



OUR YEAR IN REVIEW 2015

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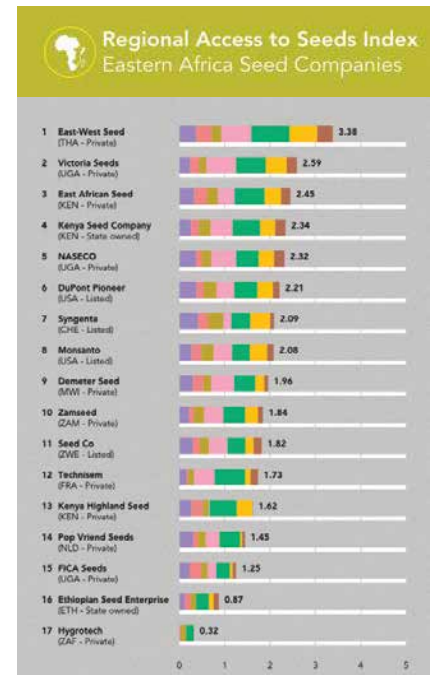
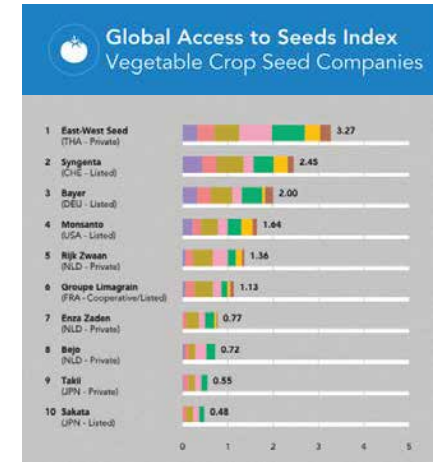
Access to Seeds
Index

The Access to Seeds Index measures and compares the efforts of the world's leading seed companies to enhance the productivity of smallholder farmers. It was published by the Access to Seeds Foundation, an independent organization funded by the Bill & Melinda Gates Foundation and the Dutch Government. With the Seed Index, they hope to bridge the gap between seed companies and the smallholder farmers.

We recognize that feeding the growing global population is one of the most pressing challenges of the 21st century. Smallholder farmers in developing countries represent an untapped opportunity to meet that challenge. They have been the driver of our business since 1982.

At the time of writing this review, East-West Seed was ranked #1 by Access to Seeds in the 'Global Index for Vegetable Seed Companies' and 'Regional Index for Eastern Africa'. The Index was released for the first time in February 2016.

We appreciate this fantastic acknowledgement of our continued commitment to serve smallholder farmers every day.



Source: www.accessseeds.org/the-index
For more information on the Access to Seeds Index, visit www.accessseeds.org

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INTRODUCTION



East-West Seed introduced market-oriented plant breeding in Southeast Asia in 1982, with the mission to improve the income of smallholder farmers through high-quality vegetable seeds. Smallholder farmers were the main clients then, and they continue to be up to now.

East-West Seed has played an important role in the improvement of tropical vegetable varieties that are adapted to local markets and growing conditions. The privately-owned company produces and markets a wide portfolio of hybrid and open-pollinated seeds. In addition, the company educates farmers and helps them to maximize their yield through better knowledge on vegetable production.

East-West Seed, whose main clients from the beginning are smallholder farmers, is among the world’s leading vegetable seed companies today.

Today, East-West Seed is one of the 10 largest vegetable seed companies in the world, with a leading position in the most important Southeast Asian countries and rapid expansion into India, China, Africa and South America.

East-West Seed is a fast-growing, multi-cultural organization with over 4,000 employees. It has 15 R&D establishments in 7 countries. The company exports to over 60 countries in tropical areas of the world. It has its headquarters in Thailand.



MESSAGE FROM THE CHAIRMAN

East-West Seed has worked for more than three decades to increase the productivity of farmers with better vegetable seeds. We have become a strong and mature company in the ASEAN region and continue to reach more tropical areas of the world. This proved that world-class research to improve vegetable crops for yield and quality has been fully accepted by farmers. We are proud of our achievements and humbled by the challenges ahead.

2015 was marked by climate challenges. Large-scale droughts, floods and storms directly affected farmers. Providing them support in the face of El Niño is vital to ensure food security in the region. With crops that are more resilient to environmental stresses, we help farmers secure their harvest and income. At the same time, better knowledge on farming technologies enable them to adapt to unusual climatic conditions.

