

Annual report 2015\_2016

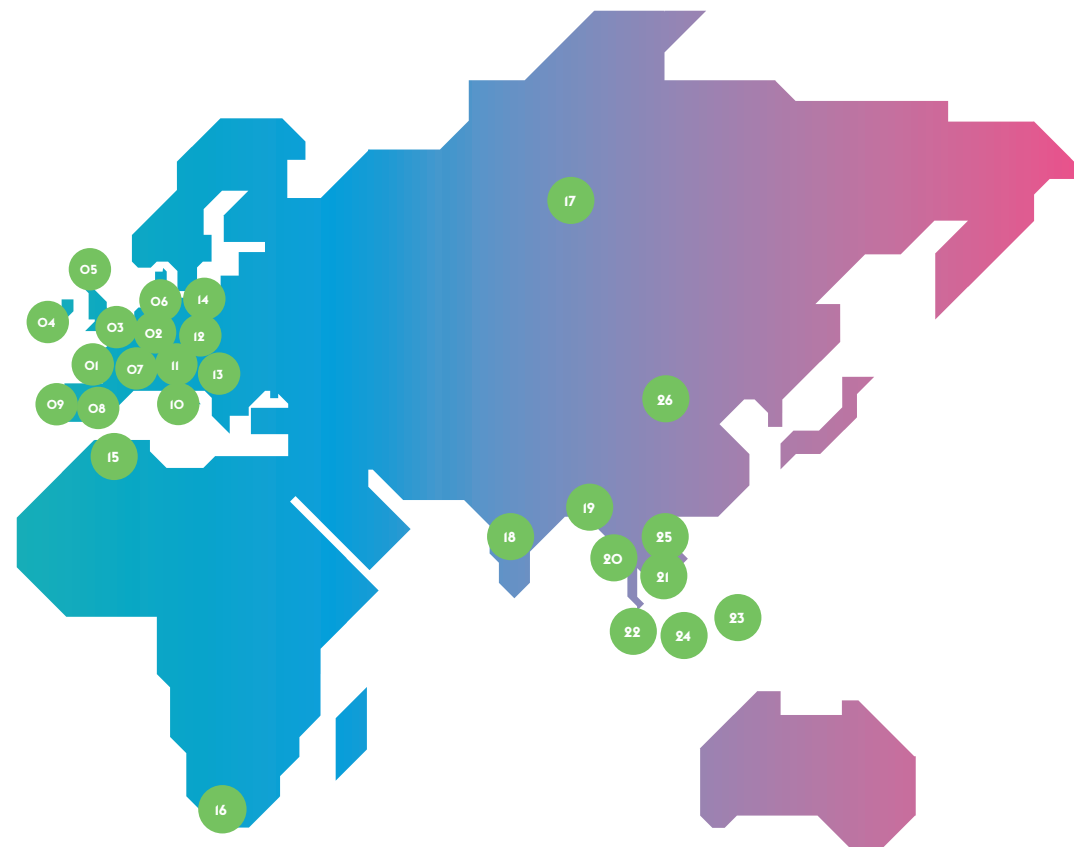


invivo®

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## invivo<sup>o</sup> TECH 2020

The “InVivo Tech 2020” aims to accelerate the deployment of the “2025 by InVivo” strategic plan and group growth. It focuses on two main areas:

- Transforming the organisation of the group in all its components: empowering the business lines and refocusing the corporate group, developing the intrapreneurial spirit to promote the integration of new activities and start-ups, as well as involving employees in the “2025 by InVivo” strategic plan.
- Digitalising activities: together with the intrapreneurial culture, it will promote innovation in our activities, smart agriculture, the agriculture of the future which will allow for increased, better production in a sustainable manner.

InVivo is fully determined to help French agriculture and agricultural cooperation regain their rightful place in the global food value chain, in respect of the planet and people.

### 3 VALUE-CREATING STRATEGIC DIRECTIONS

- Be a bridgehead of French agricultural worldwide
- Invest in high-potential businesses to create French champions
- Provide new outlets and support the marketing of French produce

### 5 DRIVERS PERFORMANCE

- Investing in R&D and innovation
- Expanding and diversifying Group activities
- Developing internationally via new platforms and Neovia sites
- Developing our human capital
- Implementing a social and environmental responsibility policy

## KEY FIGURES

**No. 1**  
French agricultural cooperative group

**220**  
member cooperatives

**9,200**  
employees

**€6.4**  
billion in revenue

2025  
by **invivo**

CORPORATE COMMUNICATION DEPARTMENT

DESIGN AND CONCEPTION: PUBLICORP  
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## ORGANISING COMPETITIVE AND COOPERATIVE SECTORS

The time has come to rethink the agricultural model, to strengthen the competitiveness of the sectors and to provide farmers with the tools and solutions to build the agriculture of the future. Agriculture which is beneficial to the farmers and to society as a whole.

**G**lobal population growth, and therefore an increase in food requirements, and the emergence of new consumer trends offer great opportunities for the agricultural world. These opportunities exist in France and Europe, but more so in the countries of America, Asia and Africa, which have considerable agricultural potential, and in those countries wishing to increase their food self-sufficiency. And yet, agricultural and food crises continue to happen.

### Rethinking the French agricultural model

Crisis in livestock and cereal production in France. All sectors are in difficulty and all at the same time. Faced with this situation in the agricultural world, emergency and accompanying measures are no longer sufficient. There is an urgent need to rethink the French agricultural model by reorganising the sectors to make them more competitive.



In emerging countries, the organisation of local sectors is also the best solution to enhance the agricultural potential and provide a guarantee of income to producers.

### Building sustainable, digital agriculture

The dissemination of agronomic advances and new digital technologies to the largest number of farmers and breeders should enable them to become more competitive. The InVivo group and its cooperative partners are working to bring them the products, tools and

services to produce more and better taking into account the pedoclimatic and structural potentials of their farms.

Multi-year contracts between those involved in the various sectors provide a price guarantee and also give farmers a view of their outlets and their capacity to invest.

In a more and more global environment, marked by increasing volatility in the prices of agricultural raw materials and therefore a major impact on farmers' incomes, changes are also needed in the common agricultural policy.

*“The cooperative model we support has an in-built culture of exchange, partnership and knowledge transfer.”*

There are several avenues to consider: multi-year management of aid, revision of regulatory tools.

The political leaders present at the 3<sup>rd</sup> International Summit of Cooperatives held in Quebec City in October 2016 encouraged the actors of the cooperative world to consider the potential of the cooperative model to meet the challenges of the future. A model which responds to the economic and societal requirements of the modern world. A model with an in-built culture of exchange, partnership and knowledge transfer. A model that has the capacity to build networks and to share added value with all players. ●

**Philippe Mangin,**  
InVivo Chairman

**Thierry Blandinières,**  
InVivo CEO

## INTERVIEW WITH THIERRY BLANDINIÈRES



**The launch of the “2025 by InVivo” strategic plan two years ago marked the InVivo group’s revival, and its strong desire to grow internationally, including in new business areas, such as food and wine. After a very positive first year of deployment, how would you characterise InVivo’s results for the 2015-2016 financial period?**

The results are satisfactory and in line with the objectives that were set. Our turnover reached €6.4 billion, which is up 13%. This growth results from the development of activity within all of our current business areas. Economic performance has been highly satisfactory with EBITDA at €116 million,

which is up 9%. Dividends paid to cooperative members amounted to €97 million. They are equivalent to those of last year. The group’s net income share was €55 million. InVivo’s financial ratios are very healthy and will allow us to continue our development.

**French agriculture is going through a series of major crises. The economic situation globally is also difficult. How do you approach these challenges?**

The 2016-2017 period is being characterised by a very difficult agricultural situation in France. This is particularly the case for dairy and beef cattle farming, but also for the

wheat sector, which for climate reasons that were very specific to our country this spring has experienced a historic crisis, which is a real challenge for our subsidiary InVivo Trading. Globally, the slowdown in Chinese growth affects many markets in various ways. Growth is slowing in Brazil and Mexico where we have strong positions. We remain confident despite these unfavourable circumstances. Agriculture remains a strategic sector and the demand for food is increasing. We will continue to invest by being highly vigilant about our cost structures.

**What are the prospects for the InVivo group?**

I am convinced that in the face of the crisis, the InVivo group’s business model will prove its robustness thanks to the four pillars constituting its four primary businesses: Agriculture, Animal Nutrition and Health, Retail, Wine. Its resilience will help us to get through this difficult period. In 2015-2016, numerous external growth projects were initiated in future business areas: animal nutrition additives, biocontrol in plant health, for example; as well as in countries with nurturable agricultural potential – Latin America, as well as Asia and Africa. They will generate profitable opportunities for growth, help us make our contribution to agricultural challenges that need to be faced, and meet expectations related to food, in France and worldwide. Our investments in the internationalisation of all of our business areas and in innovation take us in this direction and will help solidify our business model.

**You also decided to accelerate InVivo’s transformation. Why?**

The “2025 by InVivo” strategic plan is on the right track. We have shown our ability to deploy new projects and deliver the expected results during these first two years. Therefore, the time has come to accelerate the group’s various transformations, its digital transformation in particular. This is the objective of the “InVivo Tech 2020” process, which we have committed to

in order to meet the challenges of the digitalisation of the agricultural and food industry world. Acquiring skills relative to new technologies and digital tools for business areas, cooperatives, and farmers will prove to be a tremendous lever for farmers to be able to produce more and better.

**What do you expect from the digitalisation and the development of new technologies for InVivo?**

“InVivo Tech 2020” also marks the group’s cultural evolution. By being involved in the “2025 by InVivo” plan’s implementation, cooperatives, managers, and employees have put InVivo on a new trajectory. They have made it into an ambitious group and a company with an attractive future. “InVivo Tech 2020” will contribute to the development of this start-up spirit. Digital technology encourages an interdisciplinary approach between teams and networking, connecting our R&D and innovation centres with start-ups who are located on the outskirts of our business areas, but who will have an impact on our core business in the future. The opening of We’nov, the global innovation centre of our animal nutrition and health division, Neovia, and the creation of the Neovia Venture investment fund, have paved the way for other business areas. The opening of the agro-digital studio using Smag, and the launch of the InVivo Invest fund, opens up new opportunities for InVivo Agriculture. Moreover, in order to provide more substance and a global vision to our CSR policy, we have just created an endowment fund InVivo Foundation, with the objective of supporting development projects in Africa and across the world. ●



## THE BOARD OF DIRECTORS AND THE MONITORING COMMITTEES

Representative of all member cooperatives, the Board of Directors determines the strategic direction of the group. The Board, which consists of seven members and one qualified person, works closely with senior management. The Directors are heavily involved in the sector strategies and participate in their work. Five monitoring committees have been created: AgroSciences, Seeds, Nutrition France, Retail and Wine. Between two and four directors sit on each of these. They review the key points of the activity concerned, its economic and financial performance, areas requiring further investigation.

They report their committee findings to the Board of Directors.

Three cross-functional committees have also been established to assist the Board of Directors in its missions. The Audit and Risk Committee is responsible for monitoring the development process and the effectiveness of financial reporting systems, internal controls and risk management. The Appointments and Remuneration Committee reviews the remuneration policy for executive officers and executive committee members proposed by the General Directorate. The Ethics Committee monitors compliance with ethics within the group and the implementation of the regulations and statutes of the Union InVivo.



