

October 17, 2018, at 5:40 pm CET

RESULTS FOR THE FISCAL YEAR ON JUNE 30, 2018

- ❖ ANNUAL RESULTS FOR 2017-2018 DOWN, AFFECTED BY MARKETS THAT ARE TEMPORARILY GOING THROUGH A DIFFICULT PERIOD
- ❖ DIVIDEND OF 1.35 EUROS PER SHARE AND PLANNED FREE ALLOTMENT OF SHARES
- ❖ NEWS: VILMORIN & CIE PURSUES THE ACHIEVEMENT OF ITS STRATEGIC ORIENTATIONS THROUGH THE CONSOLIDATION OF ITS PARTNERSHIP WITH SEED CO (AFRICA. FIELD SEEDS) AND THE ADAPTATION OF ITS UPSTREAM RESEARCH SET-UP
- ❖ OUTLOOK FOR 2018-2019: OBJECTIVE OF 2% TO 3%* BUSINESS GROWTH AND SLIGHT INCREASE IN THE CURRENT OPERATING MARGIN RATE

* On a like-for-like basis

FINANCIAL STATEMENTS 2017-2018

The consolidated financial statements for 2017-2018, closing on June 30, 2018, were approved by the Vilmorin & Cie Board at its meeting of October 17, 2018. The Statutory Auditors have examined this annual financial information with no particular comments or reservations to make in their conclusions.

In millions of euros	2016-2017	2017-2018	Variation with current data
Sales for the year	1 414.0	1 346.0	-4.8%
EBITDA	316.4	296.7	-19.7 M€
Operating income	118.3	97.1	-21.2 M€
Income from associated companies	33.9	23.3	-10.6 M€
Financial income	-24.5	-38.0	-13.5 M€
Income taxes	-37.6	-5.5	+32.1 M€
<i>Of which:</i>			
- Current taxes	-25.0	-13.0	+12.0 M€
- Deferred taxes	-12.6	7.5	+20.1 M€
Consolidated net income	90.1	76.9	-13.2 M€
Group share of net income	86.9	74.1	-12.8 M€

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, 2018.

Consolidated sales⁽¹⁾, corresponding to revenue from ordinary activities for the fiscal year 2017-2018, came to 1,346 million euros, down 4.8% with current data.

Restated on a like-for-like basis (currency, scope), they grew by 0.7% 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 48.9%, an increase of 0.3 percentage points compared with 2016-2017.

Net operating charges came to 561.6 million euros, as opposed to 568.7 million euros on June 30, 2017.

In compliance with its strategic orientations, Vilmorin & Cie continued to increase its research programs, at a moderate rate, in 2017-2018, both in terms of conventional plant breeding and biotechnologies. Total research investment came to 241.4 million euros as opposed to 240.2 million euros in 2016-2017, and now represents 16.2% of seeds activity sales intended for the professional markets, integrating the activities of the North American company AgReliant, held 50%.

Consequently, the consolidated operating income stood at 97.1 million euros, a significant decrease compared with the previous fiscal year, resulting in a recorded operating margin of 7.2%, down 1.2 percentage points compared with the previous fiscal year. The current operating margin also stood at 7.2%, a marked decrease compared with the previous fiscal year (-2 percentage points), as indicated in the last disclosed trend⁽¹⁾.

Income from associated companies came to 23.3 million euros, including in particular AgReliant, the African company Seed Co, and the Australian company AGT.

The financial income showed a net charge of 38 million euros compared with 24.5 million euros in 2016-2017, this year including currency exchange losses of 12.1 million euros compared with currency gains of 0.1 million euros on June 30, 2017, in extremely disturbed monetary markets for certain foreign currencies (in particular the real, the Turkish pound and the yen).

Cost of funding came to 24.4 million euros compared with 22.1 million euros the previous fiscal year.

The net charge of income taxes came to 5.5 million euros as against 37.6 million euros in 2016-2017. They include a net income of deferred taxes of 7.5 million euros compared to a net charge of 12.6 million euros the previous year.

