

April 23, 2018, at 5:40 pm CET

SALES ON MARCH 31, 2018

❖ SALES AT THE END OF THE THIRD QUARTER 2017-2018 DOWN 2.6% ON A LIKE-FOR-LIKE BASIS

❖ OBJECTIVES FOR 2017-2018 READJUSTED:
 SLIGHT GROWTH OF SALES
 AND LOWERING OF THE CURRENT OPERATING MARGIN RATE

Closing on March 31, sales at the end of the third quarter for fiscal year 2017-2018, corresponding to revenue from ordinary activities, came to 988 million euros, down by 7.7% with current data and 2.6% on a like-for like basis compared with March 31 of the previous fiscal year.

In millions of euros	2016-2017	2017-2018	Variation with current data	Variation on a like-for-like basis
Sales at the end of the third quarter	1,070.2	988.3	-7.7%	-2.6%
Vegetable Seeds	498.9	439.5	-11.9%	-3.5%
Field Seeds	531.6	512.2	-3.6%	-1.3%
Garden Products and Holdings	39.7	36.6	-7.9%	-7.7%

Consolidated financial information is established in compliance with the IFRS reference (International Financial Reporting Standards), as adopted by the European Union on March 31, 2018.

Evolution of the data for fiscal year 2017-2018 is analyzed using current data and on a like-for-like basis. Like-for-like data concern data that are restated for constant scope and currency exchange rates. Accordingly the average exchange rate for fiscal year 2017-2018, and any changes in consolidation scope, are applied to financial data for 2016-2017, in order to be comparable with data from 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.

SALES FOR THE THIRD QUARTER 2017-2018 DOWN 1.7% ON A LIKE-FOR-LIKE BASIS MARKED BY TEMPORARY DIFFICULTIES IN THE VEGETABLE AND FIELD SEEDS ACTIVITIES

❖ Vegetable Seeds division

Over the course of the third quarter, the Vegetable Seeds division achieved stable sales (191 million euros. -0.1% on a like-for like basis). Following on from the second quarter, business remained affected by globally high inventory levels at distributors, particularly in North America. Moreover sales were also hit by problems

concerning the management of seed procurement in certain countries (in particular phytosanitary regulations and delays in seed availability), and by the temporary contraction observed on several markets.

Looking beyond these different one-off difficulties, temporarily affecting the Vegetable Seeds business, performances remained dynamic in several regions with high potential, particularly in Asia, the Middle East and South America.

At the same time, the programmed withdrawal by the Business Unit VILMORIN-MIKADO from the distribution of agricultural supplies in Japan was continued over the quarter.

Consequently, aggregate sales for the Vegetable Seeds division on March 31, 2018 came to 439.5 million euros, down by 11.9%. Restated on a like-for-like basis, the decrease was 3.5%.

The fact that this fiscal year is more difficult for the Vegetable Seeds division, which in recent years has regularly posted strong business growth, is directly linked to a more contrasted vegetable seed market context this year in certain major regions of the world.

This performance in no way calls into question the market fundamentals nor the global growth trend of Vilmorin & Cie's Vegetable Seeds division, which clearly remains number 2 worldwide; nevertheless it does mean that Vilmorin & Cie is revising its Vegetable Seeds sales growth objective for fiscal year 2017-2018 at +2% on a like-for-like basis, as opposed to +4% previously set.

🌱 Field Seeds division

Sales achieved by the Field Seeds division over the third quarter (314.3 million euros, -2.1% on a like-for-like basis) were down in a market context still hit by the low level of prices for agricultural raw materials.

- In Europe, sales for the quarter for Field Seeds were down slightly (298 million euros, -0.8% on a like-for-like basis), in a globally sluggish market environment. Spring campaigns were this year marked by delays in sowing because of the difficult weather conditions in several countries in Western Europe (especially France, Germany and the United Kingdom). Situations vary depending on crops and countries:
 - Orders for corn seeds are stable, in spite of the expected reduction in cultivated acreage in most European countries, while sunflower seed sales grew well, both in terms of volume and value. By the end of this fiscal year, Vilmorin & Cie should thus have strengthened its competitive positions in Europe, particularly for corn.
 - Whereas the market in Western Europe remains bearish, Ukraine, Russia and Turkey are posting high quality performances.
- In South America, the third quarter, which is devoted to the sales campaign for *safrinha* corn (14.1 million euros), posted a strong drop in business, contrary to fiscal year 2016-2017 which benefitted from a very dynamic market. However the market context has shown itself to be particularly difficult this year, with an impact from the significant reduction in acreage devoted to corn, and also strong competitive pressure on pricing policies and the decision by Brazilian farmers to opt for varieties with lower added value.
- Concerning the other development zones, business in South Africa was considerably affected by persistent drought, whereas in Asia performance varied over the third quarter depending on the country.

As a consequence of this third quarter, aggregate sales for the Field Seeds division on March 31, 2018 came to 512.2 million euros, down 3.6% compared with the same period for the previous fiscal year; on a like-for-like basis the decrease was 1.3%.

