



ANNUAL REPORT

2015-2016

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A photograph of two men working in a field of radishes. The man in the foreground is wearing a white shirt and is crouching, handling a bunch of radishes. The man in the background is wearing a black shirt and is also crouching. The field is filled with rows of radishes with green leaves. The background shows a clear sky and some distant trees.

VILMORIN & CIE IN BRIEF



The 4th largest seed company in the world, Vilmorin & Cie develops vegetable and field seeds with high added value contributing to meeting global food requirements.

Accompanied by its reference shareholder Limagrain, an international agricultural cooperative group, Vilmorin & Cie's strategy for growth relies on sustained investments in research and international development to durably strengthen its market shares on promising world markets.

True to its vision of sustainable development, Vilmorin & Cie ensures its achievements fully respect its three founding values: progress, at the heart of its beliefs and its mission, perseverance, inherent to farming and the seeds business, and cooperation, in the fields of science, industry and commerce.

Sales 2015-2016

1,627
million Euros⁽¹⁾

Net income 2015-2016

60.8
million Euros
with a group share
of 59.3 million Euros

More than

6,900
permanent staff⁽¹⁾
throughout the world

(1) Taking into account application of the standard IFRS 11, certain companies have been accounted for using the equity method since fiscal year 2014-2015.

A WORLD LEADER IN SEEDS

4th LARGEST SEED COMPANY
IN THE WORLD

VEGETABLE SEEDS



No. **2** WORLDWIDE
FOR VEGETABLE
SEEDS

MORE THAN 30 CROPS

In particular those that are most widely consumed throughout the world: tomato, pepper, carrot, melon, etc.

FOR PROFESSIONAL VEGETABLE PRODUCTION PLAYERS

Growers and canners.



FIELD SEEDS



No. **1** IN EUROPE
FOR STRAW
CEREALS⁽¹⁾

No. **3** IN NORTH AMERICA
FOR CORN
SEEDS

No. **4** IN EUROPE
FOR CORN
SEEDS

2 STRATEGIC WORLD CROPS: CORN AND WHEAT

Supplemented by regional crops: sunflower, rapeseed and barley (Europe), rice (India) and soybean, distributed in North and South America.

FOR FARMERS

On the main world markets: Europe, Americas, Asia and Africa.



⁽¹⁾ Wheat and barley.

MESSAGE FROM THE BOARD OF DIRECTORS

VILMORIN & CIE ACHIEVES NEW MILESTONES IN ITS DEVELOPMENT STRATEGY WITHIN A MARKET ENVIRONMENT THAT REMAINS TENSE

Dear Shareholders,

At the end of fiscal year 2015-2016, Vilmorin & Cie achieved significant growth of almost 5% in its sales on a like-for-like basis; these now stand at 1.6 billion Euros⁽¹⁾. Nevertheless, once again this year, this performance is the result of very varied situations for its two strategic activities.

■ The Vegetable seeds activity achieved another excellent fiscal year, pursuing its strong, dynamic growth: business increased by almost 10% on a like-for-like basis. Accordingly, Vilmorin & Cie repeatedly continues to win market shares.

■ The Field seeds activity held up well, with sales virtually stable on a like-for-like basis, in spite of a market environment that remains very difficult, globally marked by the persistent low level of agricultural production prices and the drop of cultivated acreage for corn in Europe.

Consequently the total net income of 60.8 million Euros was lower than our ambition. Moreover it was affected by exceptional extra procurement costs in Western Europe for the Field seeds activity, by reorganization costs in the Garden products activity and by financial provisions on minority participations. Consequently, the dividend proposed is lower, yet demonstrates our effort to offer a pay-out rate similar to that of previous years.

For the third consecutive year, Vilmorin & Cie's financial performances have therefore been affected by the unfavorable market conditions for field seeds. For this reason we have decided to set up an operational action plan, in order once again to achieve a financial profile that corresponds more to our expectations. However, this plan in no way calls into question our strategic fundamentals, which continued to be applied in fiscal year 2015-2016:

■ In vegetable seeds, Vilmorin & Cie reinforced its world leadership through the acquisition of the company Genica Research in the United States, thus pursuing its strategy combining innovation and proximity to markets.

