

**Vilmorin & Cie SA**

Public limited company with Board of Directors  
 with a capital of 317 717 005.50 euros  
 Head Office: 4, Quai de la Mégisserie – F-75001 PARIS  
 SIREN Paris 377 913 728  
 Fiscal year from July 1<sup>st</sup> to June 30<sup>th</sup>  
 Euronext Paris (Compartment A) – Eligible for Deferred Settlement Order

February 15, 2017, at 5:40 pm CET

## SALES AND RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2016-2017

- SALES FOR THE 1<sup>ST</sup> SEMESTER ENDING ON DECEMBER 31, 2016  
UP 10.2% WITH CURRENT DATA
- STRONG IMPROVEMENT OF RESULTS FOR THE 1<sup>ST</sup> SEMESTER 2016-2017
- GLOBAL CONFIRMATION OF OBJECTIVES FOR 2016-2017

**On average, sales for the first semester globally represent around one third of the annual sales for Vilmorin & Cie. Because of this highly seasonal pattern, the consolidated financial statements for the first semester traditionally show very negative income.**

In millions of euros	2015-2016	2016-2017	Variation with current data
Sales			
• Vegetable seeds	271.4	286.9	+5.7%
• Field seeds	170.5	201.6	+18.2%
• Garden products and holdings	14.6	14.5	-0.2%
<b>Sales for the first semester</b>	<b>456.5</b>	<b>503.0</b>	<b>+10.2%</b>
EBITDA	54.6	75.5	+20.9
Operating income	-31.9	-18.5	+13.4
Income from associated companies	-24.2	-24.9	-0.7
Financial income	-22.9	-6.8	+16.1
Income taxes	+16.4	+10.5	-5.9
<b>Net income</b>	<b>-62.6</b>	<b>-39.7</b>	<b>+22.9</b>
<b>of which group share in net income</b>	<b>-61.1</b>	<b>-38.8</b>	<b>+22.3</b>

The consolidated financial statements for the first semester 2016-2017, closed on December 31, 2016, were approved at the Vilmorin & Cie Board meeting of February 14, 2017. 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 reservations or particular remarks.

Consolidated financial information is established in compliance with the IFRS referential (International Financial Reporting Standards) as endorsed by the European Union on December 31, 2016.

The accounting methods and principles adopted in the consolidated financial statements for the first semester on December 31, 2016 are identical to those used in the consolidated financial statements for the fiscal year closing on June 30, 2016.

Thus, no change in accounting methods or estimates with any impact on Vilmorin & Cie's consolidated financial statements was applied by Vilmorin & Cie over the course of the semester.

Evolution of the data for the semester is analyzed using current data and on a like-for-like basis.

Comparable data is restated with constant scope and currency impact; accordingly, the result for the first semester 2015-2016 takes into account in particular the impact of changes in currency translation, by applying the average rate on December 31, 2016 to the income statement on December 31, 2015.

The activity of the company Genica Research (United States. Vegetable Seeds), acquired in February 2016, has not been restated for scope for fiscal year 2016-2017, since the company's American activities were integrated into the HM.CLAUSE Vegetable Seeds Business Unit while its European activities into that of Vilmorin-MKS.

## **SALES FOR THE FIRST SEMESTER: VERY DYNAMIC GROWTH MARKED BY A PERFORMANCE OF EXCELLENT QUALITY FOR THE FIELD SEEDS ACTIVITY**

**Vilmorin & Cie's consolidated sales for the first semester of 2016-2017, closed on December 31, 2016, came to 503 million euros, a rise of 10.2% with current data and 10.8% on a like-for-like basis.**

### **| VEGETABLE SEEDS DIVISION: A FIRST SEMESTER WITH SIGNIFICANT GROWTH IN SPITE OF A SLOWDOWN IN BUSINESS OVER THE 2<sup>ND</sup> QUARTER**

Sales for the Vegetable seeds division for the first semester came to 286.9 million euros, an increase of 5.7% with current data compared with the first semester for 2015-2016. Restated on a like-for-like basis, the division achieved an increase of 5.2 %.