Jérôme Calleau and Philippe Mangin

### Chairman

**Philippe Mangin\***, EMC2 (55)

### Deputy chairman

**Jérôme Calleau\***, CAVAC (85)

### The cooperatives

**Régis Serres\***,  
ARTERRIS (11)

**Joël Castany**,  
LES VIGNERONS DU VAL  
D'ORBIEU (11)

**Dominique Farail**,  
ENTREPRISES ET VIGNOBLES  
OUEST CARCASSONNE (11)

**Arnaud Degoulet**,  
AGRIAL (14)

**Marc Patriat\***,  
DIJON CÉRÉALES (21)

**Christian Veyrier**,  
DROMOISE DE CÉRÉALES (26)

**Cédric Burg**,  
SCAEL (28)

**Cédric Carpenne**,  
VAL DE GASCOGNE (32)

**Franck Clavier**,  
VIVADOUR (32)

**Jean-Yves Colomb**,  
LA DAUPHINOISE (38)

**Michel Prugue\***,  
MAISADOUR (40)

**Bertrand Relave**,  
EUREA (42)

**Hubert Garaud**,  
TERRENA (44)

**Alex Bertrand**,  
AXEREA (45)

**Patrick Grizou**,  
TERRES DU SUD (47)

**Antoine Hacard**,  
ACOLYANCE (51)

**Pascal Prot\***,  
VIVESCIA (51)

**Serge Le Bartz**,  
CECAB (56)

**Christian Sondag**,  
LORCA (57)

**Thierry Dupont**,  
AGORA (60)

**Bertrand Hernu**,  
UNEAL (62)

**Thomas Thuet**,  
CAC (68)

**Patrick Aps\***,  
CAP SEINE (76)

**Jean-François Gaffet**,  
NORIAP (80)

**Jacques Hilaire**,  
CAPL (84)

**Gérard Delagneau**,  
IIO BOURGOGNE (89)

### Specially qualified individuals

**Michel Duvernois**,  
BOURGOGNE DU SUD (71)

**Denis Fend**,  
COMPOIR ACHAT  
& VENTE (67)

**Bernard François\*\***,  
OCEALIA (16)

### Non-cooperative associate

**Jérôme Duchalais** (75)

### Honorary chairman

**Michel Fosseppez**

### Statutory auditors

**SCP Montiel** (75)

**SAS Ernst & Young** (92)

\* Members of the bureau

\*\* Attends meeting of the bureau

## THE EXECUTIVE COMMITTEE



The Executive Committee is made up of seven members. It defines and puts into practice the group strategy. It tracks the performances and results of the different activities and leads strategic projects.

**1. Thierry Blandinières**,  
Chief Executive Officer

**2. Jérôme Duchalais**,  
Deputy CEO and Corporate  
Secretary

**3. Hubert de Roquefeuil**,  
Deputy CEO and President  
of Neovia

**4. Laurent Martel**,  
Director of InVivo Agriculture

**5. Jean-Pierre Dassieu**,  
Director of InVivo Retail

**6. Maha Fournier**,  
Chief financial and  
Operating Officer

**7. Sébastien Graff**,  
Director of Human Resources,  
Communications and CSR

# Innovation is the driving force in our development

Our mission is to invite innovation: helping French agriculture and agricultural cooperation regain their rightful place in the global food value chain, in respect of the planet and people. The InVivo group has entered an important phase of development, reinforced by a sustained approach to innovation based on agile and responsive governance and business methods.

To feed 9 billion human beings in 2050 and to preserve the world's major environmental balance, InVivo is developing innovative products, services and technologies, considering new models of agricultural and food production. Agronomy and zootechnics, technology and digitalisation are tremendous levers to enable farmers to produce more and better.

InVivo is setting all its employees the task of meeting this challenge. In pooling its resources, sharing knowledge and accelerating the marketing of new products and services, InVivo works closely with its member cooperatives and forges partnerships with universities and research centres, industrial companies and competitiveness clusters.

## A culture of enterprise

In spring 2016, Neovia opened its world centre of innovation, We'nov, at Vannes in Brittany. We'nov is a demonstration of open and jointly created innovation, together with all the stakeholders, from the breeder to the consumer. In spring 2017, InVivo Agriculture will inaugurate its agrodigital Studio in Montpellier in the south of France. The creation of a Plant House and a network of digital farms will reinforce this process over the coming years.

Through this exercise, InVivo has structured its innovation ecosystem around redesigned internal processes to accelerate its transformation and growth and to fund the development of innovative projects.



Particular attention is paid to the digital transformation of the group because it is a condition of innovation, a state of mind without which collaborative, network based work will not bear fruit. The transformative and innovative approach of "InVivo Tech 2020" is the expression of a new corporate culture that promotes the emergence of talent, new ideas and promising initiatives.

Intrapreneurship is encouraged. Collaborators whose projects are selected will have the means to move from idea to realisation thanks to the support system of InVivo Campus, our corporate university.

## A growth accelerator

Two seed funds, with €5 million to invest, have been created: Neovia Venture for projects involving animal health and nutrition, InVivo Invest, for InVivo Agriculture and B to C sectors (Retail and Wine), dedicated to the financing of start-ups with projects that create value for the sectors and the acquisition of new technologies.

In addition to its R&D resources and tools, which are mainly geared towards incremental innovation, InVivo is giving itself the means to develop disruptive innovations that can impact on its core business tomorrow. It is determined to open up new avenues to meet the 4.0 challenges in agriculture and food. ●

# THE INVIVO INNOVATION ECOSYSTEM

**“InVivo Tech 2020” aims to accelerate the transformation and innovation of the InVivo Group.**



**COMPETITIVENESS CLUSTERS**

**South West Agri Innovation Centre**

Agriculture and agri-food

**Industry and Agri-Resources Centre**

Bioeconomy

**Brittany Atlantic Sea Centre**

Living sea resources

**Qualimediterranean Centre**

Sustainable agricultural technology

**Terralia Centre**

The integrated seed to plate sector

**Valorial Centre**

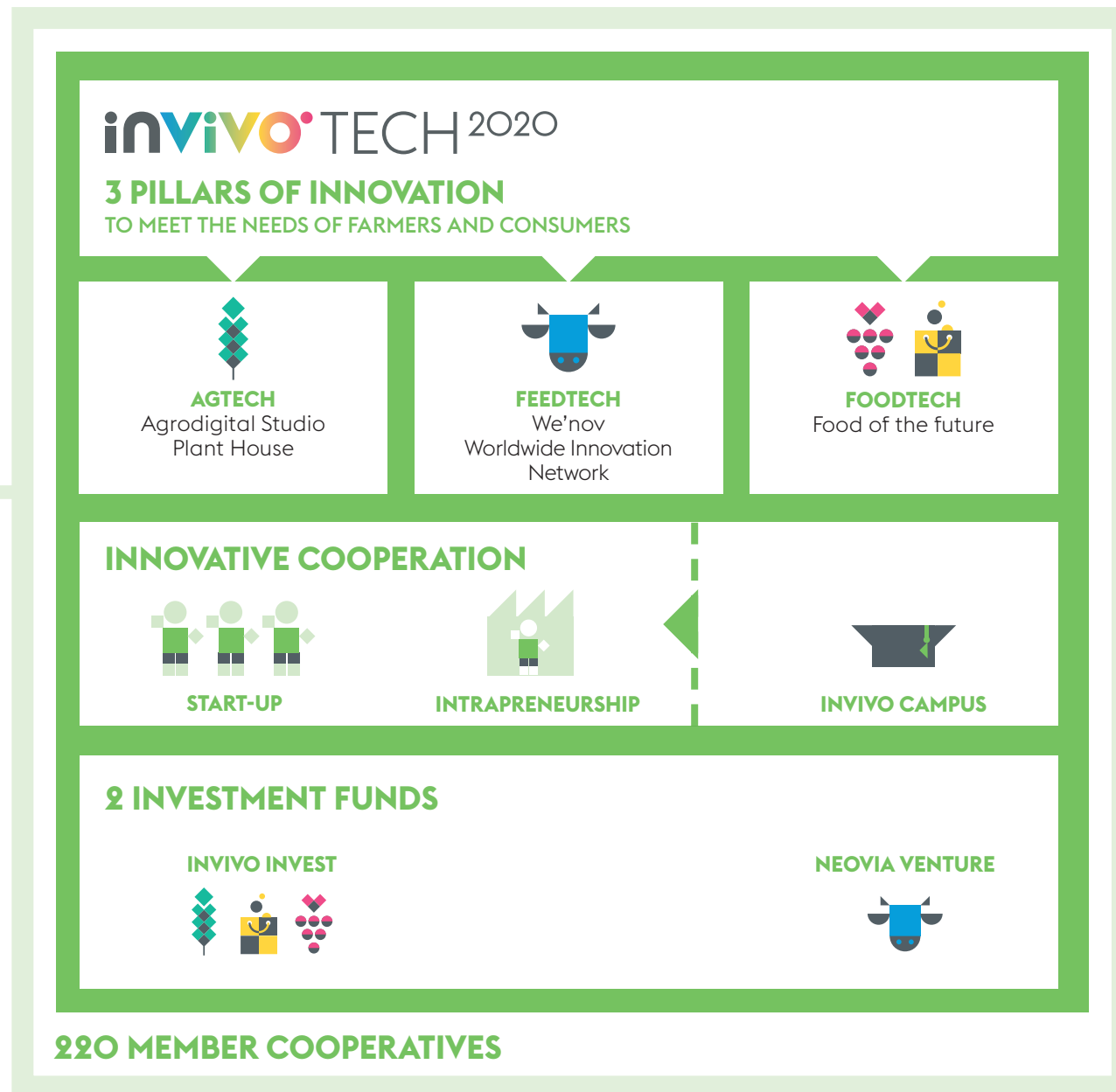
Food for the future

**Vegepolys Centre**

Plant production

**Vitagora Centre**

Taste-nutrition-health



**PARTNERSHIPS WITH HIGHER EDUCATION**

**France**

- AgroParisTech
- Audencia Business School
- ESA d'Angers
- ISA Lille
- ISARA Lyon
- Montpellier SupAgro
- Neoma Business School
- Purpan
- UniLaSalle

**Brazil**

- FAZU
- PUCPR

**Mexico**

- UAQ
- UNAM

**Portugal**

- UTAD

**Indonesia**

- ITS
- Airlangaa University
- Diponegoro University
- Brawijaya University



**PARTNERSHIPS WITH RESEARCH CENTRES**

- INRA (National agronomic research institute) (France)
- National museum of natural history (France)
- Embrapa Pantanal (Brazil)
- CRF (Canada/USA)
- Wageningen University & Research (The Netherlands)



**INTERNATIONAL COOPERATIVE PARTNERSHIPS**

**Canada**

- Coop fédérée

**Japan**

- Zen-Noh

**Argentina**

- ACA



# innov'actions



“Together, we are going to create Smart agriculture.”

**Éric Seban,**  
business development and projects manager, InVivo Agriculture

Some major initiatives show us that unity is our strength and our greatest asset for innovation and moving forward with cooperatives:

- the success of PPA (Pôle Partenaires Agrofourniture) [Agricultural Supplies Partner Division];
- the involvement of the cooperatives in Semences de France and Life Scientific projects;
- the launch of the Biosolutions AgroSolutions club, in which 14 cooperatives are involved;
- the creation of the new Be Api company, which already has 25 cooperative shareholders which want to advance precision farming.

We will continue our efforts to build the future of agriculture, a farming precision that will produce more and produce better, meeting the challenges of sustainable development.

