



**Nomura  
Global Chemicals  
Conference**

Rome  
March 22nd 2012

A thousand and one melons  
Julie Rothhahn

**AGENDA**

1/ Company profile	S3
2/ Strategic orientations	S7
3/ Highlights 1 <sup>st</sup> semester 2011-2012	S11
4/ News	S13
5/ Challenges and outlook for end of fiscal year 2011-2012	S23
6/ Schedule and contacts	S26
7/ Appendices	S29

2 Nomura Global Chemicals Conference. Rome. March 22nd 2012 

Proustian Tomato  
Julie Rothhahn

1/ Company profile

Poudre concentrée de goût  
Papier de tomate forçant  
Borbon mûrueux  
Eau acide  
Gelée lactée

3 Nomura Global Chemicals Conference. Rome. March 22nd 2012

Company profile

Vilmorin, 4th largest seeds company in the world

**Vegetable seeds**  
Market gardeners  
and food processors

- N° 2 in the world
- More than 30 species (tomato, carrot, melon,...)

**Field seeds**  
Farmers

- N° 3 in Europe and n° 4 in America for corn
- N° 1 in Europe for wheat
- 4 strategic crops (corn, wheat, sunflower, rapeseed)

**Garden products**  
Home gardeners

- Vegetable and flower seeds, bulbs, plant protection products

4 Nomura Global Chemicals Conference. Rome. March 22nd 2012

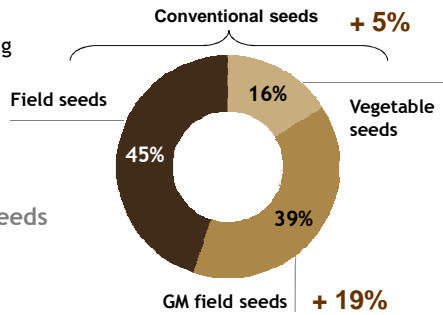
## Company profile

### Market for seeds: sustainable growth

- ▶ Increase in food needs
  - Growth in the world population
  - Improvement in the standards of living
  - Increase in the use of biofuels

- ▶ Increase in the use of commercial seeds

- ▶ Ever greater use of GM seeds



World market for seeds (main crops). 2010  
Market value 2010 : \$31 Bn  
(Average growth/ year between 2006 and 2010)

Source: P. McDougall

5

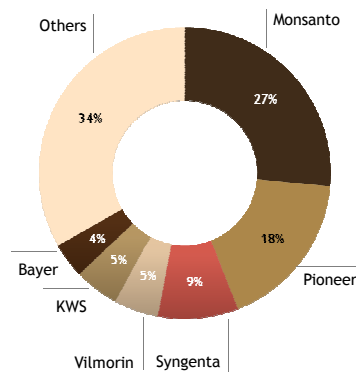
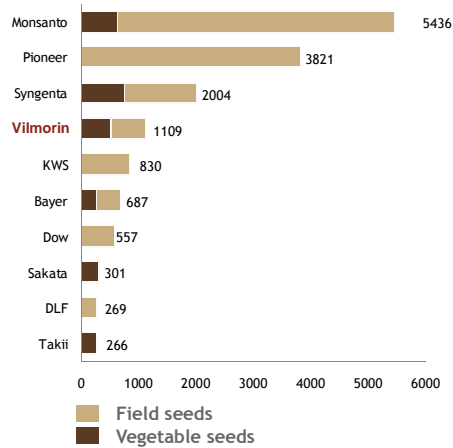
Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Company profile

### A concentrated competitive environment

En M€



Sources: company publications and internal

6

Nomura Global Chemicals Conference. Rome. March 22nd 2012



**2/ Strategic orientations**

Pateáriennes  
Julie Rothhahn

7 Nomura Global Chemicals Conference. Rome. March 22nd 2012

**Strategic orientations**

*Vegetable seeds: maintain world leadership and perpetuate organic growth*

► **Strategic objectives**

- Perpetuate organic growth by continuing to win market shares through the virtuous circle of innovation/proximity to markets
- Strengthen the positions of outsiders on certain crops and in certain geographical zones (particularly in Asia)

