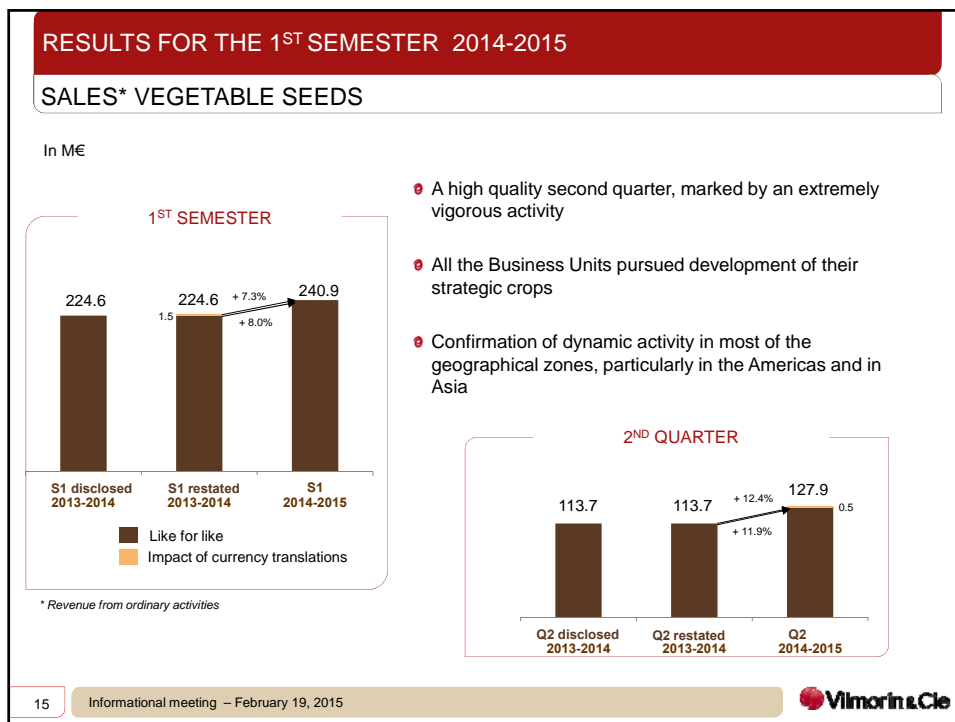
## RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

### REFERENCES

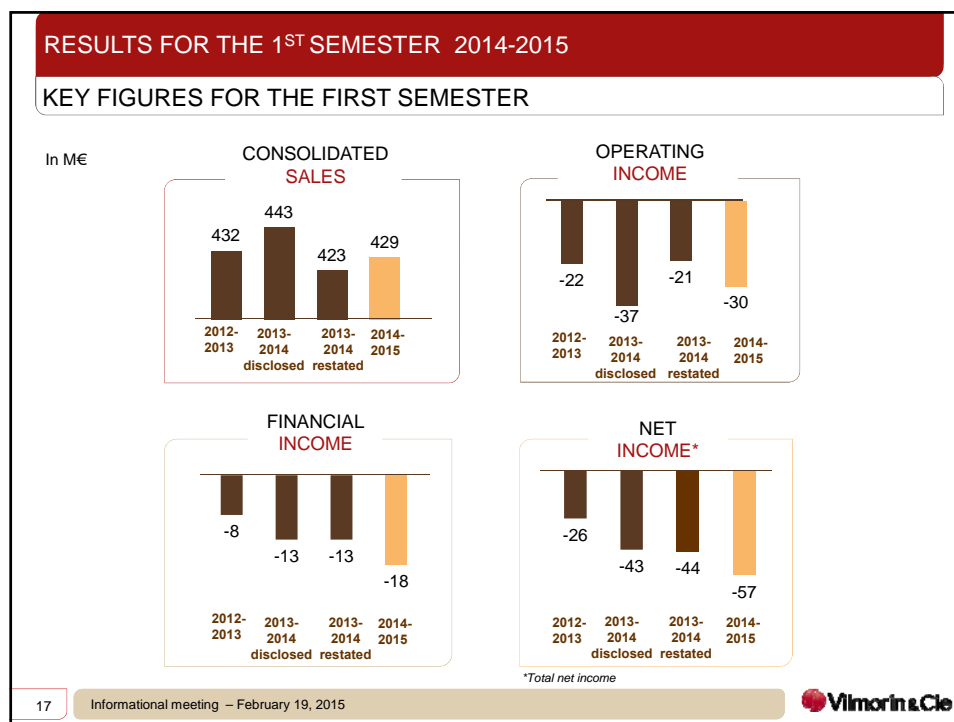
- **Accounting reference**
  - IFRS on December 31, 2014
  - First application of the standards IFRS 10 ("Financial Statements"), IFRS 11 ("Joint Arrangements"), IFRS 12 ("Disclosure of Interests in Other Entities") and of the interpretation IFRIC 21 ("Levies")
    - ↳ Presentation of the financial statements restated for 2013-2014
- **Consolidation scope**
  - Acquisition of Seed Asia (Thailand. Field seeds) in March 2014
  - Disposal of Suttons (United Kingdom. Garden products) as of July 1, 2014
  - Consolidation using the equity method for Seed Co (Zimbabwe. Field seeds) for the 1<sup>st</sup> semester 2014-2015
- **Rates of the main currencies on December 31, 2014 (and 12.31.2013)**