This will be a gradual revolution, developing new input and strategic tools for farms and territories, with a strong focus on support. Digital technology will play an essential role in this innovation. We will speak more and more about connected agriculture and objects, big data and decision making tools, precision farming, but also about 2.0 seeds and virtual silos.

The agro-digital hub and the agro-digital studio will be open innovation centres for all our partners, particularly the cooperatives.

Innovation in agronomy, technology and precision farming produces alternatives that we want to test in a national network of digital farms, a real sample group and laboratory of the best innovative practices in crop production.

“Our innovative solutions are directed mainly towards improving competitiveness in the livestock sector in France.”

**Tristan d'Hérouville,**  
director of the firm services business in France, Neovia



“All our French brands (Inzo°, Eivalis, Prisma, AgroOI, Nutrilac, etc.) contribute to improving our competitiveness in the livestock sector. In total, more than 100 innovative solutions have been developed together with feed manufacturers, thanks to the open approach to innovation, established by Neovia. These solutions combine our products (premixes, additives, minerals, special feeds) with high added value services, such as decision making tools, our expertise in formulation, and training which is dedicated to the specific challenges of each species. They also emphasise the accuracy of nutrition and performance management for the benefit of farmers.

Innovation must always come from customer needs and uses. This means that, from the outset, we can define the differentiating products and services which will bring a real added value to our customers, feed manufacturers or farmers: use, technical or economical value. So by constantly observing our customers' changing uses in the field, we can better detect their latent or implicit needs, which are sources of ideas and developments for our teams. Within We'nov, (Neovia's world centre of innovation), our specialists in marketing, innovation, digital technology and industry, and our R&D and formulation engineers work with our clients to develop innovative solutions that are presented to the French market. Many of them have recently been rewarded. Inzo° has been awarded the Innov'Space award sixteen times in 20 years. Sweetan, launched in 2015, is the latest to receive an award. This innovation enhances the natural protection of the protein in soybean meal, thus improving the quantity and quality of amino acids absorbed by ruminants.”





## “Gamm vert is reinventing the garden centre and food trade model.”

**Frédéric Guyot,**  
deputy managing director of Gamm vert

*“InVivo Retail innovation relies as much on expanding what is on offer, as it does on making new promises to customers and multiple brand formats.*

*In response to the expectations of more and more customers, who want to operate in multiple channels, we will continue our efforts in this area and improve the business performance of Gamm vert, our Plantes et Jardins website and each shop.*

*Gamm vert has a continuous modernisation policy for its core businesses, gardening and pet services, and also innovation, particularly in food, allowing shops to generate repeat business and develop seasonal ranges and exclusive regional deals.*

*The opening of a shop shared between*

*Gamm vert and Frais d’Ici at Auch, has changed the rules and the flow of the garden centre. It links a quality, regional food selection, to expertise in vegetable growing and pet life. This new initiative, added to the two existing stores, leads the way to a new local food concept that provides cooperatives with the opportunity to develop their distribution activities in rural areas as well as in major cities. With Néodis, InVivo Retail is breaking new ground by offering ranges which respond to these new expectations: improvement in pet nutrition with Pure, development of an animal ecosystem in the garden with Nature à la maison (Nature at Home). And soon, a new food self-sufficiency concept called Le Potager à la maison (Kitchen Gardening).”*

*“The architecture of the InVivo Wine division is already an innovation in itself. The addition of cooperative wine producers from the different French regions; the winemakers’ multi-year commitment regarding volumes at guaranteed prices; the definition of the InVivo Wine business strategy, these are the first steps in a unified approach which can engage the French wine industry in a new dynamic in export.*

*Together with InVivo Agriculture, innovation will be at the heart of the vineyard. We will develop the use of biocontrol products and the digitalisation of vineyard monitoring. These are steps to increase the traceability from the vineyard to the winery and to favour a production that is respectful of the environment, echoing the expectations of the distributors and consumers.*

*Today, we are the only organisation of this magnitude in the wine industry that can bring innovation to the heart of the vineyards and wine making tools. We can keep the promises of traceability made to consumers, who want to know the origin of their wine, and how it was made. At the same time we are able to provide our wine growers with a vision of market development prospects in France and abroad.*

*The partnership with Vinadeis is a hotbed of innovation for the development and marketing of wine. Its subsidiaries, Inno’Vo and Artisan Bio, highly innovative in the organic and alcohol-free sectors, but also in packaging; its bulk cellar in Béziers, inaugurated in spring 2016, the most modern in France and the most successful in terms of quality management, knowledge of the technical and marketing teams, are all strengths which benefit the InVivo Wine division. The relaunch of the Cordier brand is the first example of this capacity for innovation.”*

## “A fresh look at the production and marketing of wine.”

**Bertrand Girard,**  
director of InVivo Wine



# Smart HR supports the group's transformation

The Human Resources department's strategic project "Smart HR" supports the "InVivo Tech 2020" transformation and innovation process and the emergence of a new corporate culture.

**B**eyond the fundamentals – recruitment and promoting the employer branding, training and remuneration policy, career support and mobility, social relations – which remain at the heart of the HR policy, the HRM (Human Resources Management) is fully mobilised in supporting the group's transformations.

Attention is focused on the evolution of the corporate culture, especially at the managerial level: teams are motivated on value creation objectives and adapting them to the new working organisations.

## Lead and unite teams

When the group sets up its "InVivo Tech 2020" transformation and innovation process, which aims to accelerate the deployment of the "2025 by InVivo" strategic plan, the HRM will play a key role in leading and uniting teams thanks to its "Smart HR" project which revolves around eight group transformation levers:

- Digitalisation
- Evolution of the organisations
- Internationalisation
- Start-up relations
- Intrapreneurship
- Talent Management
- Social integration
- Social quality

The digital transformation of the group, the adoption of new working methods and more

flexible and agile organisations is particularly important as InVivo aims to play a major role in transforming agricultural, agri-food and distribution professions.

## Releasing energies

Committed to a strong, dynamic external growth, InVivo also wants to seize the transformations brought about by digital technology to rethink its work organisation: collaborative work, operating in project mode, relational equality, teleworking. "Smart HR" also aims to release energies to foster creativity, efficiency and the involvement of each employee in achieving objectives.

The HRM, which has a real strength in social relations, plays a vital role in deepening the entrepreneurial and multicultural culture that promotes the internationalisation of the group and the development of new jobs, welcoming start-ups and recruiting young talents. ●



## MANAGERS WILL BE PEOPLE MANAGERS.

"InVivo managers are men and women capable of inspiring team dynamics, encouraging creativity and taking initiative, people who act like leaders but don't hesitate to pick up a piece of paper he or she sees on the floor."

**Sébastien Graff**, HRM of the InVivo group

## THE START-UP SPIRIT

InVivo will allow all interested start-ups to present their projects through its strategic plan. Those who are chosen will benefit from a support programme that will promote the development of their business model, or even their funding through InVivo Invest and Neovia Venture. The same measures are available internally. Employees who propose innovative projects will undergo the same process of selection and support. If their project is successful, they will take on the role of leader.



# a growing business

The results for the 2015-2016 period are in line with the objectives of the “2025 by InVivo” plan for the second consecutive year, thus reassuring the InVivo board of directors of the pursued strategy.

InVivo and its subsidiaries have been confronted with an especially complex economic environment: strong devaluations of currency, particularly in Brazil and Mexico where the group has a strong presence, low prices, and a lack of volatility in world prices that is unfavourable to international wheat trade, under-exploitation of river silos in the east of France and all drying tools linked to French climatology in 2015, an overall negative economy for France's livestock and crop production markets, and a low consumption on the French gardening and wine markets.

In this difficult context, the group's business has still managed to grow with a turnover of €6.4 billion, an increase of 13% compared to the previous period, and an EBITDA margin of €116 million at +9%. Organic growth, consolidation of acquisitions made during the previous period, and new external growth across all business lines have allowed the devaluations of currency and the stagnation of certain markets to be offset, proving the resilience of this diversified business model.

For the first year, our wine activity contributed to the group's revenues and earnings through the total integration of the Cordier and Mestrezat companies and the long-term investment in Vinadeis.

#### An excellent balance sheet structure

The period was also marked by a major operation: the sale of the historic headquarters at 83 avenue de la Grande Armée – Paris, to a property management company (Société civile immobilière – SCI) of which InVivo still holds 29% of the shares. This is the first step in a move that will continue with the relocation of the operational headquarters to the Carpe Diem tower in Paris La Défense, and then the relocation of corporate functions to the headquarters building in Porte Maillot Paris after significant restructuring work. This sale, movement, and transformation are reflected in the accounts by non-current income worth over €16 million. The consolidated balance sheet as of 30<sup>th</sup> June 2016 shows excellent structure. The increase of €80 million in capital employed compared



“Each business area will reach critical mass within 5 years.”

Maha Fournier,  
Group CFO

*“The teams developed the 2016-2017 budget and projected their activities over five years. More than just a simple one year shift from the Skyline plan initiated last year, it is a thorough review of possibilities to take into account the changing economic context, the environment, our markets, our activities, our innovations, and the contribution of acquisitions from the previous year. The budget for 2016-2017 initially targeted €130 million, EBITDA. It was revised during the summer of 2016 to take into account the impact of the French harvest crisis on InVivo's activities, and those of InVivo Agriculture in particular. The target was therefore revised to €118 million. The period will also be conducive to an overhaul of the business model for the international trade of French wheat, which needs to be revisited and whose results must be more resilient. Beyond 2016-2017, our development prospects and our resources allow each of the group's pillars to reach critical mass within 5 years and contribute to the consolidated target of €300 million, EBITDA.” ●*

to 30<sup>th</sup> June 2015 is primarily driven by the increase in net fixed assets whilst the working capital requirement is reduced by nearly €61 million. These jobs are financed by the group shareholders' equity and quasi-equity, which increase considerably to reach a total of €797 million. Net debt increased very reasonably by €20 million, to €277 million. Its structure is improving with elongated maturities that are better spread over the next seven financial periods.

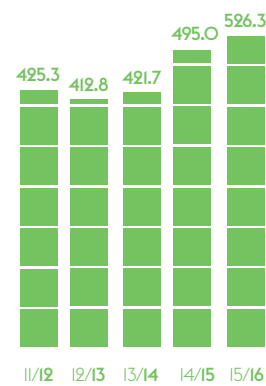
The effects of all these factors make it possible to continue the favourable development that was initiated several years ago by the group's debt and profitability ratios. So, as of 30<sup>th</sup> June 2016, consolidated leverage is at 2.4 and gearing 0.35; the return on capital employed (EBITDA/capital employed) has more than doubled in the past five years, reaching 10.8%.