We realize that we need to do so much more to have a real and lasting effect on the lives of smallholder farmers and the rural economies in which they live.

Serving smallholder farmers with better quality vegetable seeds and services remains the driving force of our company. That is why in 2015, we focused on training young and passionate extension workers to support the needs of smallholder farmers, in particular the new generation of farmers, in the countries where we operate. We are building on our experience with knowledge transfer programs and our ever-increasing knowledge on the best ways to grow vegetables, in order to reach more farmers in the tropical belt.

At the same time we realize that we need to do so much more to have a real and lasting effect on the lives of smallholder farmers and the rural economies in which they live. We are always on the lookout for partnerships that will get us closer to achieving our mission. We welcome collaboration with individuals and groups, who, like us, want to improve the livelihood of vegetable farmers.

Serving farmers is our business. Our commitment to smallholder farmers is unchanged. We are able to do this as a company that stays focused on its mission -- not on revenue or share price. At a time of widespread conglomeration in the seed industry, East-West Seed remains a privately owned and fiercely independent company. We strive to be a seed company that is professional, innovative, and most of all, farmer-driven.

Simon N. Groot
Chairman and Founder



MESSAGE FROM THE BOARD OF MANAGEMENT



Simon Jan de Hoop
Vice President

Bert van der Feltz
President & CEO

Michel Devarrewaere
Vice President

East-West Seed in 2015 was a company in transition. Exciting developments within the company were accompanied by an extraordinary business environment.

We saw the start of the worst El Niño in the last 25 years, causing drought which affected millions of smallholder farmers in Asia-Pacific, expected to last well into 2016. Asian currencies touched a five-year low, falling against the US dollar. Despite this we saw double digit growth in most of our home markets except for Indonesia and the Philippines. Thailand and India in particular achieved great results. There were pockets of growth in our relatively new markets like Guatemala, Tanzania and Senegal. While still small contributors, the growth in these markets is a positive indicator that we are on the right track.

Overall, the Group achieved a respectable 7% growth at constant exchange rates.

The year also brought changes within the executive leadership, which had been long prepared and carefully considered. Bert van der Feltz succeeded Joost Pekelharing as President and CEO. Michel Devarrewaere is the latest addition to the Board of Management, a selection that has been widely accepted by the organization.

There was renewed focus on organizational health and talent development, which are themes we are carrying through 2016. We hired a Chief People Officer and strengthened our Group QA function through internal promotion. There is fresh leadership in the Sales & Marketing team in the Philippines and Tanzania. After a turbulent previous year, we appointed a new general manager in Vietnam. We continue to develop the leadership and strategic direction of our ICT.

We celebrated our 25th year in Indonesia. We know we will continue to play an important role in supporting farmers and developing the vegetable market in the largest and most populated country in Southeast Asia.

Knowledge transfer remains not only a priority, but an indispensable part of our mission to improve the livelihood of smallholder farmers. We have begun consolidating our farmer extension activities across the group under one East-West Seed Foundation.

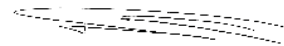
While we keep increasing our investments in R&D, mostly focusing on the development of better hybrids, we have also started to re-assess opportunities to play a greater role in open pollinated (OP) seed supply. Our deep knowledge of markets and seed supply systems can also benefit farmers by supplying them better quality seeds in OPs. Especially in India we will continue to invest in capacity to serve farmers with better OP seeds.

2016 opened with laser focus. We have established clearer goal setting and improved performance measurement. Exciting products are in the pipeline. Our sweet corn hybrids are already showing promising acceptance.

We expect to rebound in Indonesia, a strong contributor to East-West Seed results, as well as much improved performance in the Philippines and Vietnam. In Africa, we have more activities to establish our brand in this thrilling market.

2016 gives us plenty of reasons to anticipate continuous growth, pushing forward with our commitment to serve the needs of smallholder farmers in the tropics.

Bangkok, March 2016



Bert van der Feltz
President & CEO



Simon Jan de Hoop
Vice President



Michel Devarrewaere
Vice President



**OUR
COMPANY**

Vision

Our vision is to be the best tropical vegetable seed company in the world.

