

October 18, 2017, at 5:40 pm CET

## RESULTS FOR THE FISCAL YEAR ON JUNE 30, 2017 .....

- ❖ A FISCAL YEAR WITH SOLID GROWTH, BOTH IN TERMS OF BUSINESS AND CURRENT OPERATING MARGIN RATE AND MARKED BY A STRONG INCREASE IN NET INCOME
- ❖ SIGNIFICANT INCREASE IN DIVIDEND AT 1.60 EUROS PER SHARE (+45%)
- ❖ OUTLOOK FOR 2017-2018: OBJECTIVE OF 5%\* GROWTH IN BUSINESS AND CONFIRMATION OF STRATEGIC ORIENTATIONS

\* On a like-for-like basis

### FINANCIAL STATEMENTS FOR FISCAL YEAR 2016-2017

The consolidated financial statements for fiscal year 2016-2017, closing on June 30, 2017, were approved by the Vilmorin & Cie Board at its meeting of October 18, 2017. The Statutory Auditors have examined this annual financial information with no particular comments to make in their conclusions.

| In millions of euros             | 2015-2016      | 2016-2017      | Variation<br>with current data |
|----------------------------------|----------------|----------------|--------------------------------|
| <b>Sales for the year</b>        | <b>1,325.1</b> | <b>1,414.0</b> | <b>+6.7%</b>                   |
| EBITDA                           | 278.0          | 316.4          | +38.4 M€                       |
| Operating income                 | 100.3          | 118.3          | +18.0 M€                       |
| Income from associated companies | 30.8           | 33.9           | +3.1 M€                        |
| Financial income                 | -36.5          | -24.5          | +12.0 M€                       |
| Income taxes                     | -33.8          | -37.6          | -3.8 M€                        |
| <b>Of which:</b>                 |                |                |                                |
| - Current taxes                  | -27.0          | -25.0          | +2.0 M€                        |
| - Deferred taxes                 | -6.8           | -12.6          | -5.8 M€                        |
| <b>Consolidated net income</b>   | <b>60.8</b>    | <b>90.1</b>    | <b>+29.3 M€</b>                |
| <b>Group share of net income</b> | <b>59.3</b>    | <b>86.9</b>    | <b>+27.6 M€</b>                |

The consolidated financial information has been established in compliance with the IFRS reference (International Financial Reporting Standards), as adopted by the European Union on June 30, 2017.

Consolidated sales<sup>(1)</sup>, corresponding to revenue from ordinary activities for the fiscal year 2016-2017, came to 1,414 million euros, up 6.7% with current data.

Restated on a like-for-like basis (currency, scope), they also grew by 6.7% compared with the previous fiscal year.

After taking into account the cost of destruction and depreciation of inventory, the margin on the cost of goods stood at 48.6%, a significant increase of 0.9 percentage points compared with 2015-2016.

Net operating charges came to 568.7 million euros, as opposed to 531.9 million euros on June 30, 2016.

In compliance with its strategic orientations, Vilmorin & Cie continued to increase its research programs, at a moderate rate in 2016-2017, both in terms of conventional plant breeding and biotechnologies. Total research investment came to 240.2 million euros as opposed to 225.2 million euros in 2015-2016, and now represents 15.2% of seeds activities' sales intended for the professional markets, integrating the activities of the North American company AgReliant, held 50%.

Consequently, the consolidated operating income stood at 118.3 million euros, a strong increase compared with the previous fiscal year, resulting in a recorded operating margin of 8.4%. This margin reflects the fine sales performance of the activities, and the tight management of all the operating charges initiated in the spring of 2016. It includes the recording of 6.1 million euros of impairment and 6.2 million euros of reorganization costs. Restated for these items, the current operating margin stood at 9.2%, a marked increase compared with the previous fiscal year (+0.8 percentage points), perfectly in line with the previous trend disclosed<sup>(1)</sup>.

Income from associated companies came to 33.9 million euros, including in particular AgReliant, the African company Seed Co, and the Australian company AGT.