What is also noteworthy is a development in governance: setting up the Audit and Risk Committee, which convened for the first time in October 2016. It assures monitoring of issues relating to the preparation and control of the group's accounting and financial information before being submitted to the board of directors. It will convene several times per period to review the periodic accounts and the subjects submitted by auditors and members of the committee. ●

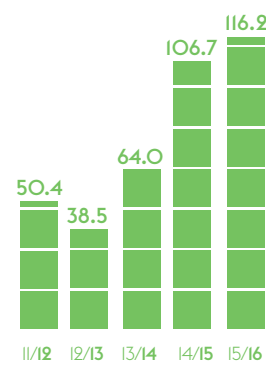


## ARCHIVED OBJECTIVES

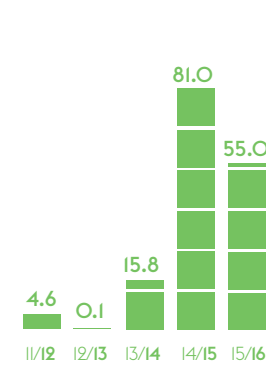
Equity attributable to the Group (€M)



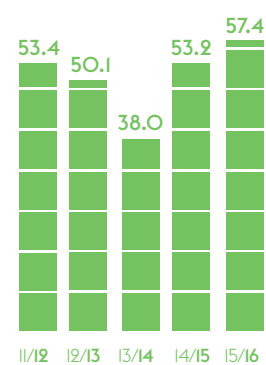
EBITDA (€M)



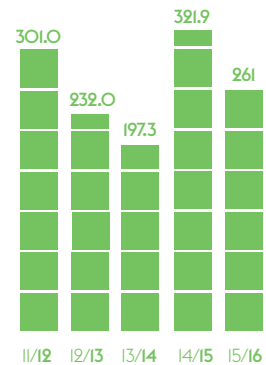
Total consolidated net income (€M)



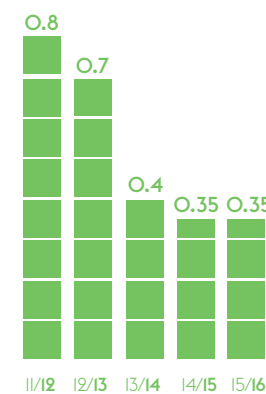
Intangible & tangible assets (€M)



Working capital requirement (€M)



Gearing



### Assets

In millions of euros	30 June 2015	30 June 2016
Intangible assets	177.5	233.4
Tangible assets	333.3	359.4
Financial assets	160.4	219.5
<b>Net fixed assets</b>	<b>671.1</b>	<b>812.3</b>
Working capital requirement (WCR)	321.9	261
<b>Capital employed</b>	<b>993</b>	<b>1,073.3</b>

### Liabilities and equity

In millions of euros	30 June 2015	30 June 2016
<b>Equity attributable to the Group</b>	<b>495</b>	<b>526.3</b>
Non-controlling interests	176.7	189.2
Provisions	64.9	81
<b>Net debt*</b>	<b>256.4</b>	<b>276.6</b>
<b>Invested capital</b>	<b>993</b>	<b>1,073.3</b>
<sup>(*)</sup> including medium- and long-term debt	<b>249.4</b>	<b>403.3</b>
<b>Gearing (net debt/equity)</b>	<b>0.3</b>	<b>0.3</b>
<b>Working capital</b>	<b>314.8</b>	<b>387.6</b>

### Consolidated financial statement indicators

In millions of euros	2014/2015	2015/2016
Revenue	5,654.3	6,400.9
Value added	400.5	424.3
% revenue	7.1%	6.6%
EBITDA	106.7	116.2
<b>Net operating income</b>	<b>66.7</b>	<b>66.8</b>
Net income from ordinary activities	62	59.1
<b>Total consolidated net income</b>	<b>81</b>	<b>55</b>
Cash flow from operating activities	81.1	61.1

# invivo agriculture



How can agronomic progresses and new technologies be integrated in order to produce more and better?



The 2015-2016 fiscal year has seen the culmination of the new InVivo Agriculture organisation and their business model. There has been a major break-through with the PPA (Pôle Partenaires Agrofourniture) [Agricultural Supplies Hub Partners] structure. Business orientated subsidiaries are building on value added research. Between now and 2025, InVivo Agriculture aspires to be a major player in biocontrol and a leader in precision farming. The dynamics are in motion: Bioline's acquisition in March 2016, the creation of the new company, Be Api, in October 2016, dedicated to precision farming, and the agro-digital studio in Montpellier.

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**€4.3** billion in turnover in which €1.6 billion were from Seeds and Agricultural Supplies activities and €2.7 billion from Grain activities

**14.5** million tonnes of grain were traded by InVivo Trading of which 5.5 million tonnes were of French origin

**7** million hectares are controlled by PPA (Pôle Partenaires Agrofourniture) [Agricultural Supplies Hub Partners] cooperatives

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Our ambition:  
**Smart Agriculture**

With its presence along the whole agricultural value chain, InVivo Agriculture has numerous advantages and a wealth of knowledge with which to build a “smart agriculture” contributing to better production and responding to sustainable development issues.

The 2015-2016 fiscal year has seen the culmination of the new InVivo Agriculture organisation and their business model. Professional services, Agricultural Supplies, Logistics and Storage, are orientated towards cooperatives. There has been a major break-through with the PPA (Pôle Partenaires Agro-fourriture) [Agricultural Supplies Hub Partners] structure which was built and managed together with seven regional cooperative groups. Other business orientated professional services, represented by Semences de France (seeds), Life Scientific (post-patent phytosanitary products), Biotop and Bioline (biosolutions), Smag (agricultural data), Agrosolutions (agricultural expertise and consulting), are already building on upstream added value, innovation and internationalisation to accelerate their growth.

The acquisition of Bioline, specialist in biocontrol and already internationalised, is symbolic of InVivo Agriculture’s “2025 by InVivo” strategy: to invest in future professions. The precision farming offer formulated during the fiscal year, which saw the creation of the new company Be Api in October 2016, is the first indication to what InVivo Agriculture can achieve whilst amassing all their skills and competences, and involving cooperatives.

The other two subsidiaries, InVivo Trading and Sigma Terme, are also committed to far reaching changes. InVivo Trading have taken the first step towards global deployment by opening an office in Singapore. Sigma Terme is also committed to a new stage through a partnership with Caceis, a subsidiary of the Crédit Agricole group.

**Agriculture of the future will be digital and sustainable**

Between now and 2025, InVivo Agriculture aspires to be a major player in biocontrol and a leader in precision farming. An objective which will be achieved by signing up partnerships and acquisitions along with organic growth and intense R&D.

These are the three key research and innovation topics:

- biosolutions;
- digital agriculture;
- precision farming.



**THE AGRO-DIGITAL STUDIO**

COME ALONG AND INCUBATE, DETECT, ACCELERATE AND DEVELOP YOUR PROJECTS



Big data  
 Precision farming  
 Web software,  
 Apps decision making tools  
 Internet of things (IOT)



Global start-up ready!



600 m<sup>2</sup> of space co-design high-tech





## PPA: THE COOPERATIVE HUB FOR NEGOTIATIONS IN AGRICULTURAL SUPPLIES

Created one year ago, the PPA (Pôle Partenaires Agrofourniture) [Agricultural Supplies Hub Partners] the central negotiation hub for plant health products and hybrid seeds has set in motion a new enterprise and decided to widen its scope with generics.

Made up of around seven regional cooperative groups: Alliance Atlantique Agro, Area, Axérial, Convergence, Sicapa, Union Terres de France and Unisud, the PPA central negotiation hub for supply products was established in the second term of 2015 and is structured at all levels.

The new operational structure based on close involvement with leaders of the PPA's cooperative partners and total transparency of exchanges with suppliers demonstrates its effectiveness. All processes have now been analysed to enable work on optimising the hub's running costs and improvement in value added profit. The seven PPA cooperative groups are an assembly of one hundred cooperatives, 350 agronomists and 2,850 crop advisors which control seven million hectares.

During the 2015-2016 fiscal year, the PPA achieved a turnover of €957 million in plant health and €180 million in hybrid seeds.

### Five distinct advantages

With regards to relations with suppliers, the PPA are aspiring to become the most economic and efficient French negotiation hub for plant health products and hybrid seeds. To achieve this, they are emphasising their five distinct advantages:

- administrative and financial: there is sound expertise in terms of sales administration, data information exchange and going paper free;
- technical: the cooperatives' technical pools have a very strong expertise with regards to reference materials concerning pollutants and farming techniques, particularly seeds, fertilisers, phytosanitary products and biosolutions;
- environmental: the PPA cooperatives are all committed to measures aimed at reducing environmental pollution in water, soil and air;
- marketing: their marketing analysis tools, panels and Pol Position (tool for monitoring purchases and sales in real time) are an added advantage for marketing products and negotiations with supplier partners;
- commercial: negotiations are under framework contracts and Privilege product contracts, and are going to be extended to generic products. ●

## The new PPA team



Jean-Sébastien Bailleux, PPA director,  
Alexandre Noureux, manager plant health market,  
Thierry Breton, manager plant health products,  
Alain Aurejac, manager hybrid seeds market,  
Shirley Gillard, manager hybrid seeds products. ●

## SEMENCES DE FRANCE: NEW ASPIRATIONS

The leading player in the French seed market for the third consecutive year, with a turnover of €145 million, Semences de France has celebrated its 25<sup>th</sup> year and has put forward an ambitious development plan for the next ten years.

Purchasing Carneau proves Semences de France's determination to develop all varieties. This acquisition will enable them to become market leader in pasture lands and a major player in interculture and turf-grass. It also brings an opening into the European market. After three difficult years, Semences de France is recording very good results in forage seeds with this campaign.

2016 is also the first development year for lin-seed sales in France and abroad following an agreement signed with Linéa and Lin 2000.

### "The Favourites" are gaining ground

Semences de France is gaining market share in rape and hybrid barley thanks to a choice of variety achieved by its partners R2n-NPZ and Syngenta. Despite a decrease in surface areas for corn in France, Belcanto and Figaro, two new varieties developed by KWS have ●●●

●●● allowed them to keep their market share. It has been the same for sunflowers. With straw cereals, where the activity represents 40% of their turnover, “Les Prêfêrêes” [The Favourites] varieties continue to progress. This year they have surpassed the 60% bar allowing Semences de France to maintain added value and bring additional margins to the seed producing cooperatives as well as distributors, in a context characterised by a significant use of farm grains. To mark its 25<sup>th</sup> year, Semences de France has presented its strategic plan for the next ten years to its 45 shareholder cooperatives. It is based on four main approaches: organic growth, the development of decision making tools for agricultural distribution, seed products, and internationalisation. ●

## Hybrid wheat, seed treatment, decision making tools



*To improve its choice of wheat varieties, Semences de France has signed an agreement with Saaten-Union for hybrid wheats. To position itself on the seed treatment market, in partnership with Bayer it will be suggesting distinct technical solutions. To bring more added value to farmers and distributors, Semences de France is developing new decision making tools: Prairiescope and Visualiz (data processing tool for varietal testing). They anticipate the launch of two other decision making tools in 2017. ●*

## FERTILISERS: ECONOMIC AND AGRONOMIC PERFORMANCE

**Import purchasing power, product refinement, manufacture of fertilizer mixtures: InVivo Agriculture's fertilizer department is implementing these three approaches to improve its competitiveness by continuing to bring in high performance products to farmers and added value to the cooperatives.**

The signed framework agreement with CF Industries, the first global manufacturer of nitrogen solution, acknowledges InVivo's buying power and their capacity to trade directly with international suppliers. This agreement allows them to secure their supplies and to increase their competitiveness. French consumption of nitrogen solution is around 2.3 million tonnes; 650,000 tonnes are supplied by InVivo.

### “High-Performance” fertilizers

The success of Novius, a stabilized nitrogen fertilizer, is assured with 60,000 tonnes sold in the second year of development. This is one third of the market for fertilizers treated with urease inhibitors. This success affirms InVivo's aspirations to develop a range of refined products with additional agronomic and environmental advantages.