Sales of Vegetable seeds per geographical area

Geographical Area	Percentage
Europe	38%
Americas	24%
Asia/Oceania	20%
Africa / Middle East	18%

Sales of Vegetable seeds per crop

Crop
tomato
melon
carrot
sweet and hot pepper
bean
squash
cauliflower
onion
cucumber
watermelon
others

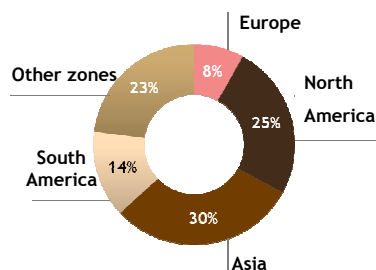
8 Nomura Global Chemicals Conference. Rome. March 22nd 2012

## Strategic orientations

*Corn: internationalize European and North American positions*

### ► Strategic objectives

- Using solid European and North American positions, access a wider fast-developing world market
  - ✓ Current potential market (Europe + North America): 33% of world corn acreage
  - ✓ Potential market tomorrow (Asia + South and North America + Europe): 77% of world corn acreage
- Valorize and enrich existing plant breeding by setting up implantations in new zones: Brazil, India and China
- Amortize upstream research programs currently being developed



Corn: world surface areas 2010

Sources: USDA, Eurostat, FNPSMS, internal.2010

9

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Strategic orientations

*Wheat : become the world reference*

### ► Strategic objectives

- Maintain position of No. 1 in Europe
- Contribute to converting an on-farm seeds market that performs poorly and has little value to a market with GM commercial seed, and then high-yield hybrids

	Rate of use of on-farm seeds	Yield (T/ha)
United States	76%	30
Europe	50%	53


- Extend the future cover of the North American market to other major wheat markets: South America, Asia and Australia

Source: USDA 2011

10

Nomura Global Chemicals Conference. Rome. March 22nd 2012





**3/ Highlights**  
1<sup>st</sup> semester 2011-2012

A thousand and one melons  
Julie Rothhahn

11 Nomura Global Chemicals Conference. Rome. March 22nd 2012




**Highlights 1<sup>st</sup> semester 2011-2012**

*Business increasing significantly*

- ▶ Sustained growth in sales: + 7.7%\*
  - Dynamic field seeds activity in a favorable environment: + 17.9%\*
  - Resistance in the 1<sup>st</sup> semester and ongoing recovery for vegetable seeds in a market affected by external factors: + 1.7%\*
  - Contrasting performances within the Garden products activity: - 2.4%\*
- ▶ Results for the first semester on line with the seasonal nature of the business, but influenced by an unfavorable activity mix over the course of the period. Nevertheless on line with objectives
- ▶ Continuing external growth operations in compliance with strategic orientations

\* Like for like

12 Nomura Global Chemicals Conference. Rome. March 22nd 2012





4/ News



Carrot coring  
Julie Rothhahn

13

Nomura Global Chemicals Conference. Rome. March 22nd 2012



4-1 / Development  
of Field seeds

14

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Development of Field seeds

### Extension of genetic pools for wheat

- ▶ **Signing of a partnership with Boreal Plant Breeding, Finland**
  - Access to wheat and barley germplasm targeting the markets of Northern and Eastern Europe, and the North of the United States
  - Distribution of a range of complementary varieties (existing and future) in the respective territories of each of the partners
  - Purchase of a stake in the capital of almost 7%
  
- ▶ **Full takeover of Eurodur, France**
  - A research and distribution company for durum wheat seeds intended mainly for markets in Southern Europe
  - 3 research locations in France and Spain
  - Headcount: 5 people
  - Acquisition of 47.5% of the capital