■ In the corn seeds, the performances achieved in North America and in the new development zones were of a very high level, demonstrating further globalization of our business. Furthermore, the agreements signed with Syngenta opening up access to new GMO corn technologies represent a major breakthrough towards the development of our proprietary line-up of genetically modified varieties.

■ Finally, on the wheat seeds market, Vilmorin & Cie is continuing its international deployment and aims to become the world reference for the most widely grown crop in the world.

Over and beyond current disturbances, our markets fundamentally remain promising, and we are fully confident in our capacity to reinforce our market shares and our profitability. As our competitive environment goes through a period of restructuring, we are more than ever convinced that our specific development model, based on a single, core business of seed, our agile organization working in proximity to our markets and our long-term vision, represents a major advantage in attaining our strategic ambitions and offering regular and sustainable perspectives for growth.

And we can count on the expertise and commitment of our teams, the unwavering support of Limagrain, our reference shareholder, and all our Shareholders, faithful and committed to the long-term. We thank you all for your support and your trust.

Your Board of Directors

(1) Integrating 50% of the sales of AgReliant (North America, Field seeds). Sales disclosed for 2015-2016 came to 1,325 million Euros.



From the left to the right: Miriam MAES, Jean-Yves FOUCAULT, Philippe AYMARD, Pascal VIGUIER, Mary DUPONT-MADINIER, Joël ARNAUD, Sébastien VIDAL

“ Our specific development model represents a major advantage in attaining our strategic ambitions. ”

THE MAJOR PHASES OF DEVELOPMENT

DEVELOPMENT IN VEGETABLE SEEDS

1993

Introduction of Vilmorin & Cie to the Paris stock market



SALES

171 million Euros

NET INCOME

6.5 million Euros

HEADCOUNT

Almost **1,400**

2007

Integration of Limagrain Field seeds (Europe and North America)



SALES

939 million Euros

NET INCOME

57.3 million Euros

HEADCOUNT

Almost **4,400**

1996

Vegetable seeds

- Clause (France)
- Harris Moran (United States)

2000

Vegetable seeds

- Kyowa (Japan)

Vegetable seeds

- Keygene (Netherlands), experts in genomics* applied to vegetable plants

2006

Vegetable seeds

- Mikado (Japan)

2010

Vegetable seeds

- Mesa Maize (United States)
- Su Tarim (Turkey)

Field seeds

- Arcadia Biosciences (United States)

1998

Vegetable seeds

- Nickerson Zwaan (Netherlands)

2003

Vegetable seeds

- Hazera Genetics (Israel)

2008

Field seeds

- Australian Grain Technologies (Australia)