	average		close	
	2013	2014	2013	2014
\$	1.34	1.29	1.38	1.21
¥	134	140	145	145
£	0.85	0.79	0.83	0.78
TRY	2.68	2.85	2.96	2.83
ILS	4.77	4.72	4.79	4.72
BRL	3.07	3.10	3.26	3.22
INR	83	79	85	77









## RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

### INCOME STATEMENT

In M€	12.31.13 disclosed	12.31.13 restated	12.31.14	Variation with current data
<b>Sales</b>	<b>443.1</b>	<b>422.7</b>	<b>428.6</b>	<b>+1.4%</b>
Commercial margin	206.5	205.3	<b>210.0</b>	+2.3%
Commercial margin rate	46.6%	48.6%	<b>49.0%</b>	+0.4 points

- Consolidated commercial margin up 0.4 points as a result of the business mix
  - Slight current decrease for Vegetable seeds to 56%
  - Marked increase for Field seeds to more than 41%

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RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

## INCOME STATEMENT – OPERATING CHARGES

In M€	12.31.13 disclosed	12.31.13 restated	12.31.14	Variation with current data
Marketing and sales	(100.6)	(85.3)	<b>(86.0)</b>	-0.7 M€
Research and development	(71.5)	(71.0)	<b>(75.8)</b>	-4.8 M€
Administration and other charges	(72.2)	(70.5)	<b>(80.9)</b>	-10.4 M€
Reorganization operations	(0.6)	(0.6)	<b>(0.3)</b>	+0.3 M€
Disposals of assets	1.0	1.0	<b>2.6</b>	+1.6 M€
<b>Net operating charges</b>	<b>(243.8)</b>	<b>(226.4)</b>	<b>(240.4)</b>	<b>-14.0 M€</b>

- Global like-for-like progression over the semester of 7.9% accompanying deployment of the Vegetable seeds in particular
- Increase of investment in research and development of nearly €5 million over the semester (after the impact of activating development costs and tax relief for research)
- Impact of non-recurring items related to the disposal of Suttons with a net total of €2.1 million

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RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

## INCOME STATEMENT

In M€	12.31.13 disclosed	12.31.13 restated	12.31.14	Variation with current data
<b>Operating income</b>	<b>(37.3)</b>	<b>(21.1)</b>	<b>(30.4)</b>	<b>-9.3 M€</b>
Profit from associated companies	1.4	(15.4)	(21.6)	-6.2 M€
Financial income	(12.7)	(12.7)	(17.9)	-5.2 M€
Income taxes	5.6	5.5	13.3	+7.8 M€
<b>Net income</b>	<b>(43.0)</b>	<b>(43.7)</b>	<b>(56.6)</b>	<b>- 12.9 M€</b>
<b>Net income group share</b>	<b>(41.7)</b>	<b>(42.4)</b>	<b>(55.3)</b>	<b>- 12.9 M€</b>

- **Drop in the consolidated operating income** related to the increased seasonal nature of the Field seeds activity and to certain non-recurring charges
- **Income from associated companies consolidated under the equity method:** first consolidation of Seed Co (-1.8 M€) and recording of joint ventures previously consolidated by global integration, marked by the strong seasonal nature of their activities
- In spite of the marked reduction in currency exchange losses (3 M€), **drop in the consolidated financial income** mainly due to the increase in average indebtedness (external growth, additional working capital needs) and non-recurring items related to the disposal of Suttons for a net total of 1.1 M€