Finally, the total net income came to 76.9 million euros, down 13.2 million euros compared with the previous fiscal year; the group share stood at 74.1 million euros.

Compared with the previous fiscal year, the balance sheet structure on June 30, 2018 remained extremely solid, but was marked by a slight increase in the net indebtedness to equity ratio (a gearing of 58%, compared to 55% on June 30, 2017); this increase was due in particular to an offset of the working capital needs of the Vegetable Seeds as a result of an excellent fourth quarter.

Net of cash and cash equivalents (196.7 million euros), total net financial indebtedness came to 765.9 million euros on June 30, 2018 compared with 713.9 million euros on June 30, 2017. The share of non-current financial indebtedness stood at 758.3 million euros.

The group's share of equity stood at 1,195 million euros and minority interests at 109.7 million euros. With these figures, leverage on June 30, 2018 stood at 2.6, compared with 2.3 on June 30, 2017.

⁽¹⁾ Cf. Vilmorin & Cie press release published on August 6, 2018.

DIVIDEND

The Board of Vilmorin & Cie has decided to propose to the Annual General Meeting of Shareholders of December 7, 2018 a dividend of 1.35 euros per share, compared with 1.60 euros the previous fiscal year. This corresponds to a pay-out rate of 38%. The Board of Directors has therefore decided to maintain a pay-out rate of the results similar to that of previous fiscal years, asserting its confidence in Vilmorin & Cie's outlook. Dividend detachment date will be on December 12, 2018 with payment on December 14, 2018.

Vilmorin & Cie's Board of Directors will also propose that the Annual General Meeting of Shareholders should adopt a resolution to delegate the powers necessary to the Board for a free allotment of shares to the shareholders.

NEWS

✚ VILMORIN & CIE STRENGTHENS ITS COMMITMENT TO THE AFRICAN SEED MARKET BY CONSOLIDATING ITS PARTNERSHIP WITH SEED CO, THE LARGEST SEED COMPANY IN AFRICA

Vilmorin & Cie has held a minority stake⁽¹⁾ in Seed Co, the largest seed company in Africa, since fiscal year 2013-2014, and is continuing to strengthen the deployment of its partnership with the company, gaining access to new high potential markets.

In August 2018⁽²⁾ Seed Co decided to reorganize its activities, through a partial unbundling resulting in the separate listing of its holding Seed Co International (SCIL), based in Botswana, which groups all its international activities (outside Zimbabwe); the objective is to ensure its continuous expansion over the continent, particularly through access to new financial resources. Consequently, Vilmorin & Cie participated in the reserved capital stock increase of Seed Co International, which is now listed on the stock exchanges of Gaborone (Botswana) and Harare (Zimbabwe). Vilmorin & Cie, now the main shareholder of Seed Co International, is working closely with Seed Co, through a shareholders' agreement, in the definition of the strategic ambitions of the new structure and in their implementation.

In 2017-2018, Seed Co made sales of 128.5 million US dollars⁽³⁾ with a net income of 21.4 million dollars⁽³⁾.

(1) *Vilmorin & Cie held 29.45% of the capital stock of Seed Co at the end of June, 2018.*

(2) *The decision was approved by the Seed Co Annual General Meeting held on August 9, 2018.*

(3) *Annual data at 100% for the fiscal year closing on March 31, 2018.*

✚ VILMORIN & CIE ADAPTS ITS UPSTREAM RESEARCH SET-UP FOR STRONGER SUPPORT TO ITS GROWTH STRATEGY

Vilmorin & Cie announces the signing of an agreement with the Broad Institute covering genome editing techniques

At the beginning of its fiscal year 2018-2019, Vilmorin & Cie signed an agreement that will enable it to broaden its range of technologies, by gaining access to the CRISPR genome editing technique for use in all its breeding research programs, both for Vegetable Seeds and Field Seeds.