15

Nomura Global Chemicals Conference, Rome, March 22nd 2012



## Development of Field seeds

### Internationalization of corn market positions

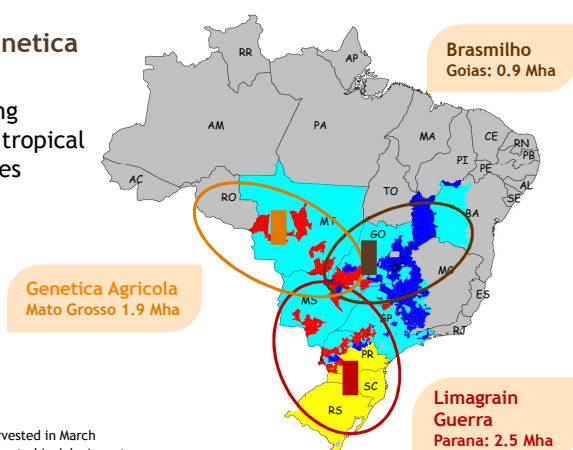
- ▶ **Acquisition of the corn research program of Genetica Agricola, Brazil.**
  - Germplasm and breeding program well-suited to tropical and sub-tropical climates

7 regions = 9.5 Mha including 5.5 Mha of safrinha

- Southern region
- High altitude (above 700 m)
- Low altitude (below 700 m)
- Second crop (Safrinha)

NB. Safra: Summer crop. Sown in September-October. Harvested in March  
Safrinha: Winter crop. Sown in January-February. Harvested in July-August

Source: Conab 2010/2011



16

Nomura Global Chemicals Conference, Rome, March 22nd 2012





## Development of Field seeds

### Internationalization of corn market positions

► **Corn seed partnership agreement being finalized. India**

Corn acreage in Asia, 2010. In Mha

Corn acreage in China + India = 25% of world corn acreage

**The corn market in India**

- 9 Mha of corn (~the European surface for grain corn)
- Annual growth rate: + 12%/year
- Rate of adoption for hybrids: on average 60%

Sources: USDA 2011 and internal

17 **Nomura Global Chemicals Conference. Rome. March 22nd 2012**

## Development of Field seeds

### Internationalization of corn market positions

► **Majority takeover of Bisco Bio Sciences (61%). Hyderabad**

- Company created in 1975. Family shareholders
- Product portfolio: corn seeds and local species (millet, sorghum and rice)
- Assets: well-adapted local genetic resources, breeding station, production unit, extensive sales network and brands

Market share on the corn market: more than 10%

Sales 2011: almost €15 M

Strategic objective  
Aim for an Indian corn market of 20% by the year 2020

18 **Nomura Global Chemicals Conference. Rome. March 22nd 2012**

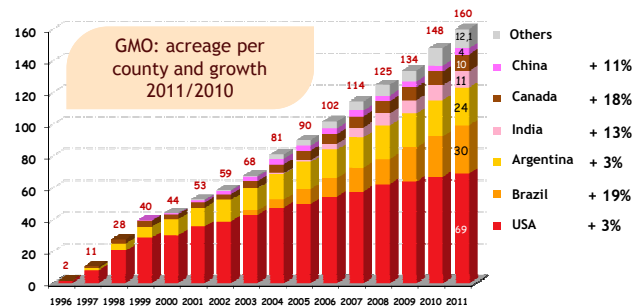
4-2/ Programs for the development of corn traits: update

Programs for the development of corn traits: update

A world market for GMO continuing to grow in 2011

World market acreages

- 160 million hectares (i.e. 10% of arable land), + 8% / 2010, Grown by 17 million farmers



World market value

- \$13.2 billion (i.e. 43% of the world market for seeds), + 13%/2010

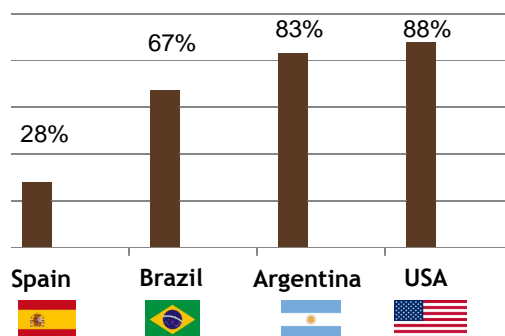
Sources: ISAAA 2012. P. Mc Dougall 2011

## Programs for the development of corn traits: update

*A world market for GMO continuing to grow in 2011*

### ► Acreage of GM corn grown

- 51 Mha, i.e. 32% of world GM crops acreage
- + 11% / 2010
- Rate of adoption of GM corn (world acreage): 32%