The financial income showed a net charge of 24.5 million euros compared with 36.5 million euros in 2015-2016, this year including currency exchange gains of 0.1 million euros compared with losses of 5.4 million euros on June 30, 2016.

Cost of funding came to 22.1 million euros compared with 23.8 million euros the previous fiscal year.

Net income taxes came to 37.6 million euros as against 33.8 million euros in 2015-2016. They include a net charge of deferred taxes of 12.6 million euros compared with 6.8 million euros the previous year.

Finally, the total net income came to 90.1 million euros, a very significant increase (29.3 million euros, or +48%), compared with the previous fiscal year; the Group share stood at 86.9 million euros.

Compared with the previous fiscal year, the balance sheet structure on June 30, 2017 was strengthened with a clear improvement in net debt to equity ratio (a gearing of 55%, compared to 59% on June 30, 2016), as a result of the strong growth in the EBITDA and a limited impact of development operations.

Net of cash and cash equivalents (256.3 million euros), total net financial indebtedness came to 713.9 million euros on June 30, 2017 compared with 742.3 million euros on June 30, 2016. The share of non-current financial indebtedness stood at 749.2 million euros.

The Group's share of equity stood at 1,196.7 million euros and minority interests at 111.8 million euros.

With these figures, leverage on June 30, 2017 stood at 2.3, compared with 2.7 on June 30, 2016.

<sup>(1)</sup> cf. Vilmorin & Cie press release published on July 31, 2017.

## DIVIDENDS

The Board of Vilmorin & Cie has decided to propose to the Annual General Meeting of Shareholders of December 8, 2017 a dividend of 1.60 Euros per share, a strong increase (45%) compared to the previous fiscal year. This corresponds to a pay-out rate of 38.4%, similar to that of previous fiscal years.

Dividend detachment date will be on December 13, 2017 with payment on December 15, 2017.

## NEWS

### 🔗 Proposal to appoint Annick BRUNIER as Director of Vilmorin & Cie

At the Combined Annual General Meeting of Shareholders, which will be held on December 8, 2017 in Paris, it will be proposed that Ms. Annick BRUNIER be appointed as Director of Vilmorin & Cie, for the duration of three years<sup>(1)</sup>, to replace Mr. Joël ARNAUD, whose term of office will be expiring, and who does not wish to renew it.

A farmer, and Director of Limagrain since 2012, Annick BRUNIER exercises several mandates in its different divisions. She also represents the Group in different professional organizations.

The Board of Directors proposes a better balance of the gender mix, taking the percentage of women on the Board of Directors above the threshold of 40%<sup>(2)</sup>.

<sup>(1)</sup> *Expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2020.*

<sup>(2)</sup> *In compliance with law No. 2011-103 of January 27, 2011 concerning balanced representation of women and men on Boards of Directors and Supervisory Boards, and concerning professional equality.*

### 🔗 Project to appoint Daniel JACQUEMOND as CEO Delegate of Vilmorin & Cie

Emmanuel ROUGIER, Vilmorin & Cie's CEO Delegate, will be stepping down from his duties at the end of 2017 in order to retire. The appointment of Daniel JACQUEMOND as Vilmorin & Cie's CEO Delegate will be proposed to the meeting of the Board of Directors following the General Meeting of December 8, 2017. Daniel JACQUEMOND has been Vilmorin & Cie's CFO since 2000.

A graduate of ESCP Europe, Daniel JACQUEMOND has experience of more than 30 years in the group's main business lines, and has occupied various operational functions as CEO of subsidiaries in France and Germany. He will be responsible for the continued deployment of Vilmorin & Cie's development strategy.

In view of this appointment, Vincent SUPIOT will be appointed CFO for Vilmorin & Cie. For this purpose he has already joined the Executive Committee.

Vincent SUPIOT, a graduate of the University of Economic Sciences in Clermont-Ferrand, joined the Group almost 20 years ago. In particular he has exercised different missions as CEO or CFO in Business Units in France and other countries (Netherlands, United States, Japan).