The activities of the two storage and mixing sites situated in Gouaix (77) and Loudêac (22) are also enjoying significant growth, driven by the development of mixed fertilizers and bagging in big bag, along with Novius's manufacture at the Loudêac site. Significant investment in modernization has been made at the two sites, guaranteeing safety and performance. ●

## LIFE SCIENTIFIC: SUBSTANTIAL GROWTH

**Expert in post patent phytosanitary products, Life Scientific has achieved its main growth objectives: new products launch in France, first sales in Great Britain.**

Life Scientific's activity has been progressing very satisfactorily. Its turnover in 2015-2016 has increased to €19 million. In France, three new products: Metcostar 90 (cereal fungicide), Clodinastar (cereal herbicide) and Mesostar (corn herbicide) have just been added to the Star range intended for the PPA's (Pôle Partenaires Agrofourniture) [Agricultural Supplies Hub Partners] cooperative members. This enterprise is the result of the close involvement of the PPA's cooperatives in Life Scientific's strategic and operational steering committee and in the commercial development of its range. It is also driven by synergies which have been formed with InVivo, in terms of management as well as research and strategic planning, and by the in-depth study of an industrial partnership and distribution with Phyteurop. This year also marked the beginning of Life Scientific's sales in Great Britain thanks to the referral of a major British distributor. ●

## BIOLINE + BIOTOP: A MAJOR PLAYER IN BIOCONTROL

Bioline's acquisition confirms InVivo's aspirations to become a major player in the biocontrol market within the field of macro-organisms. As with digital agriculture, InVivo intends to explore biosolutions to help farmers produce more and better.

Historically strong in biocontrol due to their association with Biotop, Bioline's acquisition gives InVivo Agriculture the capacity to develop a significant biosolution activity.

Bioline has two production sites, one in Great Britain in Clacton, the other in the United States in Osnard (California). The company is active on the market with beneficial insects, and predatory mites for market gardens and floral greenhouses. It is already international with a solid footing in North Europe and North America. Its turnover is €18 million.

Biotop, whose biofactory is situated in the South of France, specialises in ephesia egg production (used for beneficial insect breeding), trichogrammas (microorganisms which attack certain crop ravaging insects, particularly the corn borer) and ladybirds which prey on aphids. Its turnover is of about €6 million.

The two companies complement each other with their expertise, their geographical locations and their microorganism portfolio. Synergies are deployed at all levels: R&D, industrial engineering,

and marketing and commercial which allows them to envisage positive benefits very quickly.

### A complete biosolution range

Innovation will be one of the driving forces behind this enterprise. Biotop has launched an R&D programme on acarida which has three patents already, including one at global level. They are also pursuing their diversification programme in the use of trichogrammas. Three products are now at the prelaunch stage which fight against soya pests in Uruguay, budworm clusters in vineyards, and corn borers.

The partnership agreements with other major biosolution players should also accelerate the creation of a complete range of biocontrol and biostimulant products on InVivo's three target markets, namely: specialised crops, field crops and vines. ●



## Trichotop buxus: solution against corn borers

The *Trichotop buxus trichogrammas* parasite the corn borers' eggs. Therefore, no destructive caterpillars are born to cause any damage. Effective demonstrations at the clients' premises, particularly in castle parks, have been very encouraging. ●

## The Bioline App: expert technical support for bio-solutions

The Bioline App consolidated more than 20 years of Bioline's experience in integrated pest management. The app currently focuses on horticultural and fruit crops and offers a range of features which provide the technical support required to successfully integrate biosolutions into crop protection programs. ●





## SMAG: THE DIGITAL HEART OF AGRICULTURE

With an annual growth of over 15% on the French market with its IT systems and agricultural software, Smag is accelerating its development by looking to expand its activities internationally with preliminary studies in North America and South East Asia.

Integrated in InVivo Agriculture's agro digital hub, dedicated to the detection, acceleration and development of highly intensive agro digital innovation projects, Smag is setting in motion its international phase with the creation of a subsidiary in Quebec, announcing its exploration into new strategic commercial areas and the deployment of its digital solutions. The year 2016 was marked by a huge wave of projects and the installation of a strategic plan based on three main approaches: R&D innovation, development of high value products and services for the agricultural and agro-industrial sector, and accelerated distribution of tools to farmers in France and abroad. Smag has achieved a turnover of €10 million.

### Future partners

Smag's wealth of products and services on offer is the result of new collaborations with Agrosolutions in the world of remote sensing, collaborative technologies and agronomy. A partnership has also been signed with Coop de France Languedoc-Roussillon and Alpes-Méditerranée accelerating Agreo Vineyard & Wine's deployment, the vineyards' and wine

making cellars' management solution, along with vitiviniculture cooperatives in the South of France regions.

In keeping with the InVivo group's ambitions, Smag is successfully intensifying its position in the wine and spirits market where it is recording a strong turnover growth.

### The agro-digital era

At the same time, Smag is intensifying its R&D work. To respond to the growing needs in precision farming, Smag has structured its service and welcomed new collaborators to strengthen its expertise in big data and IOT (Internet of Things). From 2017, the benefits of this research should enable sales proposals for a new range of connected objects (weather stations and insect traps). New types of data (soil temperature, moisture content, types of insect pests), which can connect with the Agreo and Atland web platforms, will complement the information already recorded on the land and will give the operator new means to quickly understand his interventions in the field and to anticipate harvest risks.

Smag's organic growth also enables them to realise their own ambitions in agricultural data management.

Moving from the now premises of Smag in a high-tech neighbourhood of Montpellier will be an opportunity for Smag to host the future InVivo Agriculture agro-digital studio. ●

## Precision: the full web precision agriculture module



*The Precision module is integrated with agreo and atland, technical-economic management software solutions for agricultural use, ensuring data exchange with tractor consoles. A major advancement which assures compatibility between agricultural machines and software, hitherto regarded as a major obstacle in the development of precision farming. ●*

## AGROSOLUTIONS: THE AGRICULTURAL CONSULTING COMPANY

From their first fiscal year, Agrosolutions have widened their client portfolio based on their three focus areas: agriculture, sector, territory.

Agrosolutions, expert agricultural consulting subsidiary, took over InVivo's agronomic department. This affiliation allows them to gain visibility and to win over new clients. The positive results of this first fiscal year demonstrate the relevance of their economic model and confirm their desire to widen and enrich their range of skills and competences.

The offer of services to cooperatives, Agrosolutions's main partners, has been completely transformed. At the same time, the Pôle Partenaires Agrofourniture de l'Union InVivo (InVivo Union's Agricultural Supplies Hub Partners) are relying on Agrosolutions's expertise and animation techniques.

Agrosolutions is also addressing the sectors' (agribusinesses, food, food distribution) and urban development (renewable energy, construction and civil engineering, transport) players to better respond to quality issues stemming from agricultural production, and sustainable management of resources (biodiversity, water, climate, soil, air). These players had been identified as drivers for growth during Agrosolutions's creation.

Agrosolutions's multidiscipline teams, their capacity for deployment on the ground ●●●

●●● thanks to their agricultural cooperative partners, their innovative culture and heavy investment in R&D (35% of their turnover) are among the many advantages appreciated by this young company's clients.

#### Expertise rewarded

Their engineers' twenty annual scientific publications, and the doctoral theses that they supervise are a testament to the depth of their expertise. Two of them have been awarded this year. The hydrogeologist, Séverine Charrière, obtained first prize for "Future of Water 2015", awarded by IM2E (Institut montpellierain de l'eau et de l'environnement) [Montpellier Institute for Water and the Environment]. The post-doctoral researcher, Nicolas Urruty, whose work was supervised by Agrosolutions and INRA (Institut national de recherche agronomique) [National Institute for Agronomic Research] and who has already been awarded at national level, obtained third place at the international final for "Ma thèse en 180 secondes" ["My thesis in 180 seconds"] with his thesis: *The reduction of pesticides and their impact on wheat's yield.* ●

## Legal Accompaniment Services



**Carole Hernandez-Zakine,**  
doctor of law, manager at Agrosolutions

*"Highly competent in rural, environment and town planning law, Agrosolutions offer their clients a legal solution, which will complement their technical approach, to protect and improve working conditions for agricultural professions and enable them to develop a management strategy for their territory as per their zoning and to make it grow economically."* ●

## LOGISTICS & STORAGE: WINNING COMPETITIVE POINTS

With 6.3 million tonnes of loaded grains, InVivo Logistics & Storage's 2015-2016 fiscal year is in line with the average of the last five years.

After having achieved record activity in 2014-2015 with seven million tonnes of loaded grain, 2015-2016 would appear to be a normal year with 6.3 million tonnes of loaded grain. This drop of 9% stems from the low corn harvest which had a significant effect on the activity in Bordeaux Blaye and the lowlands on the Rhine and Moselle which disrupted silos in Metz, Ottmarsheim and Huningue from August to December.

On the other hand, loads at La Grande-Paroisse (Seine) and Saint-Usage (connected to the Rhône) are progressing in line with the good wheat harvest of 2015, and the developing relations with cooperatives, and the river shuttles which were put in place between La Grande-Paroisse and Rouen.

#### Iso 50001 Certification – Energy Management

Nantes-Montoir's maritime silo activity, which InVivo Trading is using more and more for exports to third world countries, is equivalent to that of 2014-2015 with 1.5 million loaded tonnes. The development of railway shuttles transporting the wheat from Beauce and the Centre contributes to the site's competitiveness. The silos' growth performance also requires less energy consumption. InVivo Storage has obtained Iso 50001 certification – Energy management for their four major sites: Nantes, Bassens, Metz and Ottmarsheim. ●

## Virtual silo to increase logistic performance



*Loading a panamax with 65,000 tonnes on one single quay in Montoir, such is the "virtual silo's" objective. To achieve this, InVivo must focus on two key areas: sharing of information between the cooperatives and InVivo which would enable them to know available volumes and the lots' characteristics; the speed of grain delivery from the cooperative silos to the export silos by increasing the rotations. In this way, it will become possible to mobilise data collection at the most opportune moment and improve the export sector's competitiveness.* ●

## INVIVO TRADING: INTERNATIONALISATION AND DIVERSIFICATION OF ACTIVITY

The 2015-2016 fiscal year is part of the three-year transformation plan set out during the affiliation of InVivo Trading in 2014-2015. The opening of the office in Singapore is the company's first step towards global deployment.

After a first year where efforts have been focused on risk control and the increase in risk management tools, market analysis and operational excellence, InVivo Trading has in this fiscal year defined and initiated its internationalisation strategy and diversification activity with the aim of building a more resilient economic model.

It is in this context that InVivo Trading has opened a trading office in Asia, on the group's hub in Singapore, to cover this region by supporting growth demand and offering new business flow perspectives. Despite the inherent hazards with a start up, InVivo Trading, through exports, has succeeded in positioning itself in the main Asian countries: Australian and Argentinian wheat to the Philippines, European milling wheat to Indonesia and Vietnam as well as Ukrainian and Brazilian corn to other countries.

Deploying InVivo Trading in this new area has generated a significantly high volume of trade for the fiscal year 2015-2016 with almost 14.5 million tonnes of grain traded by the two offices in Paris and Singapore. This global deployment acceleration has generated a

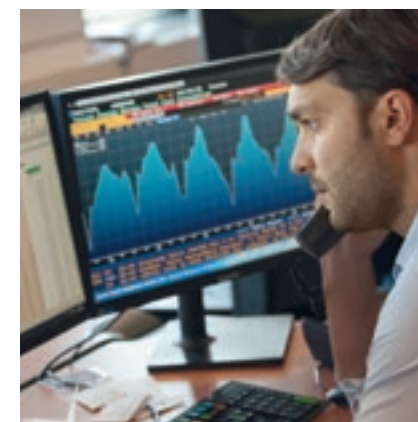
favourable enterprise for French cereal exports: InVivo having beaten its record with 5.5 million exported tonnes.