Source: ISAAA 2012

21

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Programs for the development of corn traits: update

*A long-term strategic orientation to provide growth*

- A strategic choice reinforced by the creation of Genective\*, a joint venture between Vilmorin and KWS to research corn traits, requiring involvement on all the potential markets, including Europe
- Field trials in progress, with promising results at this stage
- Deregulation files in progress
- Available on the market in 2014 at the earliest



\* Subject to approval by the competition authorities

22

Nomura Global Chemicals Conference. Rome. March 22nd 2012





23

Nomura Global Chemicals Conference. Rome. March 22nd 2012

Vilmorin

### Challenges for end of fiscal year 2011-2012

- ▶ **Vegetable seeds**
  - Confirm the upturn in business of the second quarter 2011-2012
  - Remain vigilant with regard to the solvency of certain zones/clients
- ▶ **Field seeds**
  - **Europe:** confirm the promising trends of the spring campaigns (corn and sunflower)
  - **North America:** capitalize on the favorable trends of the beginning of the campaign, increase the penetration of varieties with high added value by taking full advantage of the lack of availability of certain varieties and continue to gain market shares
- ▶ **Garden products**
  - **Oxadis:** pursue the favorable trend of the first quarter and integrate the business acquired from Cultisol
  - **Suttons:** limit the impacts of the economic crisis in the United Kingdom

24

Nomura Global Chemicals Conference. Rome. March 22nd 2012

Vilmorin

## Outlook for end of fiscal year 2011-2012

- ▶ Taking into account the initial trends of the third quarter, confirmation of the global objectives announced in October ...
  - Growth\* in consolidated sales > 7%
  - Current operating margin = 11% integrating research investment of €165 M
- ▶ ... and definition of the objectives for sales growth\* per division
  - Vegetable seeds: growth\* > 3%
  - Field seeds: growth\* > 10%
  - Garden products: stable

\* Like for like

25

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## 6/ Schedule and contacts

Lifeline sweet corn

Julie Rothhahn



26

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Schedule

- ▶ Disclosure of the sales for the 3<sup>rd</sup> quarter 2011-2012 (on March 31<sup>st</sup> 2012) on Thursday May 3<sup>rd</sup> 2012 at the end of the day
- ▶ Disclosure of the sales for fiscal year 2011-2012 (on June 30<sup>th</sup> 2012) on Wednesday August 1<sup>st</sup> 2012 at the end of the day
- ▶ Disclosure of the results for fiscal year 2011-2012 (on June 30<sup>th</sup> 2012) on Tuesday October 9<sup>th</sup> 2012 at the end of the day

27

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Contacts

For any further information, please contact:

**Daniel JACQUEMOND**  
Chief Financial Officer  
daniel.jacquemond@vilmorin.info

**Claire PLANCHE**  
Financial Communication Officer  
and Investor Relations  
claire.planche@vilmorin.info

Vilmorin & Cie  
BP 1 – F-63720 CHAPPES  
Tél. + 33 4 73 63 41 95 - Fax : + 33 4 73 63 41 80

**For access to all financial information, visit the website  
[www.vilmorin.info](http://www.vilmorin.info)**

28

Nomura Global Chemicals Conference. Rome. March 22nd 2012





7/ Appendices

Aerial pasta  
Julie Rothhahn

29 Nomura Global Chemicals Conference. Rome. March 22nd 2012 

## Results for the first semester 2011-2012

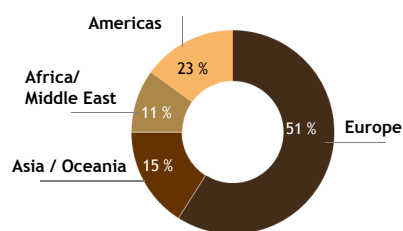
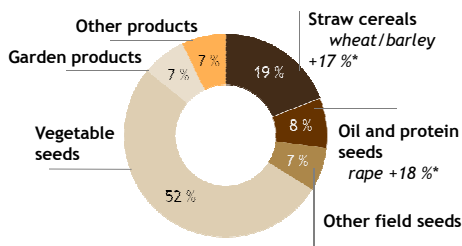
- ▶ **Accounting reference**
  - IFRS on December 31<sup>st</sup> 2011
- ▶ **Pro forma disclosure of financial statements**
  - Change in the presentation of income from forward cover instruments on raw materials (financial income → operating income)
- ▶ **Consolidation scope (global integrations)**
  - Limagrain Guerra (Field seeds. Brazil). February 2011
  - Brasmilho (Field seeds. Brazil). August 2011
- ▶ **Rates of the main currencies on 12.31.2011 (and on 12.31.2010)**