ACCELERATION
OF DEVELOPMENT
AND INTERNATIONALIZATION



2016

4th LARGEST SEED COMPANY
IN THE WORLD



SALES

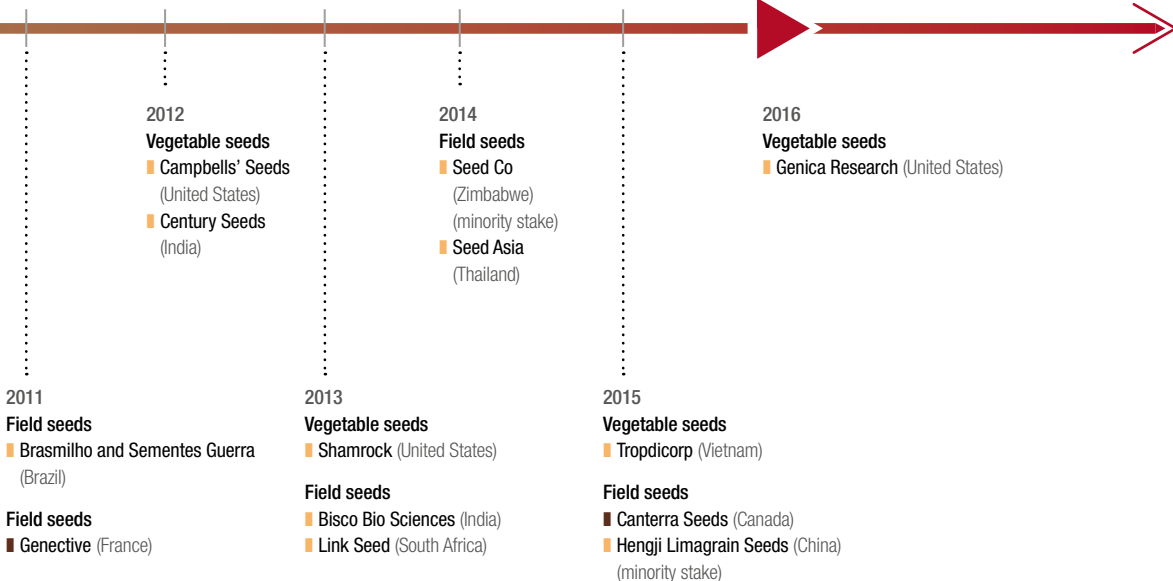
1,627 million Euros⁽¹⁾

NET INCOME

60.8 million Euros

HEADCOUNT⁽¹⁾

More than 6,900



(1) AgReliant (North America. Field seeds), in particular, is included.

A SPECIFIC DEVELOPMENT MODEL

Vilmorin & Cie focuses its development on a specific economic model, with three major, singular advantages:

A single core business of seed

An organization very close to its markets

A long-term vision of its development

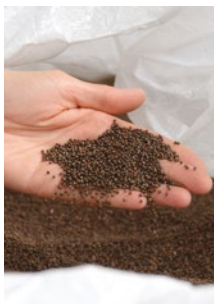
This development model draws strength from the fact it adheres to three founding values: progress, perseverance and cooperation. These values, shared with Limagrain, its reference shareholder, are related to its historical expertise in plant improvement since 1743, and its anchorage in the world of agriculture.

A SINGLE CORE BUSINESS: SEEDS

Vilmorin & Cie is a pure play seed company, not involved in agro-chemicals.

Actively engaged throughout the full value chain, from research to distribution, Vilmorin & Cie controls all the stages in the seed business, proposing high quality seeds, perfectly adapted to each of its target markets.

NEEDS ANALYSIS
MANAGEMENT
OF GENETIC RESOURCES*



CREATION
OF A NEW SEED



PRODUCTION
OF SEEDS



DISTRIBUTION
OF SEEDS



IT TAKES BETWEEN 7 AND 10 YEARS, ON AVERAGE,
TO CREATE A NEW VARIETY OF SEED.

Vilmorin & Cie created and brought to market more than 300 new varieties of vegetable seeds and field seeds during the course of fiscal year 2015-2016.

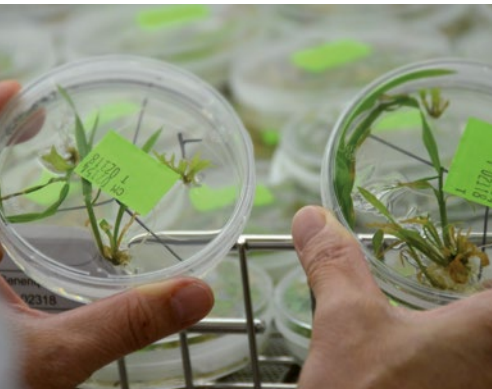


AN ORGANIZATION VERY CLOSE TO ITS MARKETS

Vilmorin & Cie has chosen to organize its activities in Business Units, in order to give priority to proximity to its customers and its multiple markets.

This organizational model, specific to Vilmorin & Cie and built around 10 Business Units⁽¹⁾, is a true strength: it provides excellent knowledge of a market that is highly segmented in terms of products and geographical influence.

It also guarantees Vilmorin & Cie with an excellent capacity to anticipate and respond.



A LONG-TERM VISION OF ITS DEVELOPMENT

The long-term is central to a seed company, which has to organize its work over long periods, since on average it takes between 7 and 10 years to create a new variety.

It is also characteristic of the profession of farmers, who need to work with constancy and perseverance.

Vilmorin & Cie's long-term vision is strengthened by the consistent accompaniment of Limagrain, whose culture and governance model encourage lasting strategic choices.