## **OBJECTIVES FOR 2017-2018: CONTINUE TO ACHIEVE SIGNIFICANT GROWTH IN BUSINESS AND CONSOLIDATE THE CURRENT OPERATING MARGIN**

The environment for fiscal year 2016-2017 was marked by globally sluggish markets, mainly due to the persistent low level of prices for agricultural production. In this context, Vilmorin & Cie nevertheless demonstrated its potential for development, confirming its solid, dynamic growth in Vegetable Seeds and its world leadership in this segment, and posting a strong increase in its Field Seeds activity.

Moreover, Vilmorin & Cie confirmed its strategic orientations, particularly in terms of investment in innovation and development throughout the world, on professional markets for agriculture and market gardening, while tightly managing all its operating charges.

Fiscal year 2017-2018 should allow Vilmorin & Cie to consolidate its organic growth potential in market conditions that will probably remain tense in the field seeds sector in Europe. Vilmorin & Cie will continue to strengthen, in a reasoned approach, its investments in research and development, particularly in upstream technology, while remaining on the look-out for any external growth opportunity that fits in with its strategic orientations.

**In this context, Vilmorin & Cie's objective for fiscal year 2017-2018 is to significantly increase its consolidated sales, by 5% on a like-for-like basis, with:**

- **growth of 4% on a like-for-like basis in Vegetable Seeds,**
- **growth of at least 5% on a like-for-like basis in Field Seeds.**

**Moreover, Vilmorin & Cie has set the objective of achieving a current operating margin rate at the same level as in 2016-2017. This margin will take into account research expenditure estimated at about 255 million euros, invested for growth both in Vegetable Seeds and Field Seeds.**

**Finally, Vilmorin & Cie is aiming for a contribution from its associated companies – mainly AgReliant (North America. Field Seeds), Seed Co (Africa. Field Seeds) and AGT (Australia. Field Seeds) at least equivalent to 2016-2017.**

Looking beyond the current fiscal year, which should continue to be affected by a context of depressed agricultural prices, and marked by the consolidation operations in the agrochemical sector, Vilmorin & Cie continues to aim to grow its business at a higher rate than market trends, and increase its operating margins both in Vegetable Seeds and Field Seeds, as part of the ambitions for 2020<sup>(1)</sup> presented at the end of the previous fiscal year.

After a fiscal year 2016-2017 which fully confirmed these ambitions, objectives for 2017-2018 are firmly in line with these trends, enabling Vilmorin & Cie to consolidate its capacity to offer long-term prospects for steady growth and consolidate its position as the world's fourth largest seed company.

*(1) Ambitions set out in the presentation of the results for fiscal year 2015-2016. Cf. Vilmorin & Cie's presentation of October 20, 2016, available on [www.vilmorincie.com](http://www.vilmorincie.com).*

## COMING DISCLOSURES AND EVENTS

- **Monday November 6, 2017<sup>(1)</sup>:**  
Sales at the end of the first quarter 2017-2018
- **Thursday 23 and Friday 24 November 2017:**  
Actionaria Fair in Paris
- **Friday December 8, 2017:**  
Annual General Meeting of Shareholders in Paris
- **Wednesday December 13, 2017:**  
Detachment of the dividends
- **Friday December 15, 2017:**  
Payment of the dividends

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

## FOR ANY FURTHER INFORMATION

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Vilmorin & Cie, the 4th 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.

✚ You can consult a presentation of the results for the fiscal year 2016-2017 on the website [www.vilmorincie.com](http://www.vilmorincie.com)