	Average rates	Closing rates
• \$	1.38 (1.33)	1.29 (1.34)
• ¥	107 (111)	100 (109)
• £	0.87 (0.85)	0.84 (0.86)
• ILS	5.02 (4.91)	4.95 (4.74)

## Results for the first semester 2011-2012

### Sales

- ▶ Sales: €401 M (+ €36 M) up 9.8% including organic growth of 7.7%
    - Vegetable seeds: €209 M ▶ + 1.7%
    - Field seeds: €170 M ▶ + 17.9%
- ... globally on line with the objectives disclosed



\* Evolution with current data / 2009-2010

31

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Results for the first semester 2011-2012

### Commercial margin

- ▶ Commercial margin: €188 M (+ €14 M) up 7.8% with current data
  - Vegetable seeds: €113 M ▶ - €5 M (-4.6 percentage points)
  - Field seeds: €69 M ▶ + 41% (+4.2 percentage points)

integrating controlled obsolescence costs (€3 M) and the impact of forward cover instruments for raw materials (- €3 M)

... and, bearing in mind an unfavorable activity mix for this semester, leading to a drop in relative value of 0.9 percentage points.

32

Nomura Global Chemicals Conference. Rome. March 22nd 2012





## Results for the first semester 2011-2012

### Operating charges

- ▶ Sales and marketing: €89 M (+€6 M)  
up 7.5% with current data
  - Vegetable seeds: €40 M ▶ + €1 M (+3%)
  - Field seeds: €41 M ▶ + €5 M (+14.3%)

... limited evolution for Vegetable seeds and in proportion to the increase in business of Field seeds
- ▶ Administration and other charges: €59 M, an increase of 5.6%  
with current data

33

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Results for the first semester 2011-2012

### Operating charges

- ▶ Research: €57 M (+ €4 M) up 7.1% with current data, after the impact of the activation of development programs (€58 M) and tax relief on research (€12 M)
- ▶ Items of an exceptional nature
  - Reorganization costs: €0.6 M, down €0.7 M compared with 12.31.2010
  - Impairments: €0.1 M, no significant evolution compared with the previous fiscal year
  - Disposals of assets: insignificant impact on 12.31.2011, compared with a profit of €6 M the previous fiscal year

34

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Results for the first semester 2011-2012

### Operating income

- ▶ Operating income: - €17 € (- €5 M) corresponding to an operating margin of - 4.3% (- 0.8 percentage points)

- Vegetable seeds: €10 M (- €8 M) an operating margin of 4.7% (a relative drop)
- Field seeds: - €16 M (+ €10 M) an operating margin of - 9.6% (a strong increase)

... globally penalized over this first semester for 2011-2012 by the activity mix and, after restatement for items of an exceptional character, resulting in a slightly higher current margin.

35

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Results for the first semester 2011-2012

### Other components of the income statement

- ▶ Financial income: - €15.8 M, down €10 M with current data, mainly influenced by:
  - Net foreign exchange losses (currency fluctuations) of €5 M (net gains on 12.31.2010 of €1 M)
  - restatement in the operating result of forward cover instruments on raw materials (+ €4 M on 12.31.2010)

and characterized, for this semester, by a slight increase in funding costs
- ▶ Taxes: tax income of €4 M, an increase of €9 M broken down as follows:
  - Current taxes: €3.7 M
  - Deferred taxes: €0.2 M

36

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Results for the first semester 2011-2012