Vilmorin & Cie has signed an agreement with the Broad Institute of MIT (Massachusetts Institute of Technology) and Harvard biomedical and genomics research center located in Cambridge in the United States. This agreement grants Vilmorin & Cie access to the techniques known as CRISPR-Cpf1; the agreement covers uses both for purposes of research and for potential commercial applications

By completing the range of technologies at its disposal, Vilmorin & Cie will now be able to increase the efficiency of its research and its capacity to develop varieties that are capable of meeting tomorrow's agricultural challenges.

Biogemma: towards a new cooperation model between the shareholders

Biogemma, a biotechnology research company in which Vilmorin & Cie is the majority shareholder⁽⁴⁾, has announced a project to split its oilseeds (rape and sunflower) and cereals (wheat and corn) businesses. According to this project, oilseed research will be integrated into a new structure with Vilmorin & Cie, Euralis, RAGT and Sofiprotéol (Avril group), with all being equal shareholders; wheat and corn research will be exclusively held by Vilmorin & Cie. This project should be implemented by the end of 2018, provided that all social and legal procedures are completed, and approvals are obtained.

(4) Vilmorin & Cie holds 55% of Biogemma in partnership with the seed companies Euralis and RAGT, and the French institutes that represent the oil and protein sector (Sofiprotéol – Avril group) and the cereals sector (Arvalis).

Through these changes, Vilmorin & Cie, which invested more than 241 million euros in research in 2017-2018, and nearly 310 million euros if funding in the form of partnerships is included, is confirming its capacity and willingness to work through alliances, in order to gain access, in particular, to new skills and technologies, and enrich its upstream research.

OUTLOOK FOR 2018-2019: OBJECTIVE OF 2% TO 3%⁽⁵⁾ GROWTH IN BUSINESS AND SLIGHT INCREASE IN THE CURRENT OPERATING MARGIN RATE

Fiscal year 2017-2018 was characterized by a market environment that still remains sluggish, due to the persistent low level of prices for agricultural production, and temporary difficulties on the vegetable seeds markets. In spite of this context, Vilmorin & Cie is nevertheless managing to post slight business growth⁽⁵⁾, after a fiscal year where it succeeded globally in strengthening its competitive positions on its different markets. Vilmorin & Cie has therefore clearly reinforced its position as a solid world leader in vegetable seeds, and gained new market shares in corn (particularly in Europe and South America) and in oilseed rape and sunflower on European markets.

Moreover, Vilmorin & Cie pursued the deployment of its strategic orientations, particularly in terms of investment in innovation and development throughout the world, on professional markets for agriculture and vegetable production.

Fiscal year 2018-2019 should allow Vilmorin & Cie to strengthen its competitive positions in market conditions that will probably remain tense in the field seeds sector and characterized by an ongoing partial lack of visibility in vegetable seeds. 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.

For fiscal year 2018-2019, Vilmorin & Cie is fixing the objective of achieving an increase in its overall consolidated sales of 2% to 3% on a like-for-like basis; the growth targeted in Vegetable Seeds and Field Seeds is also 2% to 3% on a like-for-like basis.

Moreover, Vilmorin & Cie has set the objective of achieving a current operating margin rate with a slight increase, estimated to be between 0.5 and 1 percentage points, compared with fiscal year 2017-2018. This margin will take into account research investment that should be above 250 million euros, intended to promote growth both for Vegetable Seeds and for 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 that of 2017-2018.

After a difficult fiscal year 2017-2018, mainly due to unfavorable market conditions, which nevertheless in no way call into question the fundamentals of the seeds market, the objectives fixed for 2018-2019 should allow Vilmorin & Cie, in the short-term, to recover its growth impetus and its capacity to offer perspectives of resilient, sustainable growth in the mid- and long-term.

(5) On a like-for-like basis.