### Efficiency study of the French wheat export sector

Despite a recognised ability to control risk and the formation of a relevant international strategy, the fiscal year's results are disappointing. InVivo Trading is still affected by a supply chain model for export which does not generate any value. Moreover, InVivo Trading remains excessively exposed to opportunities linked to French wheat. Wheat has been the agricultural raw product with the least significant trend and movement in price during the past fiscal year, which did not provide sufficient opportunities to counterbalance the structural weakness of the traditional economic model of French cereal for the exporter. The deployment of the new global niche player model continues with several projects in diversification and balancing revenue sources. A study is also being undertaken with other stakeholders on the efficiency of the French wheat export sector. ●

## Risk management for third party procurement

*With renowned international partners, InVivo Trading is developing a trading and management model for third party procurement. A project where it asserts its dynamic risk allocation approach. An approach made possible thanks to the implementation of risk analysis software and installation of a price data base enabling statistical studies on InVivo Trading's results. ●*



## SIGMA TERME IS COMMITTED TO A NEW DYNAMIC

The clearing and negotiation activities on future markets are progressing very positively. Thirty years after its creation, Sigma Terme is committed to a new dynamic through a partnership with Caceis, part of the Crédit Agricole group.

This year Sigma Terme is still making progress with regards to clearing and negotiation functions. New clients have used its services. The client portfolio includes almost 200 operators in the agricultural sector. Volumes traded on Euronext and future foreign markets due to clearing has reached 2.7 million lots, which is a rise of 17% in relation to the preceding fiscal year. Those traded by means of negotiation were at 2.2 million lots which is an increase of 31%.

### An ambitious partnership

To carry out new projects which cannot be undertaken alone under the new provisions of the European regulation, Emir (European Market Infrastructure Regulation), Sigma Terme is committed to build a partnership with a banking player. An ambitious project which aims to create a reference player who would offer the agricultural sector leading clearing and negotiation services.

Sigma Terme has launched a new market analysis offer for operators in the cereal and oleaginous sectors: Market Insight. Around twenty clients have subscribed to it. The price risk management training programmes have also been successfully relaunched.

Recognised for its expertise on future markets, Sigma Terme has been chosen by the Minister of Agriculture to conduct a study on the use of future markets by traders exposed to the volatility of the grain and sugar markets which it will submit in July 2016. ●



# neovia



How can a global, innovative service offering be strengthened, in combination with strong international development?



Entrepreneurship, innovation and sustainable growth for a “new way”. The year 2016 marks a turning point in the history of InVivo NSA with the adoption of a new identity: Neovia. This new name materializes the accelerated development of the company since 2010 and emphasises its entrepreneurial ambition. It also illustrates the innovative dimension of its offer of services and expresses a sustainable growth strategy.

—  
**€1.6** billion in consolidated turnover

**7** lines of business: complete food, aquaculture, petcare, Premix/firm-services, additives and ingredients, animal health, analysis laboratories

**72** production sites, 11 stations of applied research  
—

## A new way for animal nutrition and health

Neovia is continuing the implementation of its strategy articulated around three major centres: balancing its income, optimizing its organization and process, developing the growth relay business via targeted acquisitions in lines of business or countries with a strong potential. The opening of We'Nov, global centre of innovation, and the setting up of the investment fund Neovia Venture illustrate this entrepreneurial dynamic.

In 2015-16, Neovia made a turnover of €1.6 billion, an increase of 8.9%, in spite of the unfavourable effect of exchange rates and a contrasted international economic context. A remarkable performance especially brought by the organic growth of its geographical areas, good results of business in additives and ingredients, the confirmed growth of petcare and aquaculture business and the successful integration of past acquisitions and the six acquisitions made in the course of the year. The performance of Neovia proves the relevance of the balanced and resilient economic model of the company. Its multi-trade, multi-zone and multi-space approach is indeed unique on the animal health and nutrition market and allows it to bring a personalised

response to all customers or partners. In addition, the "glocal" expertise of the company constitute a powerful engine of innovation, creation of value and being outstanding at the global level.

### A resolutely entrepreneurial approach and the DNA of innovation

In the spring of 2016, Neovia opened its world centre of innovation in Vannes, in the Morbihan. This centre, called We'nov, works primarily in five highly distinguishing fields of innovation: smart farming, aquaculture, optimization of resources, interactive petline and functional ingredients.

This new structure aims to multiply innovations linked with the global internal and external partner network. It also aims to accelerate the marketing of new solutions, products or services.

To reach these objectives, Neovia has managed to create a context favourable to entrepreneurship and is able to give value to collaborative operation methods, therefore close intimacy with its customers and partners.

The design thinking approach, implemented by the company for several years, illustrates this approach. This is a matter of understanding the usages and needs of stakeholders in a logic of co-elaboration and co-development of solutions, products or services.

Similarly, the establishing of Neovia Venture, an investment fund endowed with €5 million dedicated for making investments in innovative start-ups, clearly marks this desire. It also illustrates a development strategy focused on entrepreneurship.



*We'nov,  
the global innovation  
centre of Neovia*

### Aquaculture, petcare: two new growing accelerator lines of business

Neovia has decided to go from five to seven activities. This choice makes it possible to structure and accelerate the development of its offer of services at global level in two lines of business with strong potential figuring among its five fields of innovation priority: aquaculture and petcare.

The aquaculture production will increase by 450% by 2040 and it represents a major challenge for the years to come. Neovia captures this market through a holistic approach going from larva

food to controlling the breeding ponds. It is intended to ensure quality production respectful of the environment. The company already has leadership positions in several key markets: Brazil, Mexico and Vietnam.

Similarly, the world market of petfood (\$73 billion), and more widely petcare (more than \$100 billion) displays steady and rapid growth. It is a dynamic counter-cyclical business in which Neovia is accelerating its development. Neovia already enjoys solid positions depending on strong brands and recognized know-how in Brazil and Mexico. ●

## FRANCE: GOOD RESISTANCE OF THE BUSINESS

French business has stood up well in a difficult market context. The financial year has also been marked by the project of bringing together French service companies.

This year, Neovia has faced a particularly difficult French market: structurally declining business, major crisis of live-stock and the occurrence of a health crisis in the duck sector. In this context, the company's business has withstood overall, with a turnover of €252 million, a slight decrease of 3.1%. The performance of the nutrition business is to expectations, whilst the service firm business.

### A successful transformation project

To provide a response for a particularly demanding market environment, Neovia decided to transform his organization in France and gradually to bring its lines together Premix/ service firm, minerals and specialities. This bringing together, conducted during the fiscal year 2015-2016, aims to strengthen Neovia's leadership position in France in service firms. In particular, it enables the company to offer additional and outstanding offers (repositioning of trade brands) better adapted to the context of the market and its different segments.

This project of bringing together has simplified and streamlined the organization. This new organization, in place since July 2016, allows back-office function pooling (buying, production, logistics and formulation). It also enables you to improve the effectiveness and responsiveness of teams for better service rendered to the customer. ●

## Sweetan, natural protection of proteins

Inzo° is innovating in feed for ruminants and is, through the know-how of Neovia, developing a technology to improve the performance of production and protein efficiency of the ration without use of formaldehyde.

The Sweetan process is a unique and effective approach consisting of protecting the plant proteins (soybean meal and rapeseed) to limit their degradation in the rumen. The Sweetan treatment allows amino acids derived from these protected proteins to maintain a high digestibility. ●



## EMEA ZONE: PERFORMANCE TO EXPECTATIONS

Neovia has achieved a good performance level in the Europe, Middle-East, Africa zone with an overall turnover in slight growth at €155 millions. The zone is characterized by the diversity of its markets and a contrasted growth dynamic.

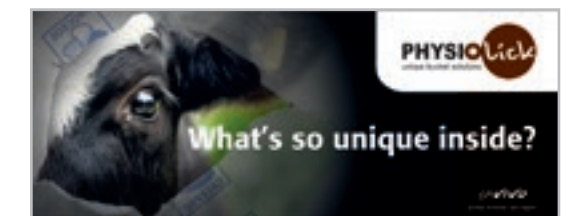
The Europe, Middle-East, Africa zone displays performance to expectation. Two subsidiaries particularly contribute to the results of the zone. Spain, which has had a very good year and keeps its position as leader of Premix on the national pork market. Belgium, specialist of the global level aquaculture larva market via the Bernaqua brand, which displays a strongly growing international performance. The performance of the subsidiaries in Italy and Portugal remain more modest in a difficult market context characterized by a drop in demand of Premix within both markets. The Romanian, Hungarian and Czech subsidiaries achieved satisfactory results overall in line with forecasts.

### Africa: a continent with strong potential

Neovia has also accelerated its transformation plan in South Africa through several significant investments and should very soon be announcing a structuring acquisition in Premix. The dynamism of South Africa more widely illustrates the desire of Neovia to develop in Africa in a series of strong potential countries, such as Nigeria, Angola or Mozambique. In this framework, Neovia has already begun its development in Nigeria by signing an important service contract of two years with Olam, global player in agro-industry, aiming to reinforce its business and expertise in animal nutrition in this country. ●

## PhysioLick, a strong identity for licking tubs at global level

This year, Neovia has extended the PhysioLick offer to all markets of the EMEA zone for ruminant feed. Coming from the Neovia's nutritional expertise, associated with the unique industrial know-how of its French subsidiary Nutrilac, the PhysioLick offer meets the needs of breeders through an administration method of the innovative feed: the licking tub. Based on the salivation need of ruminants, this solution allows you to adjust the nutritional contribution to the specific needs of each animal. ●





## CENTRAL AMERICA: STRONG POSITIONS IN A GROWING MARKET

Neovia has achieved significant growth in its business in Mexico: fourth global market of complete foods and petfood. The company depends on its positions in Mexico to develop its business in the neighbouring countries.

Neovia shows very good results in Mexico, especially with a turnover of €362 million, an increase of 7.4%. This performance is based on a strong commercial network of distributors: the top national network for ruminants and poultry and strong positions on the market of pets on which it takes third place. It also depends on the successful enlargement of the portfolio of petfood brands, and on the synergies developed with Total Alimentos in Brazil. The diversification of Mexican operations in the field of premix/service firms and animal health has also contributed to the good performance of the subsidiary.

### Industrial investments serving growth

The Mexican subsidiary has also invested strongly this year in its industrial park with the acquisition and then the rehabilitation of its plant in Texcoco. This site mainly produces food for pigs, poultry, aquaculture, ruminants and horses. In addition, this year, the company obtained the ISO 22000 certification for one of its premix plants and the ISO 9900 certification for its plants in Yecapixtla and Tlaxcala. Beyond this, Neovia wishes to depend on its strong positions in Mexico to develop its export business and accelerate its growth in neighbouring countries with a strong potential. ●

## Evalis: French technology serving Mexican growth

*In October 2015, Neovia has launched the Evalis brand of complete foods in Mexico. This outstanding offer of products and services is aimed at the segment of dairy farmers of average size (50 to 200 cows). Beyond the product, this new offer is integrated into food programs for animals with a high level of production. In this highly demanding market segment, the Evalis offer stands out by its innovation and premium positioning. ●*

**EVIALIS**

## SOUTH AMERICA: A STRONG AND RESILIENT STRATEGY

In a complex economic and political context, Neovia's economic model yet proves its solidity and capacity for resilience this year. The goals are reached with a turnover of €326 million made in the area.