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RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

## KEY FIGURES PER DIVISION (CONTRIBUTION TO CONSOLIDATED RESULTS)

In M€	SALES*			OPERATING INCOME			NET INCOME		
	12.31.13 disclosed	12.31.13 restated	12.31.14	12.31.13 disclosed	12.31.13 restated	12.31.14	12.31.13 disclosed	12.31.13 restated	12.31.14
Vegetable seeds	224.6	224.6	240.9	12.3	12.1	8.2	5.8	5.6	3.6
Field seeds	195.1	174.7	172.2	(38.6)	(22.1)	(23.4)	(44.0)	(44.4)	(53.1)
Garden products and Holdings	23.4	23.4	15.5	(11.0)	(11.1)	(15.2)	(4.8)	(4.9)	(7.1)
<b>Consolidated</b>	<b>443.1</b>	<b>422.7</b>	<b>428.6</b>	<b>(37.3)</b>	<b>(21.1)</b>	<b>(30.4)</b>	<b>(43.0)</b>	<b>(43.7)</b>	<b>(56.6)</b>

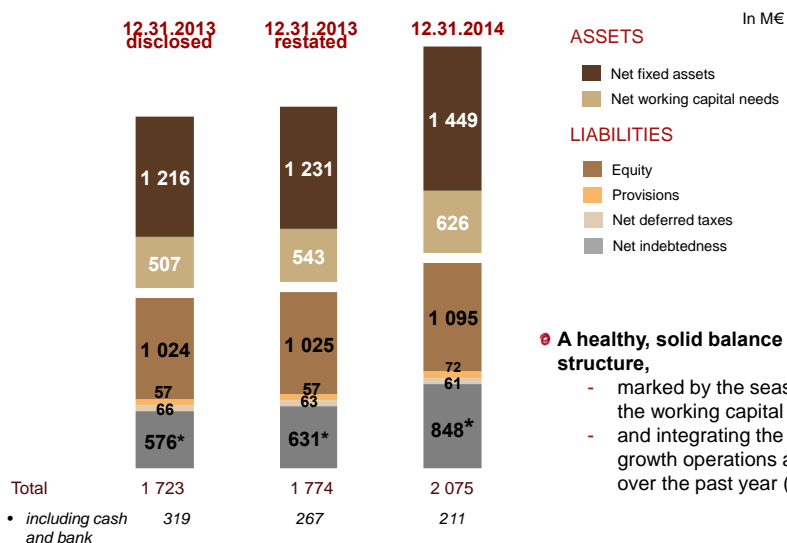
\* Revenue from ordinary activities

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RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2014-2015