Mission

Our mission is to provide innovative products and services that will help increase the income of vegetable farmers, and promote the growth and quality of the tropical vegetable industry.

Core Values



Serving Farmers

We serve farmers. We are the farmers' champion. We listen closely to them and we understand their needs. We offer our best solutions and deliver quality in everything we do to improve their yield and income.



Learning and innovation

We cultivate ideas and harvest innovation. Research excites us. We explore novel approaches, apply new technologies, and build an environment for creativity - whether in the laboratory, in the field or in the office.



Personal growth and fulfillment

We believe that our people are our best resources. We nurture careers and discover the unique strengths of people. We are always on the lookout for opportunities to learn and grow.

The challenge of food security

Smallholder farmers represent the most important sector in food production. They are vital to food security and nutrition, especially in developing countries.



9 billion

estimated global population by year 2050



70%

the required increase in current worldwide agricultural production to meet the projected food demand by 2050



85%

percentage of smallholder farmers in the world's farm structure. They represent the most important sector in food production. They are vital to food security and nutrition, especially in developing countries.



1.1 hectares

average farm size in Asia. In Africa, it's 1.9 hectares.

Our Impact



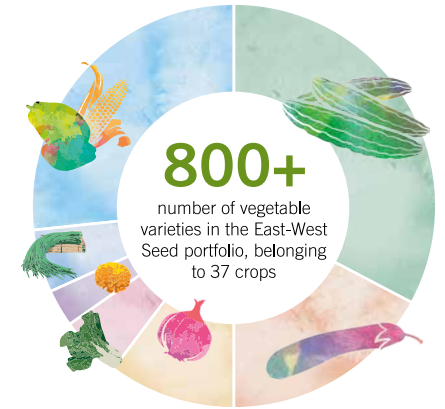
22 million

number of Value Packs we sold around the tropical world in 2015. Value Packs are small seed pouches containing the same high quality seeds we sell in bigger packaging. They are sold at around US \$1 per pouch, which are accessible to smallholder farmers with less than two hectares of land.



28,322

number of smallholder farmers (as well as students and service providers) trained on vegetable farming in 2015 in the countries where East-West Seed has dedicated extension teams. The impact on local communities is much wider; trained farmers serve as a valuable source of advice and inspiration to their neighbors.



Our crops

- Cucurbits
- Solanaceae
- Allium
- Brassica
- Flowers
- Legume
- Miscellaneous



12,000+

number of contract growers employed by the company to produce hybrid and open-pollinated seeds in over 6,000 hectares of land



60+

number of countries where our company exports vegetable seeds



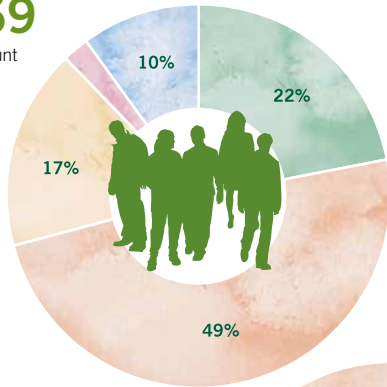
15

number of East-West Seed R&D establishments across 7 countries

Our Team

4,669

total headcount



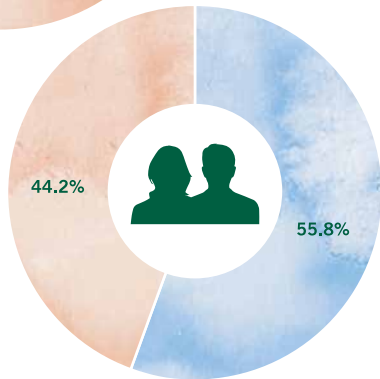
Fast growing

Employees by job function

- R&D
- Seed supply operations
- Sales, marketing and field promotion
- Agriculture extension
- Business partner functions

Male and Female ratio

- Male
- Female



Diverse

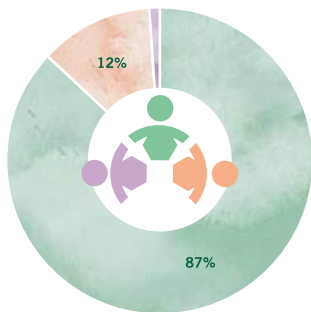
Multicultural

23

Nationalities represented in the East-West Seed organization: Belgium, Brazil, Cambodia, China, Costa Rica, France, Germany, Guatemala, India, Indonesia, Korea, Mexico, Myanmar, Netherlands, Nigeria, Philippines, South Africa, Tanzania, Thailand, Uganda, UK, USA, Vietnam.

