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SALES AND RESULTS FOR THE 1ST SEMESTER 2018-2019

- ❖ SALES FOR THE 1ST SEMESTER ON DECEMBER 31, 2018 UP BY 3.8%*
- ❖ SLIGHT IMPROVEMENT OF THE OPERATING INCOME AND MODERATE DIP IN THE NET INCOME FOR THE 1ST SEMESTER
- ❖ OBJECTIVES FOR FISCAL YEAR 2018-2019 MAINTAINED

* On a like-for-like basis

On average, sales for the first semester globally represent around only 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	2017-2018	2018-2019	Variation on a like-for-like basis
Sales			
● Vegetable Seeds	248.7	239.2	+0.7%
● Field Seeds	197.9	209.0	+8.5%
● Garden Products and Holdings	13.5	12.2	-7.7%
Sales for the first semester	460.1	460.4	+3.8%

In millions of euros	2017-2018	2018-2019	Variation with current data
EBITDA	55.7	62.4	+6.7
Operating income	-42.4	-40.5	+1.9
Income from associated companies	-26.6	-7.9	+18.7
Financial income	-16.7	-19.4	-2.7
Income taxes	+47.6	+28.2	-19.4
Net income of which group share	-38.1 -37.3	-39.6 -39.2	-1.5 -1.9

The consolidated financial statements for the first semester 2018-2019, closed on December 31, 2018, were approved at the Vilmorin & Cie Board meeting of March 1st, 2019. 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, 2018. It takes into account the application of IAS 29 with regard to the treatment of hyperinflation in Argentina.

The other accounting methods and principles adopted in the condensed consolidated financial statements for the first semester on December 31, 2018 are identical to those used in the consolidated financial statements for the fiscal year closing on June 30, 2018.

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.

MARKED INCREASE IN SALES FOR THE FIRST SEMESTER (+3.8% ON A LIKE-FOR-LIKE BASIS), OWING TO THE CONFIRMED DYNAMIC GROWTH OF FIELD SEEDS

Vilmorin & Cie's consolidated sales for the first semester 2018-2019, closed on December 31, 2018, came to 460.4 million euros, virtually stable with current data (+0.1%) and up by 3.8% on a like-for-like basis.

❖ Vegetable Seeds division: a second quarter marked by performances that continue to vary between geographical regions

Over the second quarter, the Vegetable Seeds division achieved a slight increase in sales (135.8 million euros, +0.6% on a like-for-like basis).

Continuing on from the first quarter, performances were very heterogeneous depending on the region. In North America, business posted a strong increase, both in the United States and in Mexico. This evolution is confirmation of a return to a healthier situation in distributors' inventory levels. Moreover, it is also directly linked to the launch of new products, especially in Mexico, and to a significant recovery of the third party brand business, initiated following the acquisition of the company Genica Research in 2016, allowing Vilmorin & Cie to broaden its distribution methods approach. In Asia, sales increased significantly, in particular thanks to the strong growth of carrot seeds sales in China.

Meanwhile, commercial activity continues to be disturbed by the geopolitical and monetary context that remains unstable in several geographical regions. Accordingly, sales dropped considerably in South America and in the Africa/Middle East zone.

Consequently, sales for the Vegetable Seeds division for the first semester came to 239.2 million euros, down by 3.8%. Restated on a like-for-like basis, they rose by 0.7%.

In vegetable markets where the fundamentals remain intact, and at the end of a first semester that represents, on average over the last few years, less than 40% of annual sales, Vilmorin & Cie maintains its sales growth target for this activity for 2018-2019, i.e. an increase of 2% to 3% on a like-for-like basis compared to 2017-2018.

❖ Field Seeds division: an activity with significant growth, driven by a high-quality semester in Europe

Over the second quarter, Field Seeds posted sales that grew by 4.7% with current data, and 6.1% on a like-for-like basis.