LIMAGRAIN

Limagrain is an international cooperative group founded and managed by French farmers. Its founding mission is to move agriculture forward to meet food challenges.

As a creator and producer of plant and cereal varieties, Limagrain markets field seeds and vegetable seeds - through Vilmorin & Cie - as well as cereal products (cereal ingredients and bakery products) – in particular through the brands Jacquet and Brossard.

For more information: www.limagrain.com - [#Limagrain](https://twitter.com/Limagrain)

(1) Following the joining of the Business Units Vilmorin and Mikado Kyowa Seed in July 2016.

A STRATEGY OF WINNING MARKET SHARES

Vilmorin & Cie's aim is to contribute to meeting the world's food needs better by creating seeds of high added value. In order to achieve this, the Company has set out an ambitious strategy, combining sustained investment in research, a targeted policy of external growth and partnerships and strong international development, in order to accelerate its expansion and sustainably strengthen its leading world positions.

3 STRATEGIC FOUNDATIONS

SUSTAINED INVESTMENT IN RESEARCH

Research is at the heart of Vilmorin & Cie's strategic vision. Its role is to ensure growth for the future, through the development of more efficient seeds (yield, disease resistance, better adaptation to different climates and regions, etc.).

15.2%
of sales invested
in research⁽¹⁾

Almost **300 million**
Euros invested in research
including funding through partnerships

More than **100**
research centers
in the world

More than **300**
seed varieties
created and launched

(1) Calculated on the basis of sales of seeds intended for professional markets, and integrating 50% of the activities of AgReliant (North America. Field seeds)

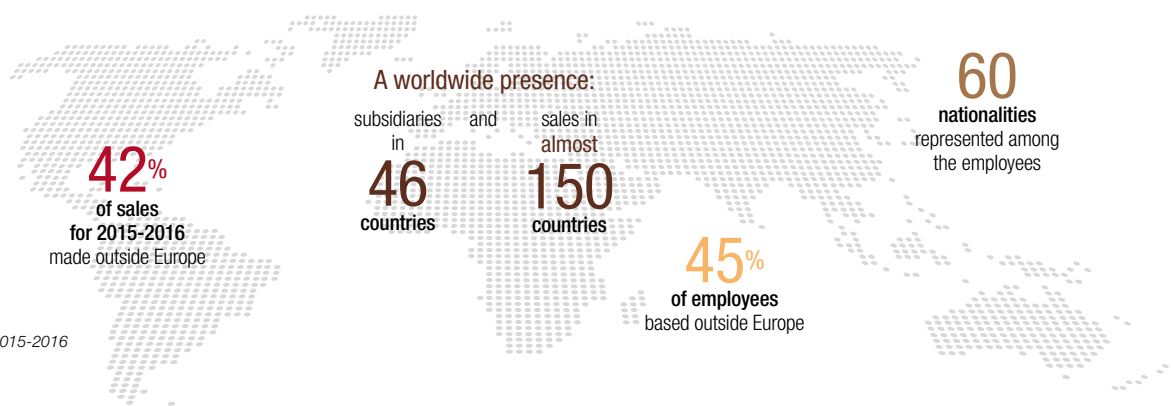
A TARGETED POLICY OF EXTERNAL GROWTH AND PARTNERSHIPS

Vilmorin & Cie has adopted a policy of targeted acquisitions and continues to establish numerous cooperation agreements throughout the world, whether scientific, industrial or commercial. These operations enable the group to acquire new genetic resources*, and to penetrate and cover zones with strong potential, while providing a better risk spread.

STRONG INTERNATIONALIZATION OF ITS ACTIVITIES

The internationalization of Vilmorin & Cie's business drives its development on what is now a global seed market.

Vilmorin & Cie is pursuing its development plan, both on vegetable seed and field seed markets in zones with growth and with high potential: in particular the United States, Brazil, Asia and Africa.