## APPENDIX 1:

### SALES FOR FISCAL YEAR 2016-2017 AND EVOLUTION PER QUARTER AND PER ACTIVITY

| In millions of euros         | 2015-2016      | 2016-2017      | Variation<br>with current data | Variation<br>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>Third quarter</b>         | <b>533.3</b>   | <b>567.2</b>   | <b>+6.4%</b>                   | <b>+5.7%</b>                          |
| Vegetable Seeds              | 199.5          | 212.0          | +6.3%                          | +5.0%                                 |
| Field Seeds                  | 308.3          | 330.0          | +7.0%                          | +6.7%                                 |
| Garden Products and Holdings | 25.5           | 25.2           | -1.2%                          | -0.4%                                 |
| <b>Fourth quarter</b>        | <b>335.2</b>   | <b>343.7</b>   | <b>+2.5%</b>                   | <b>+2.7%</b>                          |
| Vegetable Seeds              | 217.8          | 236.8          | +8.7%                          | +8.5%                                 |
| Field Seeds                  | 102.8          | 94.5           | -8.1%                          | -7.4%                                 |
| Garden Products and Holdings | 14.6           | 12.4           | -14.8%                         | -14.6%                                |
| <b>Sales for the year</b>    | <b>1 325.1</b> | <b>1 414.0</b> | <b>+6.7%</b>                   | <b>+6.7%</b>                          |
| Vegetable Seeds              | 688.7          | 735.8          | +6.8%                          | +6.2%                                 |
| Field Seeds                  | 581.7          | 626.0          | +7.6%                          | +8.3%                                 |
| Garden Products and Holdings | 54.7           | 52.2           | -4.5%                          | -4.0%                                 |

## APPENDIX 2: CONSOLIDATED INCOME STATEMENT

| In millions of euros  | 16-17          | 15-16          |
|---|----------------|----------------|
| ■ <b>Revenue from ordinary activities</b>   | <b>1 414.0</b> | <b>1 325.1</b> |
| Cost of goods sold  | - 727.0        | - 692.9        |
| Marketing and sales costs   | - 194.3        | - 186.1        |
| Research and development costs  | - 192.4        | - 177.5        |
| Administrative and general costs  | - 173.1        | - 169.4        |
| Other operating income and charges  | - 8.9          | 1.1            |
| ■ <b>Operating income</b>   | <b>118.3</b>   | <b>100.3</b>   |
| Profit from associated companies  | 33.9           | 30.8           |
| Interest costs  | - 22.1         | - 23.8         |
| Other financial income and charges  | - 2.4          | - 12.7         |
| Income taxes  | - 37.6         | - 33.8         |
| ■ <b>Profit from continuing operations</b>  | <b>90.1</b>    | <b>60.8</b>    |
| ■ <b>Profit from discontinued operations</b>  | <b>-</b>       | <b>-</b>       |
| ■ <b>Net income for the period</b>  | <b>90.1</b>    | <b>60.8</b>    |
| <i>Attributable to controlling company</i>  | <i>86.9</i>    | <i>59.3</i>    |
| <i>Attributable to non-controlling minority</i>   | <i>3.2</i>     | <i>1.5</i>     |
| Earnings from continuing operations per share<br>– attributable to controlling company              | 4.17           | 2.85           |
| Earnings from discontinued operations per share<br>– attributable to controlling company            | -              | -              |
| Earnings for the period per share<br>– attributable to controlling company                          | 4.17           | 2.85           |
| Diluted earnings from continuing operations<br>per share<br>– attributable to controlling company   | 4.11           | 2.86           |
| Diluted earnings from discontinued<br>operations per share<br>– attributable to controlling company | -              | -              |
| Diluted earnings for the period per share<br>– attributable to controlling company                  | 4.11           | 2.86           |

**APPENDIX 3:**  
**DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR**

| In millions of euros   | 16-17         | 15-16         |
|--|---------------|---------------|
| <b>Income for the period</b>   | <b>90.1</b>   | <b>60.8</b>   |
| Variation in currency translations   | - 27.8        | - 16.7        |
| Variation in the fair value of assets available for sale                     | -             | -             |
| Variation in the fair value of forward cover instruments                     | 0.2           | 0.2           |
| Change in method   | -             | -             |
| Impact of taxes  | - 0.1         | - 0.1         |
| <i>Items that might be reclassified to profit or loss</i>                    | - 27.7        | - 16.6        |
| Actuarial losses and gains   | 11.9          | - 22.5        |
| Impact of taxes  | - 2.9         | 5.9           |
| <i>Items not to be reclassified to profit or loss</i>                        | 9.0           | - 16.6        |
| <b>Other items in the total gains and losses for the period net of taxes</b> | <b>- 18.7</b> | <b>- 33.2</b> |
| <b>Total gains and losses for the period</b>                                 | <b>71.4</b>   | <b>27.6</b>   |
| <i>&gt; of which attributable to controlling company</i>                     | 71.2          | 27.6          |
| <i>&gt; of which attributable to non-controlling minority</i>                | 0.2           | -             |