- In Europe, Vilmorin & Cie posted strong business growth, in particular owing to an excellent quality rapeseed commercial campaign. Indeed, in spite of the marked drop in acreage devoted to this crop, directly related to the drought of last summer, Vilmorin & Cie achieved a strong increase in its sales for this crop, as a result of extremely high-performance germplasm, and consequently gained high market shares. As for the first part of the straw cereal seed (wheat, barley) campaign, sales grew slightly in a context where there was a return to greater cultivated acreage, whereas sales of forage crop seeds grew fast, particularly in Germany and the Netherlands. In a market environment that remains sluggish, still heavily influenced by the low level of prices for agricultural production, orders for corn are looking promising, particularly in Western Europe. Finally, orders for the sunflower seed campaign are satisfactory.
- In South America, sales experienced measured growth at the end of December. Sales for the first corn campaign in Brazil (*safra*) posted a slight drop compared with last year, and the second campaign (*safrinha*) has once again this year been hit by strong competitive pressure on prices. Orders for *safrinha* are therefore lower than at the end of December 2017, reflecting Vilmorin & Cie's decision to defend its prices.

Soybean seed sales grew fast as they did during the previous fiscal year; as a consequence, Vilmorin & Cie is continuing to expand its commercial line-up, in order to cover all the needs of South American farmers. Finally, in Argentina, corn seed sales progressed very significantly, both in volume and in value, linked to the devaluation of the Argentinian peso, but also to the country's market growth.

- In the other new development regions, business in South Africa was significantly impacted by a persistent drought, whereas in Asia, sales fell, particularly in India.

Consequently, sales for the Field Seeds division for the first semester came to 209 million euros, an increase of 5.6% with current data and 8.5% like-for-like compared with the first semester for 2017-2018.

On these bases, Vilmorin & Cie confirms its objective for an increase in sales for Field Seeds for fiscal year 2018-2019, an increase of between 2% and 3% on a like-for-like basis compared with the previous fiscal year.

Moreover, with regard to associated companies:

- On the North American market, the beginning of the commercial campaign for corn and soybean seeds is running well, with an earlier start this year. Nevertheless, orders are currently lower, in a context where the deployment of the new AgReliant commercial strategy, with a major brand reorganization, is having a short-term impact on business development in certain distribution channels.
- On the African market, at the end of September 2018, Seed Co posted a strong increase in its sales, particularly for corn and wheat.

SLIGHT IMPROVEMENT OF THE OPERATING INCOME DUE TO GOOD CONTROL OVER OPERATING CHARGES AS WELL AS EXTRAORDINARY ITEMS, AND A MODERATE DECLINE IN THE NET INCOME FOR THE FIRST SEMESTER

- After taking into account the cost of destruction and impairment of inventory, margin on the cost of sales came to 233 million euros, representing 50.6% of total sales, down 0.9 percentage points compared to the first semester for the previous fiscal year; it was mainly hit by the effect of the business mix.

Net operating charges came to 273.5 million euros, a decrease of 5.7 million euros compared with the first semester for fiscal year 2017-2018. Taking into account a slight drop in research and development costs, they include an exceptional income resulting from the partial demerger of Biogemma⁽¹⁾, a biotechnology research company of which Vilmorin & Cie is henceforth the sole shareholder.

Consequently, the operating income for the first semester shows a loss of 40.5 million euros on December 31, 2018, a decrease of 1.9 million euros compared to the first semester for 2017-2018; the operating margin, traditionally negative at the end of the first semester, came to -8.8%, as opposed to -9.2% on December 31, 2017.

- **The income contribution from associated companies, in particular AgReliant (North America. Field Seeds) and Seed Co (Africa. Field Seeds), stood at -7.9 million euros for the first semester 2018-2019, as opposed to -26.6 million euros for the first semester of the previous fiscal year. This contribution takes into account a revaluation profit of 11 million euros, as a result of the financial and legal reorganization of the company Seed Co's⁽¹⁾ international activities.**
- The financial income shows a net charge of 19.4 million euros as opposed to 16.7 million euros on December 31, 2017. In particular, this year net foreign exchange losses of 5.1 million euros were recorded, as opposed to 4.6 million euros the previous fiscal year. Moreover it also includes the recording of hyperinflation affecting business in Argentina, with a value of -1.9 million euros⁽²⁾.

⁽¹⁾ Cf. Vilmorin & Cie press release disclosed on October 17, 2018.

⁽²⁾ In compliance with IAS 29, applicable to Vilmorin & Cie's financial statements for Argentina as of July 1st, 2018.