### Net income and balance sheet structure

- ▶ Net income: - €29 M (- €6 M), including a group share of - €27 M,
    - Vegetable seeds: €5 M (- €4 M)
    - Field seeds: - €25 M (stable)  
integrating the net cost of development projects (new markets, new technologies)
  - ▶ Balance sheet structure: a healthy, solid structure
    - Equity : €1000 M  
including group share: €899 M
    - Net indebtedness: €363 M
- ... currently marked by the seasonal nature of business and offering the flexibility necessary for the development strategy (cash flow: €389 M)

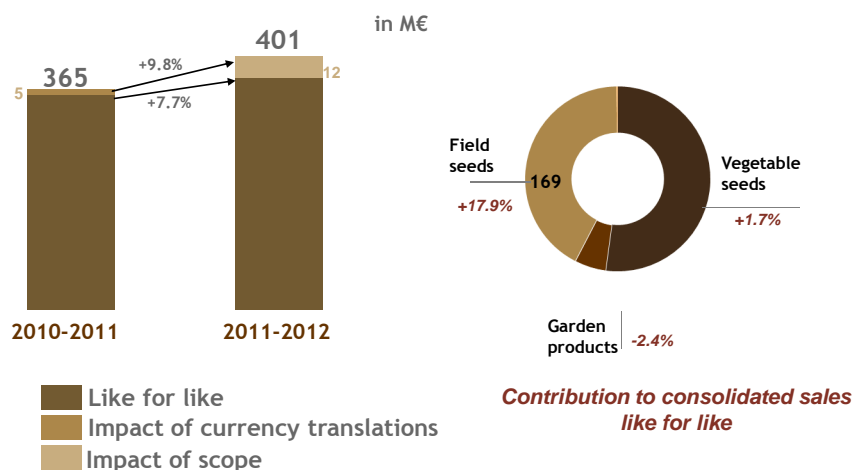
37

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Financial statements for the 1<sup>st</sup> semester 12.31.2011

### Consolidated sales\*



\* Revenue from ordinary activities

38

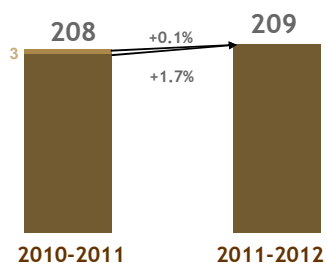
Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Sales for the 1st semester 2011-2012

### Sales\* Vegetable seeds

in M€



Like for like

Impact of currency translations

• Upturn in sales for the 2<sup>nd</sup> quarter

• Sales still penalized by external factors: persistent consequences of the political and sanitary crises of 2010-2011

• Modification of distribution networks in certain regions, leading to delays in invoicing

\* Revenue from ordinary activities

39

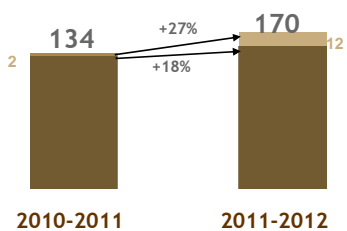
Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Sales for the 1<sup>st</sup> semester 2011-2012

### Sales\* Field seeds

in M€



Like for like

Impact of currency translations

Impact of scope

#### Europe

• Significant progression of sales for rape and straw cereals in a context of favorable agricultural prices  
• Secured supplies of corn seeds and promising start to the sunflower campaign