Male and Female ratio

- Asia
- Africa
- Europe, North and South America



Essentials

OUR PRINCIPLES AND GUIDELINES AT WORK

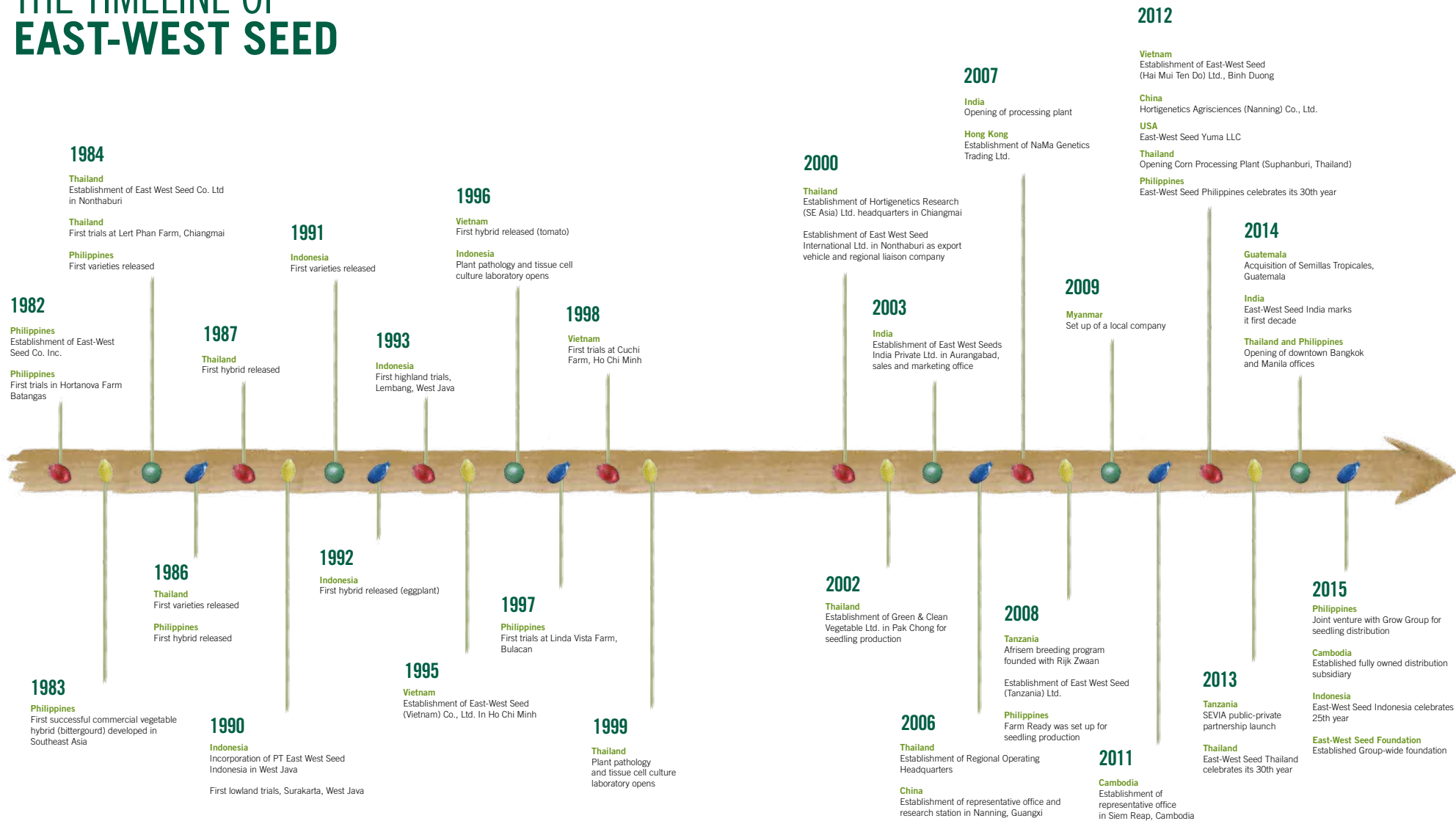


7 Essentials

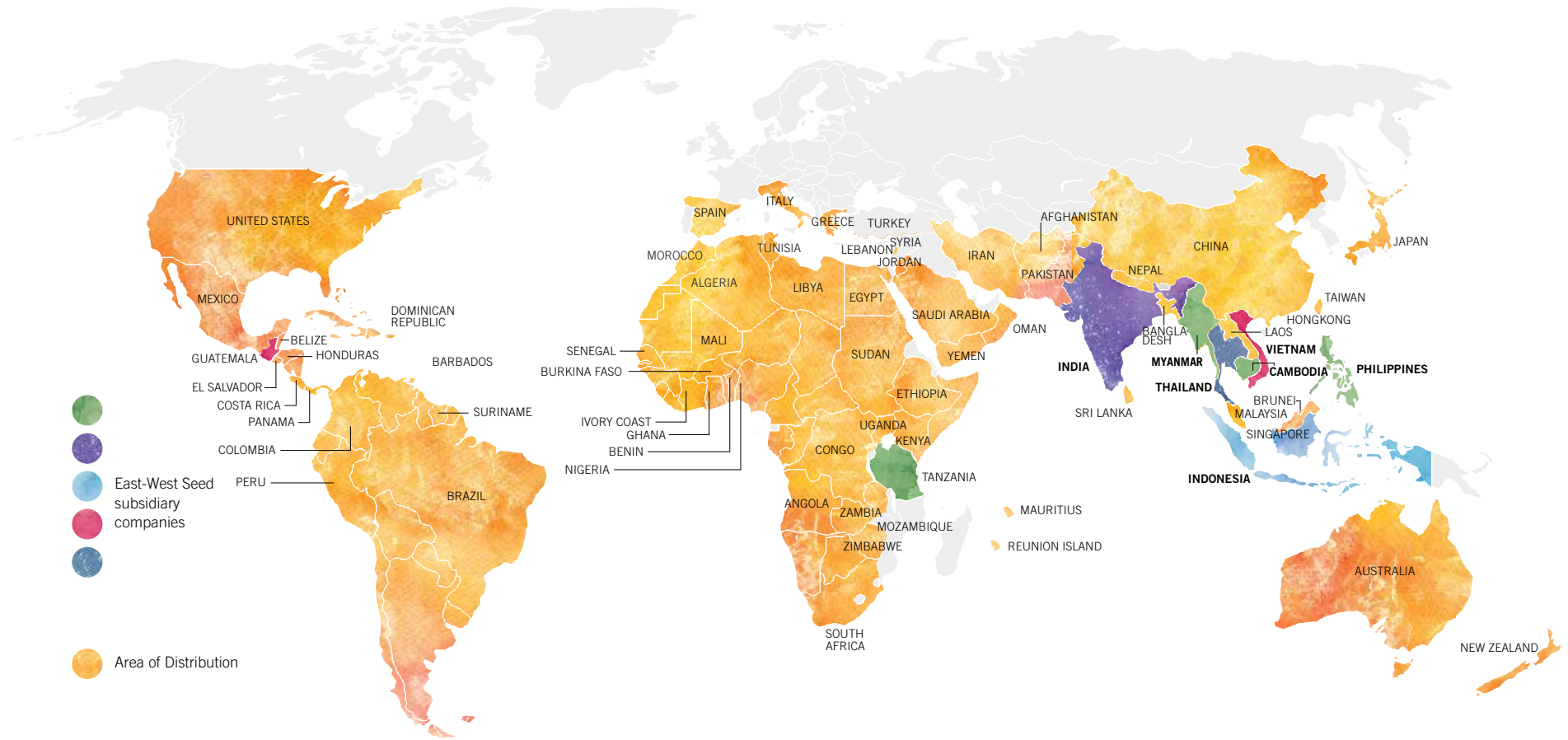
The 7 Essentials is a set of principles that reflect what we value as an organization, and which guide our actions and decisions at work.

1. Building Trust and Credibility
2. Respect for the Individual
3. Protection of Corporate Assets and Information
4. Product Integrity and Quality
5. Health and Safety
6. Relationship with the Government
7. Protecting the environment

THE TIMELINE OF EAST-WEST SEED



THE WORLD OF EAST-WEST SEED



OVERVIEW
2015



People

2015 saw continued growth in the East-West Seed organization, with developments in the company's leadership, key positions hired, and a keen focus on talent development.

