

Breaking News

Vilmorin

Food products France

Acquisitions	
Recommendation	Add (2)
Price (27/10/2009)	72.99 EUR
Target price	82.00 EUR

Reuter: VILM.PA
 Bloomberg: RIN FP

Multiples

	06/09	06/10e	06/11e	06/12e
P/E	20.3	17.0	15.7	14.3
Net. yield (%)	2.2%	2.4%	2.4%	2.5%
FCF yield (%)	1.8%	4.5%	5.4%	6.8%
EV/Sales	1.5	1.3	1.3	1.2
EV/EBITDA	7.5	6.5	6.0	5.5
EV/EBIT(recur)	14.3	12.7	11.7	10.7

Per share data

EUR	06/09	06/10e	06/11e	06/12e
EPS (AANP)	4.00	4.30	4.65	5.12
%Change	-11.9%	7.5%	8.3%	10.0%
EPS (ANP)	3.95	4.28	4.66	5.16
%Change	19.5%	8.1%	8.9%	10.7%
Dividend	1.77	1.77	1.77	1.80
Book value	47.60	50.11	53.00	56.38

Acquisition of a foothold in India and broadening of agreements with Avesthagen

Vilmorin has made two deals on the Indian market:

Strengthening research into hybrid rice: it has broadened its agreements with Avesthagen – a major research laboratory in India (in which it has a 4.6% stake) – and concluded an additional international licence deal giving it access to upstream technologies for crop and vegetable seeds. The development of hybrid rice (field in which the group also has a research partnership in China with LPHT) and water stress tolerance genes are the keys to this agreement.

Acquisition of a foothold in India. The group has also bought a 59% stake in Astah (41% owned by Avesthagen). The company has a gene bank, research programmes into corn, sunflower and rice, and a vegetal biotech lab. More than its products (sales under € 5m), the group has most importantly bought a foothold on a booming market for the use of commercial seeds. -The amount was not given.

All in all, the two deals fit with the group's strategy to expand in Asia, which harbours substantial growth potential – and to perfect hybrid seeds such as wheat (currently auto-reproducing seeds) or rice (very few hybrid rice varieties) via this agreement.

These moves make sense but are limited in size and do not alter our expectations.

Camille Damois-Gignoux
 +33 (0)4 72 68 27 01
cdamoisgignoux@oddo.fr

Jean-François Granjon
 +33 (0)4 72 68 27 05
jfgranjon@oddo.fr

PRODUCTION AND DISSEMINATION OF THE RECOMMENDATION

ODDO & CIE IS LICENSED BY THE COMITE DES ETABLISSEMENTS DE CREDIT ET DES ENTREPRISES D'INVESTISSEMENT (CECEI) AND REGULATED BY THE AUTORITE DES MARCHES FINANCIERS (AMF).

WHILE ALL REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT THE INFORMATION CONTAINED IS NOT UNTRUE OR MISLEADING AT THE TIME OF PUBLICATION, NO REPRESENTATION IS MADE AS TO ITS ACCURACY OR COMPLETENESS AND IT SHOULD NOT BE RELIED UPON AS SUCH. THIS DOCUMENT EXPRESSES THE OPINION OF ODDO & CIE ONLY WHICH IS SUBJECT TO CHANGE WITHOUT NOTICE.

THIS RESEARCH HAS BEEN PREPARED IN ACCORDANCE WITH REGULATORY PROVISIONS DESIGNED TO PROMOTE THE INDEPENDENCE OF INVESTMENT RESEARCH. THE INVESTMENT ANALYST IS PROHIBITED FROM CARRYING OUT TRANSACTIONS INVOLVING THE INSTRUMENT CONCERNED PRIOR TO THE DISSEMINATION OF THE COMMUNICATION.

"CHINESE WALLS" (INFORMATION BARRIER) HAVE BEEN IMPLEMENTED TO AVERT THE UNAUTHORISED DISSEMINATION OF CONFIDENTIAL INFORMATION AND TO PREVENT AND MANAGE SITUATIONS OF CONFLICT OF INTEREST. THE LATTER MAY BE EXPLAINED IN DETAIL UPON REQUEST ADDRESSED TO THE HEAD OF COMPLIANCE. DETAILS OF THE «CHINESE WALLS » ARE AVAILABLE ON REQUEST FROM THE HEAD OF COMPLIANCE.

THIS PUBLICATION IS EXCLUSIVELY INTENDED FOR ODDO & CIE'S CUSTOMERS; IT IS SENT BY WAY OF INFORMATION AND CANNOT BE DIVULGED TO A THIRD PARTY WITHOUT THE PRIOR CONSENT OF ODDO & CIE .

THIS DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO PURCHASE OR SUBSCRIBE FOR ANY INVESTMENT.

PAST PERFORMANCES OFFER NO GUARANTEE AS TO FUTURE PERFORMANCES.

INVESTMENT ANALYSTS DO NOT UNDERTAKE PERSONAL TRANSACTIONS OR FOR ANY OTHER PERSON OR ENTITY INCLUDING ODDO & CIE, IN FINANCIAL INSTRUMENTS TO WHICH INVESTMENT RESEARCH RELATES, OR IN ANY RELATED FINANCIAL INSTRUMENTS, IF THEY ARE AWARE OF THE LIKELY DISSEMINATION DATE OR CONTENT OF THE INVESTMENT RESEARCH, THIS KNOWLEDGE IS NOT ACCESSIBLE TO THE PUBLIC AND CLIENTS AND CANNOT BE READILY INFERRED FROM THE INFORMATION THAT IS AVAILABLE AND REFRAIN FROM CARRYING OUT ANY OF THE AFOREMENTIONED TRANSACTIONS AS LONG AS THE RECIPIENTS OF THIS FINANCIAL ANALYSIS HAVE NOT HAD A REASONABLE OPPORTUNITY TO ACT ON THE BASIS OF THE INFORMATION.

CONFLICTS OF INTEREST

THE DISCLOSURES OF ALL COMPANIES MENTIONED IN THIS DOCUMENT MAY BE CONSULTED ON [ODDO & CIE'S](#) RESEARCH SITE.

OCF OU TOUTE PERSONNE MORALE QUI LUI EST LIEE EST UN TENEUR DE MARCHE OU EST UN APORTEUR DE LIQUIDITE AVEC LEQUEL A ETE CONCLU UN CONTRAT DE LIQUIDITE EN CE QUI CONCERNE LES INSTRUMENTS FINANCIERS DE L'EMETTEUR AU COURS DES 12 DERNIERS MOIS.