Data 2015-2016

3 STRATEGIC PRIORITIES



VEGETABLE SEEDS

No. 2 WORLDWIDE

A global market with high value (5.2 billion dollars in 2015), highly segmented in terms of products and production methods

STRATEGY

- Combine organic and external growth:
 - Maintain organic growth higher than that of the market, thanks to the virtuous circle of innovation combined with proximity to its markets
 - Strengthen positions through targeted external growth operations
 - Develop business on complementary crop/territory segments

OBJECTIVE

**REINFORCE
WORLD
LEADERSHIP**



CORN SEEDS

No. 3 IN NORTH AMERICA⁽¹⁾
No. 4 IN EUROPE

Largest world seed market (in value - about 15 billion dollars in 2015)

STRATEGY

- Become a major player on the grain corn market in Europe
- Internationalize business, beyond its major positions in Europe and North America
- Pursue innovation in plant breeding* and develop a proprietary range of genetically modified varieties

OBJECTIVE

**BECOME
A GLOBAL
PLAYER**



WHEAT SEEDS

No. 1 IN EUROPE
FOR STRAW CEREALS⁽²⁾

Wheat, No. 1 crop in the world (in terms of cultivated surface areas – representing about 222 million hectares in 2015)

STRATEGY

- Contribute to converting the market to high yield seeds
- Consolidate its position of leader in Europe
- Progressively go beyond new frontiers and develop solid international partnerships

OBJECTIVE

**ULTIMATELY
BECOME
THE WORLD
REFERENCE**

(1) Through AgReliant.
(2) Wheat and barley.





ANNUAL REPORT

2015-2016



1

PRESENTATION OF VILMORIN & CIE

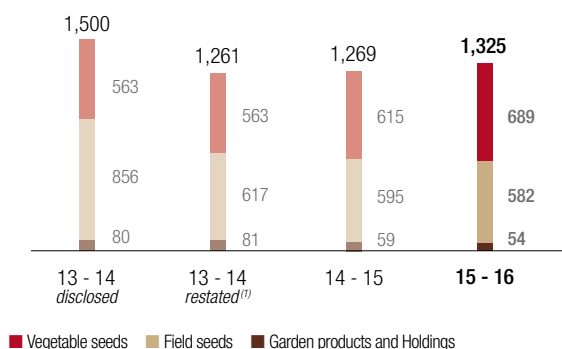
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1.1. KEY FIGURES

1.1.1. MAIN INDICATORS DEVELOPED

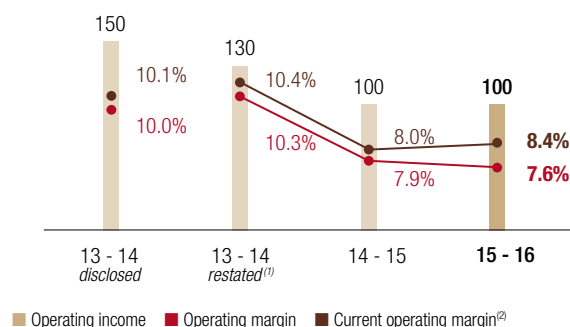
Evolution of sales

(in million of Euros)
(Revenue from ordinary activities)



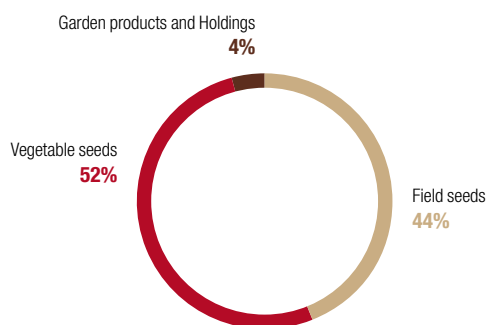
Evolution of the operating income and the operating margin

(in million of Euros and as a % of sales)



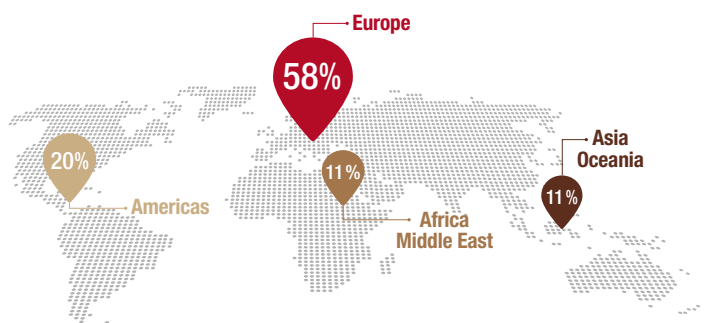
Analysis of sales in 2015-2016 according to activity