## APPENDIX 4: FINANCIAL PROGRESS REPORT

### Assets

| In millions of euros                    | 06.30.17       | 06.30.16       |
|---|----------------|----------------|
| Goodwill                                | 377.9          | 385.5          |
| Other intangible fixed assets           | 688.3          | 682.4          |
| Tangible fixed assets                   | 292.4          | 295.4          |
| Financial fixed assets                  | 15.5           | 22.6           |
| Equity shares                           | 312.9          | 305.4          |
| Deferred taxes                          | 54.1           | 56.6           |
| <b>■ Total non-current assets</b>       | <b>1 741.1</b> | <b>1 747.9</b> |
| Inventories                             | 447.9          | 444.4          |
| Trade receivables and other receivables | 501.7          | 492.7          |
| Cash and cash equivalents               | 256.3          | 206.5          |
| <b>■ Total current assets</b>           | <b>1 205.9</b> | <b>1 143.6</b> |
| <b>Total assets</b>                     | <b>2 947.0</b> | <b>2 891.5</b> |

### Liabilities

| In millions of euros                       | 06.30.17       | 06.30.16       |
|--|----------------|----------------|
| Share capital                              | 317.7          | 317.7          |
| Reserves and income                        | 879.0          | 833.9          |
| <b>■ Equity – controlling company</b>      | <b>1 196.7</b> | <b>1 151.6</b> |
| <b>■ Equity – non-controlling minority</b> | <b>111.8</b>   | <b>112.4</b>   |
| <b>■ Consolidated equity</b>               | <b>1 308.5</b> | <b>1 264.0</b> |
| Provisions for employee benefits           | 64.2           | 77.0           |
| Non-current financial debts                | 749.2          | 778.5          |
| Deferred income taxes                      | 130.4          | 120.1          |
| <b>■ Total non-current liabilities</b>     | <b>943.8</b>   | <b>975.6</b>   |
| Other provisions                           | 16.1           | 12.4           |
| Accounts payable                           | 424.6          | 437.8          |
| Deferred income                            | 33.0           | 31.4           |
| Current financial debts                    | 221.0          | 170.3          |
| <b>■ Total current liabilities</b>         | <b>694.7</b>   | <b>651.9</b>   |
| <b>Total liabilities</b>                   | <b>2 947.0</b> | <b>2 891.5</b> |