During the course of the second quarter, business was practically stable (-0.6% on a like-for-like basis), after several quarters of extremely strong progression. This slowdown mainly concerns Europe, and particularly southern Europe (Italy and Spain), affected by unfavorable climate conditions for certain vegetable productions. It also conveys the anticipation and offset of certain business operations and the programmed drop in the agricultural supplies activity of the Business Unit Vilmorin-MKS in Japan.

This performance therefore does not cast any doubt on Vilmorin & Cie's growth impetus for this activity or its global sales growth objective for fiscal year 2016-2017.

Over the full semester, growth remains high and concerns most geographical zones – particularly North America and Latin America – and strategic crops, with fine progression of hot and sweet pepper, carrot, summer squash and cucumber.

### **| FIELD SEEDS DIVISION: SUSTAINED GROWTH IN BUSINESS, DRIVEN BY STRONG DYNAMIC BUSINESS IN SOUTH AMERICA**

Sales for the Field seeds division for the first semester came to 201.6 million euros, an increase of 18.2% compared with the first semester for 2015-2016; this increase was 21% on a like-for-like basis.

- In Europe, on a rapeseed market characterized by the continuing adoption of hybrid seeds, the commercial campaign for this crop achieved an excellent level of growth, both in terms of volume and value, resulting in market share gains. Vilmorin & Cie thus confirmed its position as a top-ranking European player.  
The first part of the straw cereal seed campaign (wheat, barley) recorded a marked drop in sales, in a market context where the use of commercial seeds has fallen, particularly in France.

In a market environment still heavily influenced by the low level of prices for agricultural production, orders for corn are lower, in line with the falling trends for cultivated acreage for this crop, particularly in Western Europe. However, orders to date for sunflower seeds are promising, particularly in Eastern Europe.

- In South America, the first corn campaign in Brazil (*safrá*) was considerably higher than the previous year, with an increase both in volume and in value, in line with market trends, while the second corn campaign (*safrinha*) has also made a very good start, partly through anticipation of the sales campaign.
- In the other new development zones (Asia and Africa), the level of business achieved overall during the first semester corresponds to expectations.

The Field Seeds division thus recorded sales for the second quarter up 29.5% on a like-for-like basis.

Finally, on the North American market, the beginning of the commercial campaign for corn and soybean seeds is running well, in the context of a drop predicted for corn acreage, benefitting an increase in soybean acreage.

## RESULTS FOR THE FIRST SEMESTER: A STRONG IMPROVEMENT DIRECTLY LINKED TO THE INCREASE IN BUSINESS AND TIGHTER MANAGEMENT OF OPERATING CHARGES

- After taking into account the cost of destruction and depreciation of inventory, margin on the cost of sales came to 246 million euros, representing 48.9% of total sales, down 1.1 percentage point compared to the first semester for the previous fiscal year; it was mainly affected by the business mix.

Net operating charges came to 264.5 million euros, an increase of 4.2 million euros compared with the first semester for fiscal year 2015-2016, including an additional investment of 6.4 million euros in research and development.

**Consequently, the operating income for the first semester shows a loss of 18.5 million euros on December 31, 2016, a strong reduction (13.4 million euros compared to the first semester for 2015-2016); the operating margin, traditionally negative at the end of the first semester, came to -3.7%, as opposed to -7% on December 31, 2015.**

- **The income contribution from associated companies, in particular AgReliant (North America. Field Seeds) and Seed Co (Africa. Field Seeds), stood at -24.9 million euros at the end of the first semester for 2016-2017, virtually the same level as at the end of the first semester for the previous fiscal year.**
- The financial income shows a net charge of 6.8 million euros as opposed to 22.9 million euros on December 31, 2015. In particular, this year foreign exchange gains of 4.1 million euros were recorded, as opposed to foreign exchange losses of 5.4 million euros for the previous fiscal year.
- Income tax on December 31, 2016 shows a net tax income of 10.5 million euros, a decrease of 5.9 million euros compared to the previous year.
- **As a result of these factors, the net result for the semester shows a loss of 39.7 million euros, including a group share loss of 38.8 million euros, a reduction of 22.9 million euros compared with the first semester for fiscal year 2015-2016.**

At the end of December 2016, 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 (224.9 million euros), financial indebtedness came to 988.8 million euros, including a non-current share of 884.1 million euros.