- On December 31, 2018 a net tax income of 28.2 million euros was recorded, down by 19.4 million euros compared to the previous year, which had been marked notably by the adoption of lower tax rates in France and the United States.
- **As a result of these factors, the net result for the semester shows a loss of 39.6 million euros, including a group share loss of 39.2 million euros, an increase of 1.5 million euros compared with the first semester of fiscal year 2017-2018.**
- At the end of December 2018, 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 (201.8 million euros), financial indebtedness came to 1,203.2 million euros, including a non-current share of 1,047.4 million euros.
The group share of equity stood at 1,138.5 million euros and minority interests at 85.3 million euros.

NEWS: VILMORIN & CIE STRENGTHENS ITS CAPACITY FOR INNOVATION BY INVESTING IN THE PSL INNOVATION FUND, MANAGED BY ELAIA

Vilmorin & Cie has just signed a 10-year commitment to the PSL Innovation Fund, a professional private equity fund originating from the partnership between PSL University⁽¹⁾ (Paris Sciences et Lettres) and the venture capital firm Elaia⁽²⁾.

Backed by PSL University, France's leading research and higher education center, the PSL Innovation Fund targets innovative start-ups with a strong digital and technological component, particularly in the sectors of life sciences, biotechnology, agriculture and artificial intelligence. The targeted companies, which originate in the PSL ecosystem, are located mainly in France and the European Union.

This commitment allows Vilmorin & Cie, the fund's reference partner in the field of agriculture, to have privileged access to the leaders of today and tomorrow on key topics, and to strengthen its links with world-class innovation ecosystems. Thanks to their strong digital and technological component, the start-ups followed by the PSL Innovation Fund are indeed a great source of innovation, which could benefit all Vilmorin & Cie's businesses and activities, both to strengthen their operational efficiency and to develop new products and services.

Convinced of the key role of innovation in its future growth, Vilmorin & Cie is significantly strengthening its capacity to innovate through this subscription.

⁽¹⁾ Created in 2010, PSL University brings together several Parisian higher education and research institutions: Chimie ParisTech, École nationale des chartes, École normale supérieure, École Pratique des Hautes Études, ESPCI Paris, Institut Curie, MINES ParisTech, Observatoire de Paris, Université Paris-Dauphine. It combines 17,000 students, 4,500 teacher-researchers and more than 180 laboratories.

⁽²⁾ Created in 2002, Elaia Partners is an independent venture capital firm focused on the digital economy and deep tech, and is registered by the AMF under the number GP-03003. Elaia currently manages more than 350 million euros and invests in companies with strong potential and focused on the disruptive economy, from the first rounds of financing to the emergence of international leaders.

OUTLOOK FOR 2018-2019: THE BUSINESS GROWTH OBJECTIVE OF 2% TO 3% ON A LIKE-FOR-LIKE BASIS IS MAINTAINED, ALONG WITH A SLIGHT PROGRESSION IN THE CURRENT OPERATING MARGIN RATE

In view of the results for the first semester, as presented above, and on the basis of information currently available, **Vilmorin & Cie is maintaining its objectives for sales and current operating margin for fiscal year 2018-2019. These correspond to an increase in consolidated sales of 2% to 3% on a like-for-like basis, and a current operating margin rate with a slight increase, estimated to be between 0.5 and 1 percentage points compared with 2017-2018, including research investment which should be higher than 250 million euros.**

Furthermore, after restating the revaluation profit resulting from the reorganization of Seed Co's international activities, Vilmorin & Cie anticipates a contribution from associated companies lower than that of 2017-2018, because of the evolution of the commercial activity of AgReliant (North America. Field Seeds) and in spite of the fine performance expected of Seed Co (Africa. Field Seeds).

Over the second semester, reaching these objectives will nevertheless partly depend on:

- for Vegetable Seeds, an easing of the geopolitical and monetary context affecting several geographical regions, the condition for a global recovery of business for the most important period of the fiscal year;
- for Field Seeds, the definitive evolution of acreage, the prices for agricultural production and confirmation, for the spring campaigns, of the dynamic business recorded in Europe over the first semester.