## APPENDIX 5: VARIATION IN CONSOLIDATED EQUITY

| In millions of euros                                 | Attributable to controlling company |              |                           |                               |                | Attributable to non-controlling minorities | Total          |
|--|-------------------------------------|--------------|---------------------------|-------------------------------|----------------|--|----------------|
|  | Capital                             | Premiums     | Income and other reserves | Currency translation reserves | Total          |  |                |
| <b>07.01.15</b>                                      | <b>317.7</b>                        | <b>350.5</b> | <b>452.1</b>              | <b>38.1</b>                   | <b>1 158.4</b> | <b>113.6</b>                               | <b>1 272.0</b> |
| Other items of the global income net of taxes        | -                                   | -            | - 16.0                    | - 15.7                        | - 31.7         | - 1.5                                      | - 33.2         |
| Net income   | -                                   | -            | 59.3                      | -                             | 59.3           | 1.5  | 60.8           |
| <b>Global income for the fiscal year</b>             | <b>-</b>                            | <b>-</b>     | <b>43.3</b>               | <b>- 15.7</b>                 | <b>27.6</b>    | <b>-</b>                                   | <b>27.6</b>    |
| Variation in treasury shares                         | -                                   | -            | -                         | -                             | -              | -  | -              |
| Dividends paid out                                   | -                                   | - 17.9       | - 14.8                    | -                             | - 32.7         | - 2.6                                      | - 35.3         |
| Variations in scope                                  | -                                   | -            | 1.3                       | -                             | 1.3            | 1.4  | 2.7            |
| Effect of share purchase commitments                 | -                                   | -            | -                         | -                             | -              | -  | -              |
| Variation in the capital stock of the parent company | -                                   | -            | -                         | -                             | -              | -  | -              |
| Variation in the capital stock of the subsidiaries   | -                                   | -            | -                         | -                             | -              | -  | -              |
| Bonds redeemable as shares                           | -                                   | -            | -                         | -                             | -              | -  | -              |
| Restatement  | -                                   | -            | 3.4                       | - 3.4                         | -              | -  | -              |
| Others   | -                                   | -            | - 3.0                     | -                             | - 3.0          | -  | - 3.0          |
| <b>06.30.16</b>                                      | <b>317.7</b>                        | <b>332.6</b> | <b>482.3</b>              | <b>19.0</b>                   | <b>1 151.6</b> | <b>112.4</b>                               | <b>1 264.0</b> |
| Other items of the global income net of taxes        | -                                   | -            | 8.8                       | - 24.5                        | - 15.7         | - 3.0                                      | - 18.7         |
| Net income   | -                                   | -            | 86.9                      | -                             | 86.9           | 3.2  | 90.1           |
| <b>Global income for the fiscal year</b>             | <b>-</b>                            | <b>-</b>     | <b>95.7</b>               | <b>- 24.5</b>                 | <b>71.2</b>    | <b>0.2</b>                                 | <b>71.4</b>    |
| Variation in treasury shares                         | -                                   | -            | -                         | -                             | -              | -  | -              |
| Dividends paid out                                   | -                                   | -            | - 22.9                    | -                             | - 22.9         | - 2.0                                      | - 24.9         |
| Variations in scope                                  | -                                   | -            | - 3.6                     | -                             | - 3.6          | 2.4  | - 1.2          |
| Effect of share purchase commitments                 | -                                   | -            | 1.1                       | -                             | 1.1            | - 1.2                                      | - 0.1          |
| Variation in the capital stock of the parent company | -                                   | -            | -                         | -                             | -              | -  | -              |
| Variation in the capital stock of the subsidiaries   | -                                   | -            | - 0.6                     | -                             | - 0.6          | -  | - 0.6          |
| Bonds redeemable as shares                           | -                                   | -            | -                         | -                             | -              | -  | -              |
| Restatement  | -                                   | -            | 0.2                       | - 0.2                         | -              | -  | -              |
| Others   | -                                   | -            | - 0.1                     | -                             | - 0.1          | -  | - 0.1          |
| <b>06.30.17</b>                                      | <b>317.7</b>                        | <b>332.6</b> | <b>552.1</b>              | <b>- 5.7</b>                  | <b>1 196.7</b> | <b>111.8</b>                               | <b>1 308.5</b> |

## APPENDIX 6: GLOSSARY

### • Like-for-like data

Like-for-like data are data readjusted for constant consolidation scope and currency exchange rates. *The average rates for fiscal year 2016-2017 are thus applied to the financial data for 2015-2016, along with any changes in the consolidation scope, so that data for the two fiscal years can be compared on the same basis.*

### • Current data

Current data are the data expressed with the historical currency exchange rates for the period, and not adjusting for changes in the consolidation scope.

### • EBITDA

The EBITDA is defined as the operating income to which are added any provisions for depreciation, amortization and impairment.

### • Research investment

Research investment refers to gross research expenditure before recording any research costs as fixed assets.

### • Gearing

Gearing is defined as the ratio comparing the net financial debt<sup>(1)</sup> to the equity<sup>(2)</sup>.

### • Leverage

Leverage is defined as the ratio comparing the net financial debt<sup>(1)</sup> to the EBITDA.

### • Current operating margin

The current operating margin is defined as the accounting operating margin restated for any impairment and reorganization costs.

*For fiscal year 2015-2016, certain items of an extraordinary nature had also been restated: additional procurement costs and partial allocation of goodwill.*

<sup>(1)</sup> Net financial debt corresponds to the net financial indebtedness.

<sup>(2)</sup> Equity corresponds to the line "Consolidated equity", as presented in the Financial progress report.