The group share of equity stood at 1,112.6 million euros and minority interests at 109.1 million euros.

## GLOBAL CONFIRMATION OF OBJECTIVES FOR 2016-2017

In view of the results for the first semester, as presented above, and on the basis of information currently available, Vilmorin & Cie confirms its global sales growth objective for fiscal year 2016-2017 at +5% on a like-for-like basis compared with fiscal year 2015-2016. Vilmorin & Cie has also fixed the objective of achieving a current operating margin rate at the same level as that of fiscal year 2015-2016.

Over the second semester, reaching these objectives will nevertheless partly depend on the definitive evolution of cultivated acreage and prices for agricultural production, in a context of pressure on pricing policies for the Field Seeds activity, and also on the confirmation of growth potential for the Vegetable Seeds activity demonstrated over recent fiscal years.



You can consult a presentation of sales and results at the end of the first semester as of 9:00 am on the website [www.vilmorin.info](http://www.vilmorin.info)

### COMING DISCLOSURES:

**Thursday February 23, 2017:** registration with the AMF of the update of the annual report for 2015-2016

**Tuesday April 25, 2017<sup>(1)</sup>:** sales at the end of the third quarter 2016-2017

**Monday July 31, 2017<sup>(1)</sup>:** sales for the fiscal year 2016-2017

**Wednesday October 18, 2017<sup>(1)</sup>:** results for the fiscal year 2016-2017

*(1) disclosure after trading on the Paris stock market.*

### FOR ANY FURTHER INFORMATION:

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**Vilmorin & Cie, the 4<sup>th</sup> largest seed company in the world, develops vegetable and field seeds with high added value, contributing to meeting global food requirements.**

Accompanied by its reference shareholder Limagrain, an international agricultural cooperative group, Vilmorin & Cie's strategy for growth relies on sustained investments in research and international development to durably strengthen its market shares on promising world markets.

True to its vision of sustainable development, Vilmorin & Cie ensures its achievements fully respect its three founding values: progress, at the heart of its beliefs and its mission, perseverance, inherent to farming and the seeds business, and cooperation, in the fields of science, industry and commerce.

For further information: [www.vilmorin.info](http://www.vilmorin.info)

**APPENDIX:**  
**SALES FOR THE FIRST SEMESTER 2016-2017**  
**AND EVOLUTION PER QUARTER AND PER DIVISION**

In millions of euros	2015-2016	2016-2017	Variation with current data	Variation on a like-for- like basis
<b>First quarter</b>	<b>209.8</b>	<b>232.0</b>	<b>+10.6%</b>	<b>+11.3%</b>
Vegetable seeds	122.1	138.2	+13.3%	+12.3%
Field seeds	79.4	85.4	+7.5%	+11.0%
Garden products and holdings	8.3	8.3	+0.2%	+0.7%
<b>Second quarter</b>	<b>246.7</b>	<b>271.0</b>	<b>+9.8%</b>	<b>+10.4%</b>
Vegetable seeds	149.4	148.7	-0.5%	-0.6%
Field seeds	91.1	116.2	+27.5%	+29.5%
Garden products and holdings	6.2	6.2	-0.7%	+0.5%
<b>First semester</b>	<b>456.5</b>	<b>503.0</b>	<b>+10.2%</b>	<b>+10.8%</b>
Vegetable seeds	271.4	286.9	+5.7%	+5.2%
Field seeds	170.5	201.6	+18.2%	+21.0%
Garden products and holdings	14.6	14.5	-0.2%	+0.6%