+ You can consult a presentation of sales and results at the end of the first semester on the home page of the website www.vilmorincie.com

COMING DISCLOSURES AND EVENTS

- **Wednesday March 13, 2019:**
Registration with the AMF of the update of the annual report for 2017-2018
- **Thursday April 25, 2019⁽¹⁾:**
Sales at the end of the 3rd quarter 2018-2019
- **Monday August 5, 2019⁽²⁾:**
Sales for fiscal year 2018-2019
- **Tuesday October 15, 2019⁽²⁾:**
Results for fiscal year 2018-2019
- **Friday December 6, 2019:**
Annual General Meeting of Shareholders in Paris

FOR ANY FURTHER INFORMATION

Vincent SUPLOT
Chief Financial Officer
vincent.supiot@vilmorincie.com

Valérie MONSÉRAT
Head of Financial Communication
and Investor Relations
valerie.monserat@vilmorincie.com

Tel : + 33 (0)4 73 63 44 85
Website: www.vilmorincie.com

Dates provided as an indication only, and liable to be changed.

⁽¹⁾ Disclosure before trading on the Paris Stock Market. ⁽²⁾ Disclosure after trading on the Paris Stock Market.



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, permanent investment 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.

APPENDIX 1:
SALES FOR THE FIRST SEMESTER 2018-2019
AND EVOLUTION PER QUARTER AND PER DIVISION

In millions of euros	2017-2018	2018-2019	Variation with current data	Variation on a like-for-like basis
First quarter	207.6	207.5	0.0%	+5.3%
Vegetable Seeds	109.3	103.4	-5.4%	+0.7%
Field Seeds	90.4	96.5	+6.7%	+11.4%
Garden Products and Holdings	7.9	7.6	-3.2%	-1.5%
Second quarter	252.5	252.9	+0.2%	+2.6%
Vegetable Seeds	139.4	135.8	-2.6%	+0.6%
Field Seeds	107.5	112.6	+4.7%	+6.1%
Garden Products and Holdings	5.6	4.6	-17.7%	-16.5%
First semester	460.1	460.4	+0.1%	+3.8%
Vegetable Seeds	248.7	239.2	-3.8%	+0.7%
Field Seeds	197.9	209.0	+5.6%	+8.5%
Garden Products and Holdings	13.5	12.2	-9.2%	-7.7%

APPENDIX 2:

CONSOLIDATED INCOME STATEMENT ON DECEMBER 31, 2018

In millions of euros	12.31.18	12.31.17
■ Revenue from ordinary activities	460.4	460.1
Cost of goods sold	-227.4	-223.3
Marketing and sales costs	-93.8	-92.6
Research and development costs	-96.0	-97.1
Administrative and general costs	-92.9	-92.8
Other operating income and charges	9.2	3.3
■ Operating income	-40.5	-42.4
Profit from associated companies	-7.9	-26.6
Interest costs	-12.7	-11.4
Other financial income and charges	-6.7	-5.3
Income taxes	28.2	47.6
■ Profit from continuing operations	-39.6	-38.1
■ Profit from discontinued operations	-	-
■ Net income for the period	-39.6	-38.1
> <i>Attributable to controlling company</i>	-39.2	-37.3
> <i>Attributable to non-controlling minority</i>	-0.4	-0.8
Earnings from continuing operations per share - attributable to controlling company	-1.88	-1.79
Earnings from discontinued operations per share - attributable to controlling company	-	-
Earnings for the period per share - attributable to controlling company	-1.88	-1.79
Diluted earnings from continuing operations per share - attributable to controlling company	-1.82	-1.75
Diluted earnings from discontinued operations per share - attributable to controlling company	-	-
Diluted earnings for the period per share - attributable to controlling company	-1.82	-1.75