New leadership

In 2015 the Group announced the appointment of Bert van der Feltz as President and Chief Executive Officer (CEO) of the Group, following the retirement of Joost Pekelharing who steered the company for 10 years.

The Board of Management of East-West Seed is currently composed of Bert van der Feltz as President and CEO, and Simon Jan de Hoop and Michel Devarrewaere as Vice Presidents.

Joost continues to serve as a non-executive member of the Supervisory Board of the Group and member of the Board of Commissioners of PT East West Seed Indonesia, as well as leads the further development of East-West Seed Foundation.



Bert van der Feltz
President and CEO

Bert has been with the company since 2000 and is a longtime member of the Board of Management. He spearheaded the internationalization drive of the Group with the establishment of East-West Seed International. He led the brand's launch India, which is now the Group's fastest growing market.



Simon Jan de Hoop
Vice President

Simon Jan has been with the company since 1984 when he moved to Thailand from the Netherlands. His expertise in plant breeding and genetics has enabled the company to offer consistently strong products to its customers.



Michel Devarrewaere
Vice President

Michel, former Group Manager for Seed Operations, is the latest addition to the Board of Management. He is an experienced seedsman with 20 years within operations in the company.

Key positions hired in 2015

Chief People Officer (Group)

R&D Manager (Thailand)

Talent Recruitment and Development Manager (Group)

General Manager (Vietnam)

Sales and Marketing Manager (Philippines)

Sales and Marketing Manager (Tanzania)

Production Coordination Manager (Group)

25

number of classes facilitated in 2015 by East-West Seed Academy (or an average of 2.08 classes per month)

6

types of workshops conducted, aimed at driving performance. These include: 7 Habits of Highly Effective People, Coaching for Peak Performance, Meeting Management, Project Management, Presentation Skills, and Setting Performance Expectations.

434

total number of talents trained

Farmers

Kyi Htun, 39, lives a few miles from the outskirts of Myanmar's capital Nay Pyi Taw. Farming on eight acres of rice and beans, he estimates he was earning no more than USD1,200 per year. With their family income being heavily dependent on rainfall and uncertain markets, both he and his wife had just cause for concern over the future of their three children. But over the last 12 months, Kyi Htun has transformed his farm into a thriving business.

With their family income being heavily dependent on rainfall and uncertain markets, both he and his wife had just cause for concern over the future of their three children. But over the last 12 months, Kyi Htun has transformed his farm into a thriving business.

So what happened? In May 2015, Kyi Htun had the opportunity to visit a demonstration farm organized by East-West Seed in a neighboring village. Inspired by the idea of a more regular income he attended several training sessions on vegetable production. With regular on-field support, Kyi Htun soon became a key farmer himself. Having no previous experience in vegetable production, he was eager to follow the advice of East-West Seed's local extension staff Han Ni Swe.

Kyi Htun's first crop of cucumber, grown on a plot no more than 500sqm, earned him a tidy profit of more than USD500. He continued to follow technical advice over two more crop cycles - bringing his net profit from vegetables alone to more than USD1,200 over an 8 month period. Convinced by this success he is now producing a wide range of vegetable crops including bitter melon, kangkong, eggplant, tomato and yard long bean covering about one acre of his land.

With seven acres still planted with rice and beans, vegetables have made a significant additional income for his family, even providing casual employment for neighboring families. Not only does Kyi Htun now have a regular income, he has also reduced his family's dependency on increasingly unpredictable weather patterns. With better access to local markets through a recently purchased motorbike and mobile phone, Kyi Htun is optimistic for the future of his vegetable business.



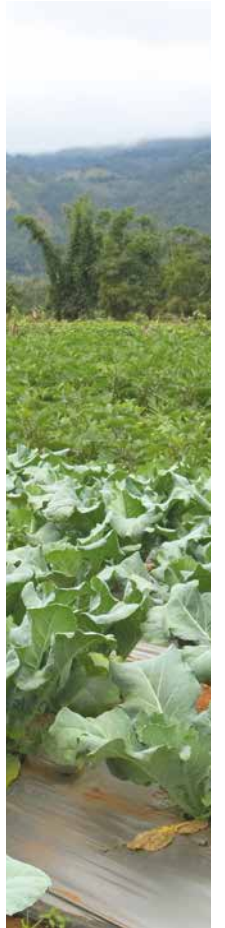


Farmer extension at the core of East-West Seed Foundation

In the second half of 2015, we began consolidating farmer extension activities across the group under one East-West Seed Foundation. Its goal is attuned to the company's mission to make vegetable production more profitable for smallholder farmers.