COMING DISCLOSURES AND EVENTS

- Monday November 5, 2018⁽¹⁾:
Sales at the end of the 1st quarter
2018-2019
- Thursday 22 and Friday 23 November,
2018:
Actionaria Fair in Paris
- Friday December 7, 2018:
Annual General Meeting of Shareholders
in Paris
- Wednesday December 12, 2018:
Detachment of the dividends
- Friday December 14, 2018:
Payment of the dividends

(1) Disclosure 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 on the website www.vilmorincie.com

APPENDIX 1:

SALES FOR FISCAL YEAR 2017-2018 AND EVOLUTION PER QUARTER AND PER ACTIVITY

In millions of euros	2016-2017	2017-2018	Variation with current data	Variation on a like-for-like basis
First quarter	232.0	207.6	-10.5%	-6.5%*
Vegetable Seeds	138.2	109.3	-20.9%	-15.4%*
Field Seeds	85.4	90.4	+5.9%	+7.0%
Garden Products and Holdings	8.3	7.9	-5.5%	-4.9%
Second quarter	271.0	252.5	-6.8%	-1.0%
Vegetable Seeds	148.7	139.4	-6.2%	+2.9%
Field Seeds	116.2	107.5	-7.4%	-5.2%
Garden Products and Holdings	6.2	5.6	-10.0%	-9.6%
Third quarter	567.2	528.2	-6.9%	-1.7%
Vegetable Seeds	212.0	190.8	-10.0%	-0.1%
Field Seeds	330.0	314.3	-4.8%	-2.1%
Garden Products and Holdings	25.2	23.1	-8.2%	-8.2%
Fourth quarter	343.7	357.7	+4.1%	+10.9%
Vegetable Seeds	236.8	233.6	-1.4%	+6.1%
Field Seeds	94.5	111.1	+17.6%	+23.3%
Garden Products and Holdings	12.4	13.0	+4.7%	+6.8%
Sales for the year	1 414.0	1 346.0	-4.8%	+0.7%
Vegetable Seeds	735.8	673.1	-8.5%	-0.4%
Field Seeds	626.0	623.3	-0.4%	+2.3%
Garden Products and Holdings	52.2	49.6	-4.9%	-4.3%

* NB: Variations on a like-for-like basis disclosed on November 6, 2017, concerning the first quarter of 2017-2018, did not include the withdrawal from the distribution of agricultural supplies in Japan.

APPENDIX 2: CONSOLIDATED INCOME STATEMENT

In millions of euros	17-18	16-17
■ Revenue from ordinary activities	1 346.0	1 414.0
Cost of goods sold	- 687.3	- 727.0
Marketing and sales costs	- 190.0	- 194.3
Research and development costs	- 194.4	- 192.4
Administrative and general costs	- 180.4	- 173.1
Other operating income and charges	3.2	- 8.9
■ Operating income	97.1	118.3
Profit from associated companies	23.3	33.9
Interest costs	- 24.4	- 22.1
Other financial income and charges	- 13.6	- 2.4
Income taxes	- 5.5	- 37.6
■ Profit from continuing operations	76.9	90.1
■ Profit from discontinued operations	-	-
■ Net income for the period	76.9	90.1
<i>Attributable to the controlling company</i>	<i>74.1</i>	<i>86.9</i>
<i>Attributable to the non-controlling minority</i>	<i>2.8</i>	<i>3.2</i>
Earnings from continuing operations per share – attributable to controlling company	3.56	4.17
Earnings from discontinued operations per share – attributable to controlling company	-	-
Earnings for the period per share – attributable to controlling company	3.56	4.17
Diluted earnings from continuing operations per share – attributable to controlling company	3.45	4.11
Diluted earnings from discontinued operations per share – attributable to controlling company	-	-
Diluted earnings for the period per share – attributable to controlling company	3.45	4.11

APPENDIX 3:

DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR

In millions of euros	17-18	16-17
Income for the period	76.9	90.1
Variation in currency translations	- 49.2	- 27.8
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	1.6	0.2
Change in method	-	-
Impact of taxes	- 0.5	- 0.1
<i>Items that might be reclassified to profit or loss</i>	<i>- 48.1</i>	<i>- 27.7</i>
Actuarial losses and gains	5.7	11.9
Impact of taxes	- 4.4	- 2.9
<i>Items not to be reclassified to profit or loss</i>	<i>1.3</i>	<i>9.0</i>
Other items in the total gains and losses for the period net of taxes	- 46.8	- 18.7
Total gains and losses for the period	30.1	71.4
> of which attributable to controlling company	30.3	71.2
> of which attributable to non-controlling minority	- 0.2	0.2