#### North America

• Fuller order book (corn and soybean) compared with the same period 2010-2011

• Corn seed supply lower than the production plan

#### South America

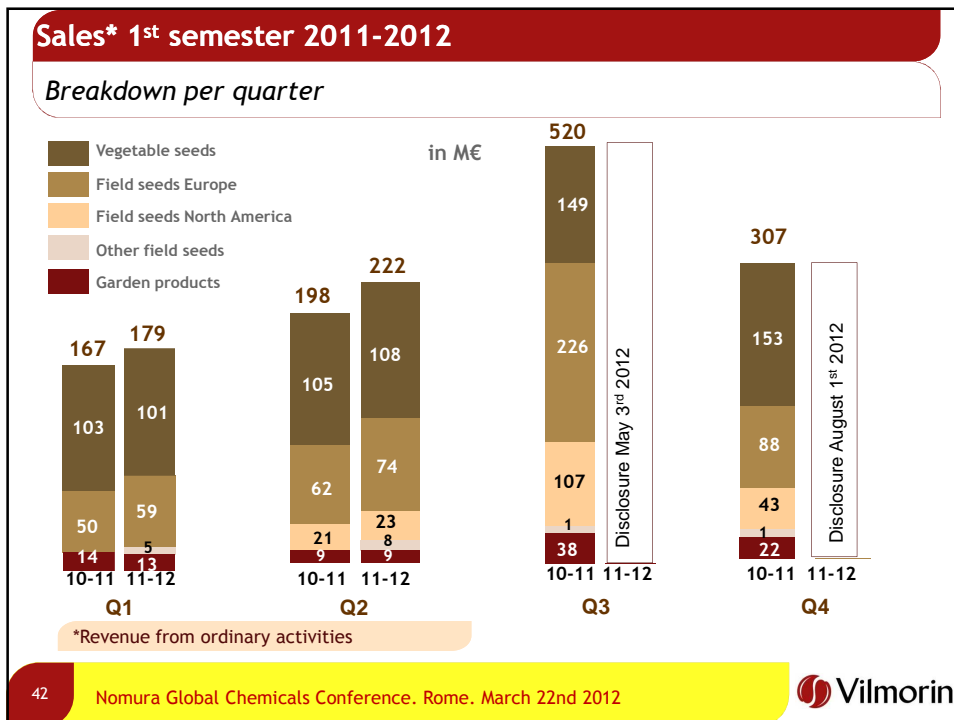
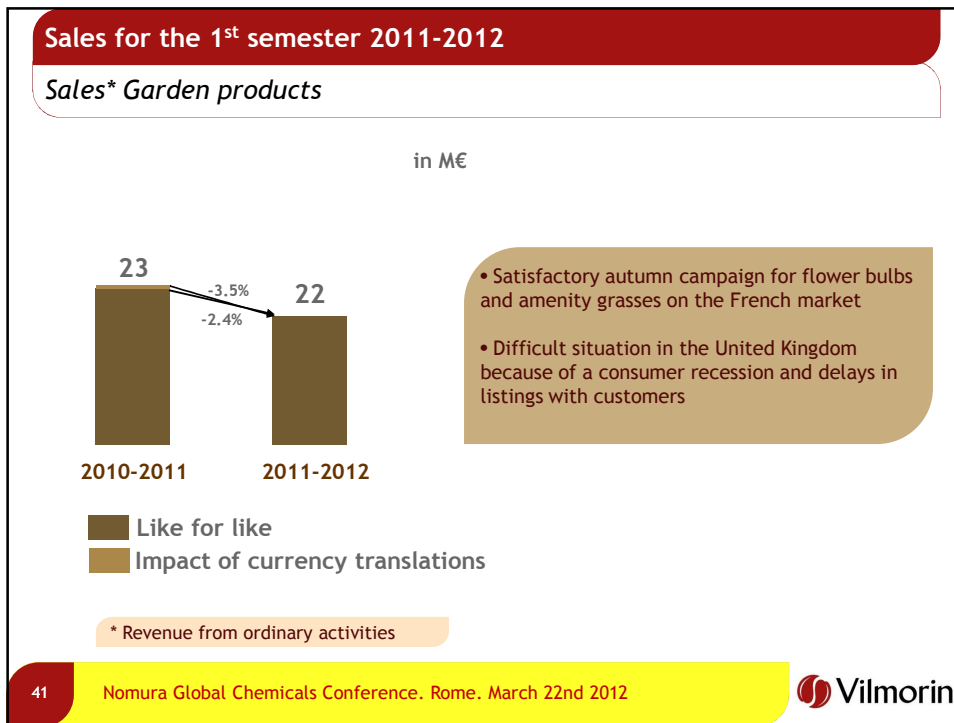
• Sales campaigns for corn in line with the development plan