(as a %)



Analysis of sales in 2015-2016 according to geographical zone

(as a %)

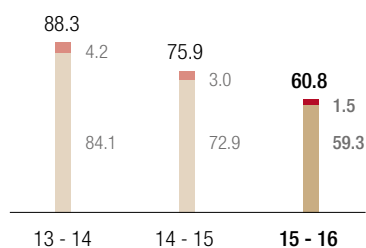


(1) Restated for the impacts of the first application of IFRS 11.

(2) The current operating margin is defined as book operating margin, restated for impairments, reorganization costs and certain items of an extraordinary nature (extra procurement costs and partial allocation of goodwill in 2015-2016).

Evolution of net income

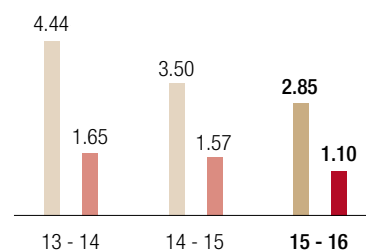
(in million of Euros)



■ Minority interests' share of income ■ Group share of net income

Evolution of the Group earnings per share (EPS) and dividend per share⁽²⁾

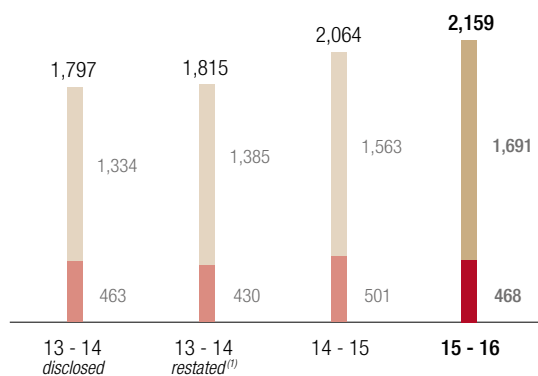
(in Euros)



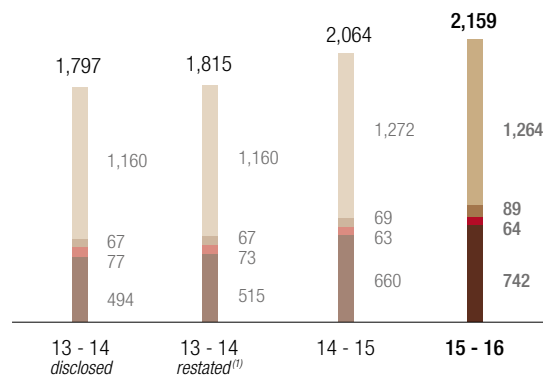
■ EPS ■ Dividend per share

Balance sheet structure on June 30th

(in million of Euros)



■ Net fixed assets ■ Net working capital needs



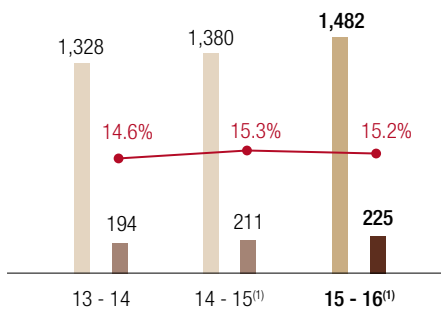
■ Equity ■ Provisions ■ Net deferred taxes ■ Net indebtedness

(1) Restated for the impacts of the first application of IFRS 11.

(2) Data not restated for the allotment of free shares of January 2013 and January 2015.