The Supervisory Board has approved this consolidation with full support, in order to improve the structure of extension work in different countries and share best practices among the local extension teams.

The Foundation focuses on non-profit activities where most needed and partners with NGOs to secure funding and increase outreach. These activities are linked to country operations to assure sustainability and long-term benefits to the farmers and the company. The Foundation's activities to support farmers in developing countries are seen as a catalyst to develop the vegetable market.



Innovation

Battling the drought with plant breeding

Plant breeding is a long-term vocation, one that combines hard science, creativity and lots of patience. It takes about 10 years to breed for desired traits such as vigor, disease tolerance, fruit quality, and early harvest.

Observing environmental trends, we anticipated some years ago that farmers would be facing water shortage and would need to rely on rain-fed agriculture -- simple technologies, no drip irrigation, low investment. The recent drought confirmed this trend.

Farmers must be supported so that they are able to earn a living despite climate challenges.

Farmers must be supported so that they are able to earn a living despite climate challenges. This was the thinking behind our range of hybrid hot pepper varieties that give farmers 15% extra yield and the ability to harvest two weeks earlier versus traditional varieties, even under low water supply conditions. The variety was launched in rain-fed areas where OP varieties of hot pepper suffer low yield and inconsistent fruit quality. The new hybrid hot pepper gives farmers comfort and security, knowing that the crops can grow under drastic conditions and with limited water supply.



Aside from climate challenges, our plant breeders take into account the lifestyle and habits of today's vegetable consumers.

Valentine, a heart-shaped bitter melon, has captured the fascination of many. The variety was developed at East-West Seed's Hortigenetics Research Center in Chiang Mai, Thailand. *Valentine* was bred from a Chinese type bitter melon, has a less bitter taste than other types, and contains nutrients that fight lifestyle diseases like diabetes and obesity. In developing this innovative product, our breeder considered the size of the fruit which is enough for one meal -- perfect for urban consumers who live with a small family. It is also suited for growing in a vertical garden. The variety was launched to the Thailand market in 2015.

Growing our knowledge in seedling production

In the Philippines we formalized our joint venture with the Grow Group, which will provide us access to technology and expertise in seedling production. Based in the Netherlands, the Grow Group is one of Europe's leading companies specialized in vegetable plant nurseries. This collaboration started two years ago and was formalized in 2015.



Preparing ICT for the future

In 2015, we started a company wide program to prepare ICT for the future. We are redefining not only the more technical parts of ICT such as the data centre and the network, but more importantly the strategic direction. Priority is given more and more to mobile and cloud computing. The move to the cloud-based Google Apps for Work has allowed better communication and collaboration within the organization.



East-West Seed field inspectors record their observations in an onion seed production field in India. Data on yield estimates, crop stage, diseases, farmer profile, location and other relevant information is recorded in the tablet and uploaded real-time to the central database of the seed production team. The application allows field inspectors to use the application online and offline, enabling them to record their data even in remote areas where internet is not available.

Access to innovation

In February 2015, East-West Seed joined the International Licensing Platform Vegetable (ILP) for plant breeding innovations, a business association that aims to improve global access to and use of plant breeding traits for vegetables.

The ILP was launched in 2014 following increasing discussions about patents on plant breeding traits. It aims to guarantee access to patents covering biological material for vegetable breeding and to safeguard that incentives to innovate, which depend on the availability of patent protection, remain intact.

“We think that it is of great importance to ensure access to plant breeding traits to facilitate further innovation and development. This way, we believe we can benefit the global food system and food security.”

“This is very relevant for us and for the farmers that we serve. We embrace partnerships that benefit our industry and the availability of vegetable varieties. We think that it is of great importance to ensure access to plant breeding traits to facilitate further innovation and development. This way, we believe we can benefit the global food system and food security,” said Ard Groot during the signing ceremony in De Lier, The Netherlands.