APPENDIX 4: FINANCIAL PROGRESS REPORT

Assets

In millions of euros	06.30.18	06.30.17
Goodwill	368.9	377.9
Other intangible fixed assets	692.7	688.3
Tangible fixed assets	290.2	292.4
Financial fixed assets	14.4	15.5
Equity shares	321.9	312.9
Deferred taxes	22.3	54.1
■ Total non-current assets	1 710.4	1 741.1
Inventories	474.0	447.9
Trade receivables and other receivables	514.5	501.7
Cash and cash equivalents	196.7	256.3
■ Total current assets	1 185.2	1 205.9
Total assets	2 895.6	2 947.0

Liabilities

In millions of euros	06.30.18	06.30.17
Share capital	317.7	317.7
Reserves and income	877.3	879.0
■ Equity – controlling company	1 195.0	1 196.7
■ Equity – non-controlling company	109.7	111.8
■ Consolidated equity	1 304.7	1 308.5
Provisions for employee benefits	57.4	64.2
Non-current financial debts	758.3	749.2
Deferred income taxes	97.1	130.4
■ Total non-current liabilities	912.8	943.8
Other provisions	15.5	16.1
Accounts payable	428.7	424.6
Deferred income	29.6	33.0
Current financial debts	204.3	221.0
■ Total current liabilities	678.1	694.7
Total liabilities	2 895.6	2 947.0

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		
07.01.16	317.7	332.6	482.3	19.0	1 151.6	112.4	1 264.0
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
Global income for the fiscal year	-	-	95.7	- 24.5	71.2	0.2	71.4
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
06.30.17	317.7	332.6	552.1	- 5.7	1 196.7	111.8	1 308.5
Other items of the global income net of taxes	-	-	2.3	- 46.1	- 43.8	- 3.0	- 46.8
Net income	-	-	74.1	-	74.1	2.8	76.9
Global income for the fiscal year	-	-	76.4	- 46.1	30.3	- 0.2	30.1
Variation in treasury shares	-	-	0.2	-	0.2	-	0.2
Dividends paid out	-	-	- 33.4	-	- 33.4	- 2.1	- 35.5
Variations in scope	-	-	-	-	-	-	-
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the capital stock of the parent company	-	-	-	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	0.3	-	0.3	0.2	0.5
Variation in the minorities share	-	-	0.7	-	0.7	-	0.7
Bonds redeemable as shares	-	-	-	-	-	-	-
Restatement	-	- 0.2	0.2	-	-	-	-
Others	-	-	0.2	-	0.2	-	0.2
06.30.18	317.7	332.4	596.7	- 51.8	1 195.0	109.7	1 304.7

APPENDIX 6: GLOSSARY

❖ **Current data**

Current data is data expressed at the historical currency exchange rate for the period, and without adjustment for any changes in scope.

❖ **Current operating margin**

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

❖ **EBITDA**

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

❖ **Gearing**

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

❖ **Leverage**

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

❖ **Like-for-like data**

Like-for-like data is data that is restated for constant scope and currency translation.

- Therefore financial data for 2016-2017 is restated with the average rate for fiscal year 2017-2018, and any other changes to the scope, in order to be comparable with data for fiscal year 2017-2018.
- The only change to the consolidation scope is the stake of 49% in the capital stock of Prime Seed Co (Zimbabwe. Vegetable Seeds), purchased in April 2017.
- The change in the scope of activity relates to the withdrawal by the Business Unit Vilmorin-Mikado (Vegetable Seeds) from the distribution of agricultural supplies in Japan.

❖ **Research investment**

Research investment refers to gross research expenditure before recording any research costs and tax relief for research as fixed assets.

⁽¹⁾ The net financial debt is equal to the net financial indebtedness.

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