On the basis of these figures, and bearing in mind the accentuated decline of the South American markets resulting from an unfavorable market environment in the region this year, Vilmorin & Cie is resetting its sales objective for Field Seeds for fiscal year 2017-2018 at the same business level on a like-for-like basis as the previous fiscal year, as opposed to a previously set increase of 4%.

Finally, with regard to associated companies:

- On the North American market, business for the third quarter was stable on a like-for-like basis. Marketed corn seed volumes are expected to drop, in line with anticipated cultivated acreages for this crop;

nevertheless, AgReliant has held up well compared to its competitors. As for soybeans, there was a significant increase in sales volumes, whereas acreage devoted to this crop should drop slightly.

- On the African market, Seed Co this year once again posted strong business development, and is continuing its expansion into markets in Southern and East Africa.

NEWS: PROJECT TO ACQUIRE THE BUSINESS ACTIVITIES OF GRAINES GONDIAN (FRANCE. GARDEN PRODUCTS)

Vilmorin & Cie is announcing its project to acquire the business activities of the French company Graines Gondian through its Business Unit Vilmorin Jardin. The 3rd largest player on the French market, Graines Gondian produces and sells vegetable and flower seeds, and also grass seeds, for home gardeners throughout all the distribution channels.

A subsidiary of Groupe VIVADOUR, Graines Gondian has 30 employees, and made sales of about 7 million euros in 2017.

This acquisition project would enable Vilmorin & Cie to significantly consolidate its positions on a market for home garden seed packets which has faced continual erosion for several years. Indeed Vilmorin & Cie would be able to benefit from powerful complementarities and synergies that exist between Vilmorin Jardin and Graines Gondian, particularly in terms of product line-ups and customer portfolios.

Vilmorin Jardin and Graines Gondian have signed a unilateral promise for the transfer of the business activity. Nevertheless this project remains subject to the report following consultation with staff representatives; it could come into effect for the start of fiscal year 2018-2019.

OUTLOOK FOR 2017-2018: DOWNWARD ADJUSTMENT OF THE OBJECTIVES FOR THE YEAR

Sales made over the first nine months of the fiscal year on average represent almost three quarters of Vilmorin & Cie's annual sales.

Considering the results of the first nine months of the fiscal year, as presented above, and on the basis of currently available information, **for fiscal year 2017-2018 Vilmorin & Cie is now aiming for a slight increase in consolidated sales on a like-for-like basis compared with fiscal year 2016-2017, compared to an increase of 4% previously set. This takes into account the full impact of the withdrawal from the distribution of agricultural supplies in Japan.**

As a consequence, Vilmorin & Cie is also readjusting its current operating margin rate⁽¹⁾ objective; this rate will probably be at least one percentage point lower than in 2016-2017, including research investment⁽²⁾ estimated at around 255 million euros.

In particular, this objective takes into account the measures adopted several months ago in all the Business Units, with the aim of tightening up on industrial investments and also on the operating charges.

Furthermore, Vilmorin & Cie confirms that it 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 2016-2017.

Finally, as stated in the disclosure of the results for the first semester, there will be a positive impact of taxes on the net income for the year, notably owing to the adoption of lower tax rates in France and the United States.

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

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

“Business achievements of the third quarter confirm Vilmorin & Cie’s solid competitive positions on its main markets. Nevertheless, when considering the trends observed at the beginning of the quarter, this performance has turned out to be disappointing. The Vegetable Seeds division was unable to confirm the regain in business begun during the second quarter, as a result of several temporary difficulties that occurred simultaneously. As far as the Field Seeds are concerned, their achievements were globally in line with market trends, which remain difficult, with the further complication this year of a brutal market downturn in South America.

We are currently setting out our first budgetary projections for fiscal year 2018-2019; they show that we can be fully confident in our capacity to revive fine growth for Vegetable Seeds, where Field Seeds should continue to operate in a difficult environment, in the absence of any signs of a short-term improvement in agricultural prices.

In this context, and true to our long-term vision, we nevertheless confirm our strategic orientations, which we will resolutely continue to deploy on a seed market that remains structurally promising, both for vegetable seeds and field seeds,” Daniel JACQUEMOND, Vilmorin & Cie’s CEO commented.

COMING DISCLOSURES

- **Monday August 6, 2018⁽¹⁾:**
Sales for fiscal year 2017-2018
- **Wednesday October 17, 2018⁽¹⁾:**
Results for fiscal year 2017-2018
- **Monday November 5, 2018⁽¹⁾:**
Sales for the 1st quarter 2018-2019

(1) Dates provided as an indication only, and liable to be changed. 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 sales at the end of the third quarter 2017-2018 on the home page of the website www.vilmorincie.com.

APPENDIX:

SALES AT THE END OF THE THIRD QUARTER 2017-2018 AND EVOLUTION PER QUARTER AND PER DIVISION

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%
Sales at the end of the third quarter	1,070.2	988.3	-7.7%	-2.6%
Vegetable Seeds	498.9	439.5	-11.9%	-3.5%
Field Seeds	531.6	512.2	-3.6%	-1.3%
Garden Products and Holdings	39.7	36.6	-7.9%	-7.7%

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