**HIGHLIGHTS
2015**

Mansholt Award for Sustainable Entrepreneurship

On 7 September 2015, East-West Seed founder and chairman Simon Groot was awarded the Mansholt Business Award for Sustainable Entrepreneurship (M-BASE) at the University of Wageningen in the Netherlands. Along with this prestigious recognition, he won a prize of 25,000 Euro and a trophy.

At the ceremony, he announced that the prize money would be used to support students from Myanmar in gaining an education in agricultural sciences.

Simon Groot's family, professor Anne van den Ban, Orlando de Ponti and East-West Seed's Lysette Lacabra – Senior Technology Transfer Specialist in the Philippines and recent MSc Plant Sciences graduate from Wageningen – witnessed the ceremony at Wageningen University, which coincided with the opening of the academic year.

The recipients of the Mansholt Business Award are selected on the basis of sustainable entrepreneurship with focus on the value chain, corporate social responsibility, human rights, and the environment. The award is bestowed by Wageningen University, recognized as one of the leading agricultural research universities in the world. Simon Groot is only the second recipient of the award, succeeding IT and precision agriculture entrepreneur Jan Hadders who received the award in 2012.



Simon Groot receives the award and cheque from Ir. J.K.Mak, director of Deerns and President of Wageningen University Fund.



Celebrating 25 years in Indonesia

East-West Seed celebrated its 25th year of serving Indonesian farmers. Apart from celebrating accomplishments, the event served to reaffirm the company's commitment to horticultural development in Indonesia and providing the best vegetable seeds for Indonesian farmers.

A grand party was held on 10 June 2015 in the company's head office in Purwakarta, West Java. The team showcased an impressive vegetable garden with a love tunnel overgrown with flowers and a pergola of pumpkins.



During the celebration, then-President Joost Pekelharing announced the creation of a USD 25,000 scholarship fund to support our employees and key farmers in pursuing further studies.

Part of the celebration was a National Workshop for Vegetable Farmers to support Indonesia's food sovereignty goals. A series of activities and roadshows added more color to the celebration: Students Innovation Award in horticulture sciences where the country's leading universities participated, a tree planting activity of 2,500 trees in Purwakarta, and a culinary competition on vegetables in Campaka District.



One of the highlights of the trade mission was a visit to Inle Lake to see the work of East-West Seed extension teams with tomato growers. Under heavy rainfall and gentle Myanmar sun, the group reached the floating tomato plants on Inle Lake where the East-West Seed extension team is promoting improved techniques aimed at reducing environmental impact while potentially doubling yields. The trip continued to a cauliflower demo in Shan State, where the group saw how a farmer was able to improve his family's livelihood with better seed and growing techniques.

Dutch trade mission to Myanmar

On 17-21 May 2015, Dutch Minister of Agriculture Mrs Sharon Dijksma visited Myanmar with a small delegation of the Dutch ministry of Foreign Affairs, Wageningen University and Dutch private companies such as Rabobank, Rijk Zwaan and De Heus.





East-West Seed also took this occasion to greet HRH the Princess on her 60th birthday anniversary and to donate 3.3 tons of five varieties of vegetables seeds to support her charity programs.

Her Royal Highness' continuing interest in the development of smallholder farmers and in the vegetable seed sector fills us with deep gratitude and we hope to have more fruitful cooperations in the future.

An official audience with HRH Princess Sirindhorn

The management and executives of East-West Seed led by Vice President Michel Devarrewaere and Thailand General Manager Wichai Laocharoenpornkul were granted a rare and special opportunity of an official audience with Her Royal Highness Princess Maha Chakri Sirindhorn on 10 November 2015 at the small anteroom of her royal residence in Chaipattana, Chitralada Palace, Bangkok.





It was an opportunity too great to pass up for the East-West Seed India team to showcase its brand and innovative products by setting up a demo field in the middle of a rainforest. It was no easy task. Despite continuous rains, high humidity, poor and sick soils, snakes and other wild animals, our team successfully put up a demo field which impressed all 300 visitors.



East-West Seed showcased 55 products from 22 crops over a 4,000 sq.m area. The center of attraction was the display of vegetables and fruits, artistically arranged on a traditional fishing boat.



Asian Seed Congress in Goa, India

Goa is known around the world for its beautiful beaches and seaside attractions. On 16-19 November 2015, it was the venue of the Asian Seed Congress which gathered about 900 representatives of the seed industry in the region.