\* Revenue from ordinary activities

40

Nomura Global Chemicals Conference. Rome. March 22nd 2012





## Financial statements for the 1<sup>st</sup> semester 12.31.2011

### Income statement

In M€	12.31.10	12.31.10 pro-forma	12.31.11	Variation with current data
Sales	364.8	364.8	400.7	9.8%
Margin on sales	174.5	176.4	188.1	7.8%
Margin on sales rate	47.8%	48.4%	46.9%	(0.9) pt
Operating income	(12.6)	(8.3)	(17.2)	(4.6) M€
Operating margin	-3.5%	-2.3%	-4.3%	(0.8) pt
Financial income	(5.6)	(9.9)	(15.8)	(10.2) M€
Profit from associated companies	0.2	0.2	(0.1)	(0.3) M€
Income taxes	(5.4)	(5.4)	3.9	9.3 M€
Net income	(23.4)	(23.4)	(29.2)	(5.8) M€
Net income group share	(20.2)	(20.2)	(27.0)	(6.8) M€

43

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Financial statements for the 1<sup>st</sup> semester 12.31.2011

### Income statement - operating charges

In M€	12.31.10	12.31.10 pro-forma	12.31.11	Variation with current data
Marketing and sales	(83.0)	(83.0)	(89.2)	(6.2) M€
Research and development	(53.2)	(53.2)	(56.9)	(3.7) M€
Administration and other charges	(55.6)	(53.2)	(58.7)	(3.1) M€
Reorganization operations	(1.3)	(1.3)	(0.6)	0.7 M€
Sales of assets	6.0	6.0	0.1	(5.9) M€
Net operating charges	(187.1)	(184.7)	(205.3)	(18.2) M€

44

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Financial statements for the 1<sup>st</sup> semester 12.31.2011

Key figures per division (contribution to consolidated statements)

In M€	Sales*		Operating income		Net income	
	12.31.10	12.31.11	12.31.10	12.31.11	12.31.10	12.31.11
Vegetable seeds	208.3	208.5	18.2	9.6	8.8	4.5
Field seeds	133.5	169.8	(26.6)	(16.2)	(25.6)	(24.5)
Garden products	22.5	21.8	(2.0)	(8.5)	(1.5)	(7.5)
Holdings	0.5	0.6	(2.2)	(2.1)	(5.1)	(1.7)
Consolidated	364.8	400.7	(12.6)	(17.2)	(23.4)	(29.2)

\* Revenue from ordinary activities

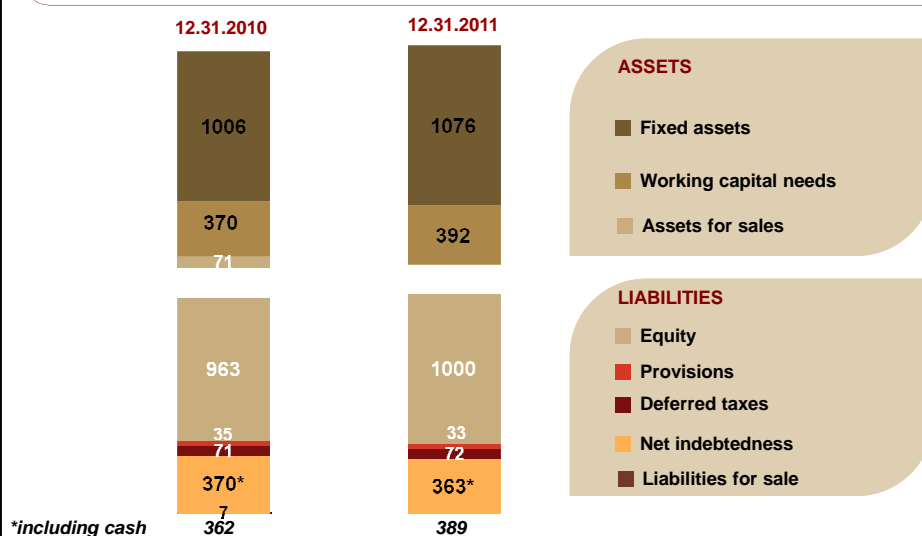
45

Nomura Global Chemicals Conference. Rome. March 22nd 2012



## Financial statements for the 1<sup>st</sup> semester 12.31.2011

Balance sheet structure



46

Nomura Global Chemicals Conference. Rome. March 22nd 2012