Neovia has reached its goals in South America and made a turnover in 2015-2016 of €326 million, an increase of 1.8%, in a very unfavourable Brazilian national marked by a triple economic, political and monetary crisis. This good performance demonstrates the responsiveness of the Brazilian teams (implementation of a performance plan during the year), and the solidity of the Neovia business model rolled out in Brazil over the past five years.

Neovia has strengthened its leadership positions in the aquaculture and horse markets. It has also distinguished itself by its ability to stand out in matters of technology and the quality of its products and solutions. For example, Neovia is the only company to hold a micro-extruded aquaculture product plant in Latin America and be able to offer them to major Brazilian market players.

### 3<sup>rd</sup> petfood player in Latin America

Over the year, Brazil has also completed the integration of Total Alimentos, a company acquired by the end of 2014 and third Brazilian petfood player. The company now enjoys a key position in Brazil over all the petcare segments (standard to super premium, snacks) and an efficient industrial tool and a globally recognized research centre. Beyond Brazil, the Brazilian petfood offer is exported in more than 40 countries. These assets now give Neovia a top position on the Latin American petcare market. Neovia is also the third petfood player in Mexico. Concerning the synergies relating to the nutrition business (ruminants, aquaculture, horse), the total Alimentos offer is now marketed via the distribution network and the sales force of Neovia throughout Brazil. ●

## Freeze dried nutrition: innovative snacks for difficult-to- please dogs

*Total Alimentos has launched a range of highly innovative products on the Brazilian petfood market. These are freeze-dried snacks: Equilibrio Freeze Dried Nutrition. For small dog breeds, this product fully satisfies their owners. The freeze drying process enables you to preserve nutrients and flavours. Equilibrio Freeze Dried has found a strong commercial success in Brazil and its sales are growing rapidly internationally. ●*



## ASIA: A YEAR OF TRANSITION

The 2015-2016 fiscal year was marked by a strategic acquisition in the Philippines. This country thus becomes the third pillar of growth of Neovia in Asia alongside Vietnam and Indonesia.

Neovia's Asian results on a like-for-like basis were slightly down against the budget, with a turnover of €236 million. They were marked by the good performance of Vietnam, the deployment of business in Cambodia, and a market that is still very difficult in Indonesia despite a repositioning strategy that is beginning to bear fruit. For the premix business, India's year is to expectations, while China's performance is showing a slight decline.

### Two major acquisitions

In this context, Neovia confirms its ambition to develop in Asia, and has made two major acquisitions during the year: the Welgro company in Indonesia and the assets of Popular Feedmill Corporation in the Philippines.

The acquisition of Welgro confirms Neovia's confidence in the medium-term potential of the Indonesian market, and allows it to strengthen its presence in the growing egg poultry feed market. The acquisition of Popular Feedmill Corporation's assets is a better structured strategic move, as it allows Neovia to confirm its roots in the Philippines and build a third pillar of growth in South-east Asia alongside Vietnam and Indonesia. This strategic movement allows the company to strengthen itself durably in a country with high potential, to diversify its income in the area and reduce its exposure to national economic, political or health crises. ●

## A partnership to develop the Indian aquaculture market

*Neovia signed with Unibait Feed a three-year partnership for the supply of high-quality premix and value-added services for the production of premium shrimp food in India. Neovia thus gives value to its expertise in aquaculture (species expertise, formulation, analysis laboratories, R&D, purchasing and quality). This partnership also strengthens Neovia's positions in this high potential market. ●*



## ADDITIVES AND INGREDIENTS: TWO NEW STRUCTURING ACQUISITIONS

The Neovia subsidiary is accelerating its development in the global additives and ingredients market. The acquisition of Daavision (Netherlands) and Btech (Brazil) are evidence of this dynamic.

Neovia's additives and ingredients business performed well during the year with a turnover of €103 million proving the relevance of the strategy and the dynamism of this sector with high global potential.

In this context, its additives and ingredients subsidiary, which enjoys a high degree of autonomy, acquired two additional companies during the year: B-tech and Daavision.

### Reinforced portfolio of products and solutions

Completed in December 2015, the acquisition of B-tech, a leading Brazilian player specializing in speciality additives, consolidates the company's positions and distribution network in a fast-growing market. This acquisition is fully integrated into the strategy of the additives and ingredients business to strengthen its direct access to customers in key animal nutrition markets, including Brazil.

The acquisition of Daavision, an Dutch international company specializing in the production and marketing of additives for animal nutrition, has reinforced the company's standing in products made from organic fatty acids. Established in 2004, Daavision manufactures its products in the Netherlands and markets them in more than 30 countries.

The acquisition of these two companies strengthens the additives and ingredients part and allows it to complete its offer of products and services worldwide. ●

## Nex, a new generation of additives



*The business of additives and ingredients is distinguished by a scientific approach to the line of business and the dynamism of its offer of products and services. It invests heavily in innovation and offers its customers innovative new concepts such as non-nutrition. It is also very active in the functional ingredients field with high potential. This concept especially led to the creation of a range called Nex, launched in March 2016. The first two products in this range, NexUlin and NexTend, are for dairy cows and laying hens respectively. ●*

## ANIMAL HEALTH: A YEAR OF CONSOLIDATION

In a difficult environment, marked by a slowing of business in France, Neovia is pursuing its export development strategy.

The animal health business has generated income of €34 million over the year. The latter was marked by the acceleration of the de-medication movement in France. In terms of exports, performance appears to be contrasted by region and does not fully compensate for the effects of the slowdown in business, despite the observed dynamism.

The industrial optimization plan is beginning to bear fruit. It has made it possible to reduce the level of its logistics costs, particularly within the French zone, and to strengthen the competitiveness of the entity.

Lastly, the company continues to benefit from the gradual rollout of business across the five geographical regions of the company and the structuring of corporate and local business development teams dedicated to the development of the animal health business. ●

## Virkon H2O, hygiene at the heart of Qalian's strategy

*To complete its range of hygiene products, Qalian has launched Virkon H2O, a disinfectant for drinking water for poultry. They are natural hosts for a multitude of pathogenic organisms, and the water they drink during their life cycle can be a major source of infection. This innovation is intended to limit the spread of infection from sick birds to healthy birds. ●*



## ANALYTICAL LABORATORIES: RENEWED GROWTH

The business of analytical laboratories has returned to growth, and the acquisition of the Italian laboratory Agrindustria has confirmed the development strategy of the company abroad.

The performance of Neovia's analysis laboratory business is to budget. The transformation plan conducted over the year is characterized by positive first results and allows the laboratories to return to growth with a turnover of €14 million. A project to recast information systems was also launched in France, which should make it possible to further strengthen the competitiveness and responsiveness of the company in its market.

The integration of AdGene, acquired in 2015 and integrated during the year, also contributed to the performance of analytical laboratories in France. AdGene's molecular biology offer has been integrated into the analysis portfolio of laboratories in France and is now marketed by the sales team throughout France.

In addition, the business of analytical laboratories is also expanding internationally with stronger positions in Europe, Mexico, Brazil and Vietnam in particular. In this context, Neovia acquired Agrindustria in February 2016 in Italy. This laboratory offers chemical and microbiological analyses for animal nutrition, human nutrition and the wine sector. The acquisition of Agrindustria confirms Neovia's strategy for developing analytical laboratories internationally. ●



## AdGene receives ministerial recognition for ruminant DNA identification

*The AdGene laboratory, a specialist in molecular biology analysis, is the first French laboratory to have obtained recognition from the French Ministry of Agriculture, Agri-Food and Forestry for the self-monitoring polymerase chain reaction (PCR) of the ruminant original species of animal proteins transformed in animal feed. ●*



# invivo retail



How do you develop new food concepts that provide the farming community with direct access to consumers and new offerings that highlight agricultural skills and knowledge?



InVivo Retail's strategic development is in three sectors: gardening, food distribution, placement in the green market. The three activities are complementary, each generating added value for the other two.

Multibrand, multiformat and multichannel, InVivo Retail is consolidating its position as the leader in gardening. The cluster is also developing a strong food retail activity around Frais d'Ici. The marketing activity performed by Néodis also has a growth strategy based on the increase of added value through the acquisition of manufacturing or trading companies with products destined for the green market.

—  
**€1.5** billion worth of turnover comes from gardening sector

**No. 1** in gardening in France with our brands like Gamm vert, Delbard and Jardineries du Terroir, and the online sales platform, Plantes et Jardins

—  
**2** million unique visitors per month on the Plantes et Jardins website

## GAMM VERT: ADVANCED GARDENING

Despite the very unfavourable weather conditions for gardening in spring 2016, the brand's innovations in the plant world and the progression in sales of local produce has ensured that Gamm vert has done well.

With a national market showing a 2% - 3% downward turn, the Gamm vert network has shown a stable turnover. Plant sales have continued to grow, particularly because of new offerings. The new concept for nurseries proposed two years ago, is developing steadily: 100 shops were renovated during autumn 2015, and 200 in spring 2016.

After the nurseries, the brand is also coming back to its greenhouse concept. It will be organised around three themed spaces with different tones. This will be perfect for new trends: more flowering plants on offer.

### "I garden naturally"

Adapting to the provisions of the law on energy transition, which covers the prohibition of sale of phytosanitary products made from synthetic chemistry for individuals in 2019, represents a major challenge for the network. Various shops have been experimenting with the assisted sale of these products since 2015, which are presented under glass. This has proved successful and will be deployed throughout the network from January 2017.

Moreover, Gamm vert is launching the "Je jardine au naturel" [I garden naturally] plan, to support amateur gardeners as best we can through this transition period. This plan combines a renewed range with lots of organic and alternative products, a Gamm vert adviser training programme to give gardeners guidance, and

a pedagogical approach regarding new actions and practices to develop in the garden.

In its other major sphere, pet care, which represents 25% of network sales, Gamm vert has a new, more attractive concept with a broader offering and two new departments: care and hygiene, accessories and connected products. The consistency of sales throughout seasonal changes makes pet care a major area to develop.

In terms of clothing and footwear, in the professional market, the company is expanding its offering in PPE (personal protective equipment), confirming its status as a specialist in agricultural work clothing; in the consumer market, the brand is developing its outdoor offering with the launch of a hiking range.

### Growth in local produces sales

This year, Gamm vert's economic model has once again demonstrated its relevance to the franchisees. If the brand performed well despite the difficult gardening climate, then it is also down to the key departments, especially food.

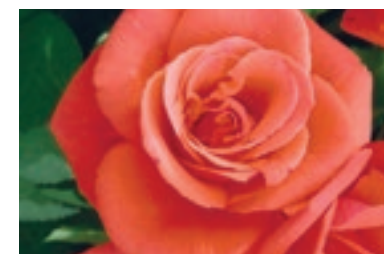
Local produce sales have shown a positive growth again this year. Furthermore, more than one hundred shops now have a fresh food section. We have also seen very positive results from the tests carried out in some twenty shops on Igloo, our new 100% French frozen products range, with controlled origin and traceability. This is particularly the case in the Gamm vert village shops, which are providing an additional service in rural areas, and in shops which already have a local produce section. ●

## in The new pet care project



Gamm vert is offering a new pet care world, which is more attractive, structured and arranged by product family, integrating two departments: care and hygiene, accessories and connected products. ●

## in The rose store



Delbard is reinventing its story, by refining its offering around the rose: more rose plants and roses, decorative objects, interior fragrances and perfumes. The offering will be developed either by cross marketing or within a dedicated store. ●

## DELBARD, JARDINERIES DU TERROIR: TWO ATTRACTIVE BRANDS

New franchisees joining Nalod's, a demonstration of the successful integration of Delbard and Jardineries du Terroir within InVivo Retail. Today, a second phase is under way, providing a renewed offering through innovation.