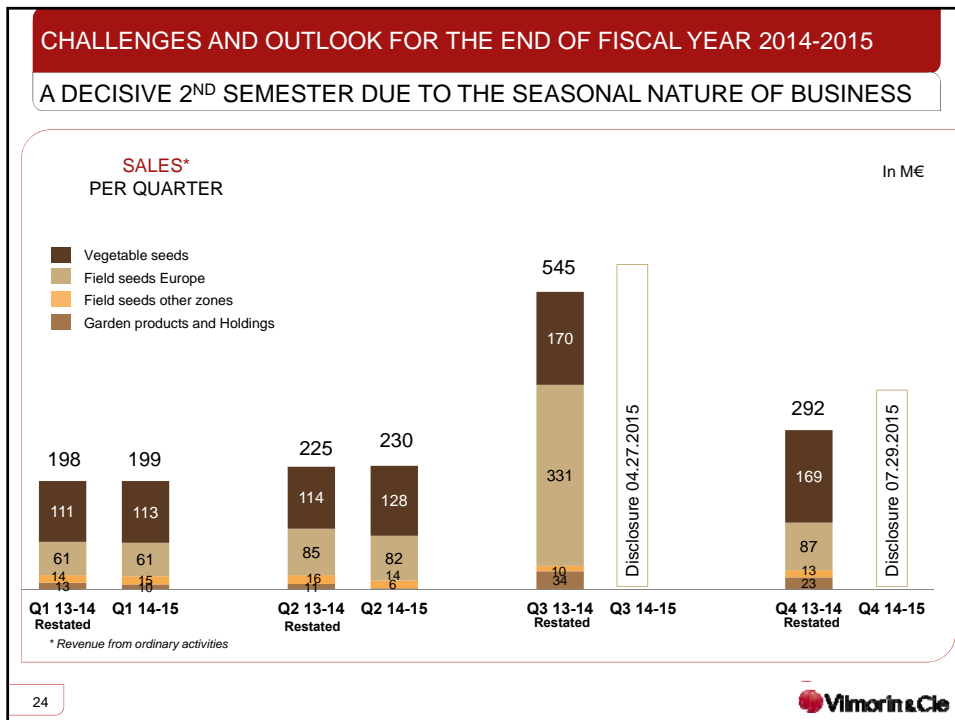
## BALANCE SHEET STRUCTURE



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### CHALLENGES AND OUTLOOK FOR THE END OF FISCAL YEAR 2014-2015

**VEGETABLE SEEDS:  
SALES OBJECTIVE RAISED**

**Challenges for the end of the fiscal year**

- Further gains of **market shares**
- Evolution of **foreign currencies**
- Good control over levels of **margin**

**Outlook for the end of the fiscal year**  
Growth objective for Vegetable seeds sales raised

Sales: **+8%\*** (12.31.14)      Objective **+6% ≤ Sales ≤ +7%** (06.30.15)

S2: **60.1%** of Vegetable seeds sales 2013-2014  
**60.0%** of Vegetable seeds sales 2012-2013

\* Disclosed sales      On a like-for-like basis

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### CHALLENGES AND OUTLOOK FOR THE END OF FISCAL YEAR 2014-2015

**FIELD SEEDS**

**Market trends for corn**

**United States**  
↘ Acreage

**Europe 28**  
↘ Acreage  
**Enlarged Europe**  
↘ Acreage

**Brazil**  
↘ Safrá Acreage  
= Safrinha Acreage

**Between -2% and -4%**

**Market trends for sunflower**

**Europe 28**  
↗ Acreage

**Enlarged Europe**  
↘ Acreage

**Market trends for wheat**

**Europe 28**  
↘ Acreage

**Enlarged Europe**  
↗ Acreage

Sources: internal estimates

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## CHALLENGES AND OUTLOOK FOR THE END OF FISCAL YEAR 2014-2015

**FIELD SEEDS:  
SALES OBJECTIVE LOWERED**

### Challenges for the end of the fiscal year

- Definitive evolution with regard to the allocation of **acreage**, particularly for corn
- **Effective access to the Russian and Ukrainian markets** bearing the current political crisis in mind
- Evolution of **foreign currencies**
- Good defense of **pricing levers**
- Capacity to gain further **market shares**

### Outlook for the end of the fiscal year

**Growth objective for Field seeds sales lowered**

Sales:  
**-2.2% \***

12.31.14

Objective  
**+1% ≤ Sales ≤ +1.5%**

06.30.15

S2: **71.5%** of sales for Field seeds restated 2013-2014  
**77.2%** of sales for Field seeds disclosed 2013-2014  
**77.4%** of sales for Field seeds 2012-2013

\* Disclosed sales      On a like-for-like basis

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## OUTLOOK 2014-2015

**SALES OBJECTIVE MAINTAINED**

### Pursue sustained growth of strategic activities

- Vegetable seeds : +6% to +7%
- Field seeds: +1% to +1.5%

### ➤ Aiming for...

- a growth of 4 % in consolidated sales > 1,280 million Euros, on a like-for-like basis, including the disposal of Suttons and after application of IFRS 11,
- a current operating margin of 10%, including research and development investment of more than 210 million Euros,
- ... on condition, nevertheless:
  - of effective access to the Russian and Ukrainian markets bearing the current context in mind,
  - of confirmation of the excellent trend of the Vegetable seeds activity.

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## SCHEDULE

WEDNESDAY FEBRUARY 25, 2015

- Registration with the AMF of the updated reference document 2013-2014 in French

MONDAY APRIL 27, 2015, AT THE END OF TRADING

- Disclosure of sales at the end of the 3<sup>rd</sup> quarter 2014-2015  
(on March 31, 2015)

WEDNESDAY JULY 29, 2015, AT THE END OF TRADING

- Disclosure of sales for fiscal year 2014-2015  
(on June 30, 2015)

MONDAY OCTOBER 5, 2015, AT THE END OF TRADING

- Disclosure of results for fiscal year 2014-2015  
(on June 30, 2015)