APPENDIX 3: DETAILS OF THE GAINS AND LOSSES

In millions of euros	12.31.18	12.31.17
Income for the period	-39.6	-38.1
Variation in currency translation	-4.9	-42.3
Variation in the fair value of assets for sale	-	-
Variation in the fair value of financial instruments	-0.7	0.7
Change in method	-	-
Impact of taxes	0.2	-0.2
<i>Items that might be reclassified to profit or loss</i>	<i>-5.4</i>	<i>-41.8</i>
Actuarial gains or losses	3.2	2.5
Impact of taxes	-0.6	-3.8
<i>Items not to be reclassified to profit or loss</i>	<i>2.6</i>	<i>-1.3</i>
Other items in the total gains and losses for the period net of taxes	-2.8	-43.1
Total gains and losses for the period	-42.4	-81.2
> <i>Of which attributable to controlling company</i>	<i>-40.9</i>	<i>-79.1</i>
> <i>Of which attributable to non-controlling minority</i>	<i>-1.5</i>	<i>-2.1</i>

APPENDIX 4: FINANCIAL PROGRESS REPORT

Assets

In millions of euros	12.31.18	06.30.18
Goodwill	455.7	368.9
Other intangible fixed assets	698.2	692.7
Tangible fixed assets	289.7	290.2
Financial fixed assets	25.2	14.4
Equity shares	344.0	321.9
Deferred taxes	27.8	22.3
■ Total non-current assets	1,840.6	1,710.4
Inventories	700.6	474.0
Trade receivables and other receivables	498.3	514.5
Cash and cash equivalents	201.8	196.7
■ Total current assets	1,400.7	1,185.2
Total assets	3,241.3	2,895.6

Liabilities

In millions of euros	12.31.18	06.30.18
Share capital	317.7	317.7
Reserves and income	820.8	877.3
■ Equity – controlling company	1,138.5	1,195.0
■ Equity – non-controlling minorities	85.3	109.7
■ Consolidated equity	1,223.8	1,304.7
Provisions for employee benefits	54.0	57.4
Non-current financial debts	1,047.4	758.3
Deferred income taxes	76.0	97.1
■ Total non-current liabilities	1,177.4	912.8
Other provisions	14.8	15.5
Accounts payable	438.7	428.7
Deferred income	29.0	29.6
Current financial debts	357.6	204.3
■ Total current liabilities	840.1	678.1
Total liabilities	3,241.3	2,895.6

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		
07.01.17	317.7	332.6	552.1	-5.7	1,196.7	111.8	1,308.5
Other items in 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 minority interest shares	-	-	0.7	-	0.7	-	0.7
Bonds redeemable as shares	-	-	-	-	-	-	-
Reclassifications	-	-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
Other items in the global income net of taxes	-	-	2.0	-3.7	-1.7	-1.1	-2.8
Net income	-	-	-39.2	-	-39.2	-0.4	-39.6
Global income for the fiscal year	-	-	-37.2	-3.7	-40.9	-1.5	-42.4
Variation in treasury shares	-	-	-	-	-	-	-
Dividends paid out	-	-	-28.0	-	-28.0	-1.1	-29.1
Variations in scope	-	-	-1.4	-	-1.4	-	-1.4
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the capital stock of the parent company	-	-	-	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	-2.9	-	-2.9	-	-2.9
Variation in minority interest shares	-	-	5.7	7.9	13.6	-21.9	-8.3
Bonds redeemable as shares	-	-	-	-	-	-	-
Restatement for hyperinflation	-	-	3.2	-	3.2	0.1	3.3
Reclassifications	-	-	-2.2	2.2	-	-	-
Others	-	-	-0.1	-	-0.1	-	-0.1
12.31.18	317.7	332.4	533.8	-45.4	1,138.5	85.3	1,223.8

APPENDIX 6: GLOSSARY

• Like-for-like data

Like-for-like data is data that is restated for constant scope and currency translation. Therefore, financial data for 2017-2018 is restated with the average rate for fiscal year 2018-2019, and any other changes to the scope, in order to be comparable with data for fiscal year 2018-2019.

- The change in the consolidation scope comes from the acquisition of the company AdvanSeed (Denmark. Vegetable Seeds) made in July 2018, and from that of the companies Sursem and Geneze (South America. Field Seeds) finalized in December 2018.
- The change in the scope of activity is due to the withdrawal by the Business Unit Vilmorin-Mikado (Vegetable Seeds) from the distribution of agricultural supplies in Japan begun in fiscal year 2017-2018.

• Current data

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

• EBITDA

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

• Research investment

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

• Current operating margin

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