The Demange family group (9 garden centres) located in eastern France, Végétalis (6 stores) in the Provence-Alpes-Côte d'Azur region and RAGT with 29 stores in the Nouvelle Aquitaine and Occitanie region have joined the Delbard / Jardineries du Terroir network, making 44 additional stores. Together, they account for a turnover of €50 million, or 25% of Nalod's revenues which equates to €150 million.

This highly proactive recruitment strategy is the result of the successful integration of Nalod's into InVivo Retail, generating improved purchasing conditions by increasing the power of central purchasing and lowering logistics costs. A third of Nalod's shops already use the InVivo platforms and a third has joined centralised billing.

### A renewed offering

Significant work is under way at Delbard to renew the offering. All the branded ranges have been reviewed. A food store concept focusing on French local specialities is being tested in some stores. The brand is also taking another look at the strengths that have made its reputation: roses, fruit trees and the attractiveness of its garden centres: plants and decoration. ●

## Frais d'Ici – Gamm vert: two in one

With the opening of a shop shared between Gamm vert and Frais d'Ici in Auch, InVivo Retail is innovating by changing the rules and the flow of the garden centre. This new local food concept offers cooperatives the possibility to extend their distribution activities towards bigger urban areas. ●



## FRAIS D'ICI: ONE BRAND, TWO MODELS

The food distribution concept of Frais d'Ici comes in two forms: creation of a stand-alone shop, or set-up linked with a Gamm vert garden centre. Two new shops have opened their doors: one in Bourgogne, the other in the south west.

Two years after its launch, the concept of franchised food distribution with Frais d'Ici, is established. Its positioning around a promise of "Eat fresh, buy locally" is favoured by customers as it meets their expectations in terms of food and regional development. Strong links are formed between the sales teams, producers, and consumers thanks to the number of in-store meetings and the development of customer communities. Frais d'Ici is currently the only network which guarantees regional sourcing and product traceability back to the producer.

The second Frais d'Ici shop, set up by the Dijon Céréales and Bourgogne du Sud cooperatives, was inaugurated in October 2015 in Chenôve in Bourgogne, on the outskirts of Dijon.

In May 2016, the 3<sup>rd</sup> shop attached to a Gamm vert was opened in Auch in the Gers department, under the Vivadour cooperative group, opening up new perspectives. The association of a Frais d'Ici with a Gamm vert garden centre, while still keeping the same cash desks, is particularly promising: 70 shops could open with this model within 5 years. With 70% of its offering from local or regional producers, Frais d'Ici demonstrates that cooperatives have a major role to play in the development of an alternative food distribution system. ●

## NÉODIS: STRIKING BRANDS

If Néodis is affected by the sluggishness of the consumer home and garden markets, the successful launches of its new ranges confirm its growth potential and its capacity for innovation in B to B and B to C.

Dynamic marketing from Néodis is under way. Launched in 2015, the premium dog food range, Pure Origine, has been well received in distribution. Its positioning: a high protein content, made from ingredients with French origin, a simple range with only six elements, meets both the nutritional needs of dogs and the expectations of consumers and distributors. A cat food range, Pure Complicity, is being developed. Pet food, the main activity of Néodis, represents two thirds of its turnover. Our private labels (Gamm vert, Delbard and Everland) dedicated to InVivo group subsidiaries are also progressing.

### Inviting nature into the home

The products offered by the Plume & Compagnie brand for small garden wildlife (birds, small mammals, insects), based around the concept of "La Nature à la Maison" [Nature at Home] has also had a positive reception. It is in line with society expectations in favour of biodiversity and green distribution, looking for seasonally adjusted activities.

In B to B, sales of insecticides to protect grain storages have enjoyed bumper harvests in 2015 and treatment needs. The new alternative treatment solution called ProCrop, allows Néodis to consider an increase in sales in the coming years. ●

## Agrinet: an organically sourced range from agricultural know-how

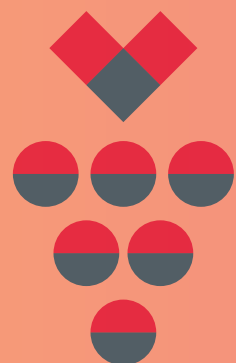


**Mathieu Belmond,**  
product development  
manager Néodis Pro

"Expert in hygiene and house maintenance, with agricultural know-how, Agrinet is investing in the world of gardens and DIY with a new range of cleaning products for individuals. Launched in May 2016, Agrinet 360°, the first multi-use degreaser for power tools, hardware and garden furniture, consisting of surfactants derived from agricultural by-products (wheat and beet), is the first iconic product of this brand revival." ●



# invivo wine



How can strong brands be developed to further the international reputation of French wines?



The InVivo Wine division is structured at all levels. Firstly, the creation of a wine section within the Union InVivo has allowed for membership to be opened to wine cooperatives. Now, the strategic orientation of the Cordier and Mestrezat Grands Crus has been defined. The InVivo Wine – Vinadeis alliance is strengthened with the aim of growing the French wine and brands export platform. This unique architecture is an asset in regaining an international market share and promoting France by emphasising the quality of its wines in all their diversity.

—  
**€340** million of turnover, of which 110 million created abroad in 135 countries

**21** cooperatives with 26 wine making centres that are members of the Wine division

—  
**25,000** hectares of vines

## UNION INVIVO: WINE COOPERATIVES JOINING THE PROJECT

Twenty-one cooperatives have joined Union InVivo, six months after the creation of the Wine section.

In July 2015, InVivo created InVivo Wine, with the aim of developing French wine export, uniting wine cooperatives around a value creating project.

An additional step was taken at the extraordinary general meeting of 17<sup>th</sup> December 2015, which voted in favour of the possibility of direct membership of wine cooperatives in the Union InVivo, if they wish to become full participants in the InVivo Wine project, by underwriting capital and committing to multi-year wine volumes which meet the specific qualitative loads.

In the first six months of 2016, 21 cooperatives from different wine producing regions (Bordeaux, Rhône, Sud-Ouest, Languedoc, Roussillon, and Beaujolais) became members of the Wine section of the Union InVivo.

With this strong wine base, the InVivo wine division is able to control the quality of the wine to develop its brand portfolio. ●

## MESTREZAT GRANDS CRUS: THE SPECIALIST IN GRANDS CRUS

Mestrezat Grands Crus, which celebrated its bicentenary in 2015, concentrates on its historical field of expertise: French and international grands crus.

After fifteen merged years, Cordier and Mestrezat Grands Crus are now in their original form once more. The management of both companies has been entrusted to Vinadeis and its Executive Board.

Significant efforts to re-establish strong links with the grands crus have borne fruit. The results of the 2015 primeur campaign are very positive: the allocation of Bordeaux grands crus are increasing, indicating their confidence in the new shareholder InVivo. ●

## CORDIER: A FRENCH BRAND ON THE INTERNATIONAL STAGE

The new Cordier brand was introduced at the Vinexpo Hong Kong trade show in May 2016. The positioning of the range clearly confirms its French origins and its art of living in modernity.

The development of an InVivo offer of French wine for export will be based initially on Bordeaux varieties through the Cordier brand and some strong brands from each wine region.

Important work has been carried out on the Cordier mix, its positioning and its promises. Targeting the international market, the Cordier brand is aimed at young generations who want to get to know or rediscover wines which respect and appreciate the French expertise in wine. The Cordier range is made up of high quality wines that are easy to understand. By giving consumers simple guidance, the range aims to facilitate the discovery of wine and the richness of the French wine landscape. ●

**in**  
Cordier:  
Enjoy la vie



With its "Enjoy la vie," signature, the Cordier brand claims the legacy of French wine expertise and the French art of living where wine tasting is above all a moment of pleasure and conviviality. ●

## INVIVO - VINADEIS: THE ALLIANCE STRENGTHENS

The two cooperative groups aim to increase the platform for global development and to accelerate external growth.

After InVivo's entry into the Vinadeis capital in 2015, the strategic alliance between the two cooperative groups has strengthened. Upstream, Vinadeis shareholders became shareholders of Union InVivo. Downstream, InVivo has brought its bulk subsidiary Vignobles du Soleil International into Vinadeis.

With a 22% stake in Vinadeis, InVivo Wine aims to increase its holding, allowing Vinadeis to accelerate its development in countries where wine consumption is growing, especially in North America and Asia but also in major European countries and in France, the home of its brands.

Encouraged by the addition of 21 wine cooperatives to the Union InVivo, consideration is being given to developing a France offer, based on other strong brands which complement Cordier: Mythique (Méditerranée), Le Val (Languedoc-Roussillon), La Bastide (Sud-Ouest), Louis Tête (Beaujolais, Bourgogne), Terre des templiers (Collioure, Banyuls).

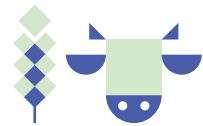
The reinforcement of links between InVivo and Vinadeis supports the goal to grow a global development platform that will manage the supply chain in France and abroad, accelerate external growth, especially in distribution, create brands and develop high value segments (grands crus, grands vins, organic). ●

## CSR: SOURCE OF INNOVATION

In 2050, 9 billion people will need to be fed. Developing agriculture which is capable of feeding the planet in a sustainable and responsible way is a major challenge. Innovation is the cornerstone which will allow for agricultural progression in every country, therefore having a favourable impact on human and animal health. Our social and environmental responsibility will be the catalyst for the development of smart agriculture.

### Smart agriculture, smart cooperation: for sustainable growth

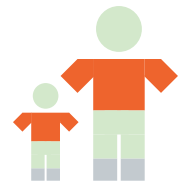
InVivo's CSR policy is organised around three main commitments



Producing more and better



Promoting access  
to a better diet



Placing people at  
the centre of our actions

With all our stakeholders, driven by a spirit of smart cooperation, we can imagine and create the agriculture of the future, smart agriculture.

### InVivo adheres to the United Nations Global Compact

The United Nations global compact is the largest international voluntary initiative in terms of sustainable development. More than 1,000 French companies and a hundred NGOs have already joined it. As a responsible corporate citizen, InVivo decided to do the same. These ten principles regarding employment law, respect for international employment standards, respect for the environment and the fight against corruption will be integrated into our organisations.

### InVivo Foundation: a reaffirmed social responsibility

A collective movement that puts farmers at the heart of action is essential to meet the global food challenge. InVivo has decided to create an endowment fund, the InVivo Foundation, which will mobilise the energies, skills and resources for farmers to proudly carry out their profession and make a living from it.

The InVivo Foundation mission covers three key elements:

- Helping farmers to earn a better living from their profession;
- Bringing new sustainable food solutions;
- Taking care of natural resources.

InVivo Foundation will deploy its programmes, nationally and internationally with the aim of disseminating knowledge and skills which will support united social economy projects. ●





**invivo**  
Cooperation adds value

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[www.twitter.com/InVivoGroup](https://www.twitter.com/InVivoGroup)



la  
coopération  
agricole  
*produisons l'avenir*