Evolution of investment in research

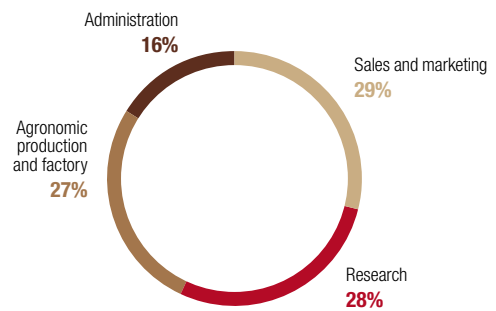
(in million of Euros)



■ Sales of seeds ■ Investment in research
■ Investment in research / sales of seeds

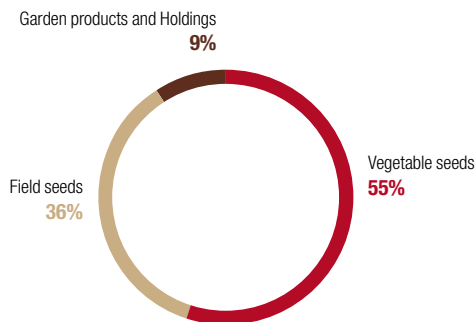
Analysis of permanent staff in 2015-2016 according to function

(as a %)



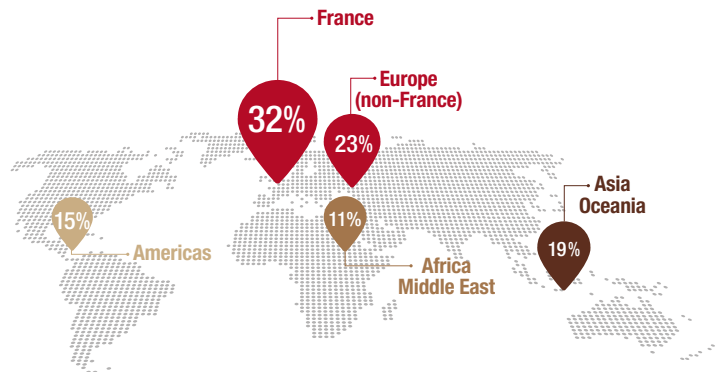
Analysis of permanent staff in 2015-2016 according to activity

(as a %)



Analysis of permanent staff in 2015-2016 according to geographical zone

(as a %)



(1) Data calculated on the basis of the sales of seeds intended for professional markets and including 50% of AgReliant's sales (North America, Field seeds).

1.1.2. KEY INDICATORS FOR EACH ACTIVITY

VEGETABLE SEEDS

No. **2** IN THE WORLD

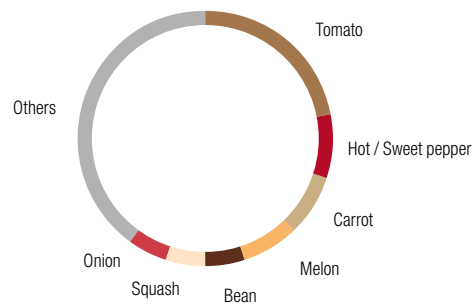
688.7
million Euros sales
contributed to consolidated sales
(+9.6% on a like-for-like basis)

90%
sales from proprietary varieties*

31
countries with locations

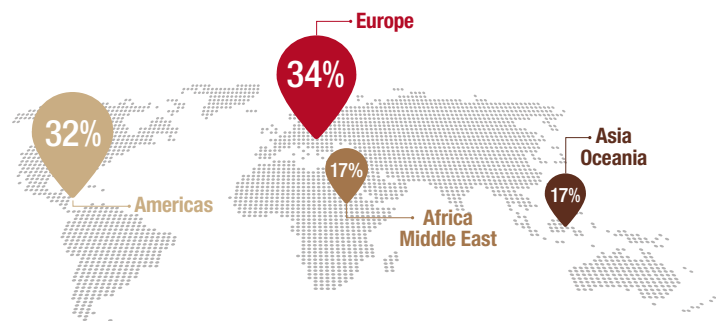
3,561
permanent staff

Analysis of sales according to crop



Analysis of sales according to geographical zone

(as a %)



FIELD SEEDS⁽¹⁾

No. 1 IN EUROPE
for straw cereals⁽²⁾

No. 3 IN NORTH AMERICA
for corn seeds⁽³⁾

No. 3 IN EUROPE
for sunflower seeds

No. 4 IN EUROPE
for corn seeds

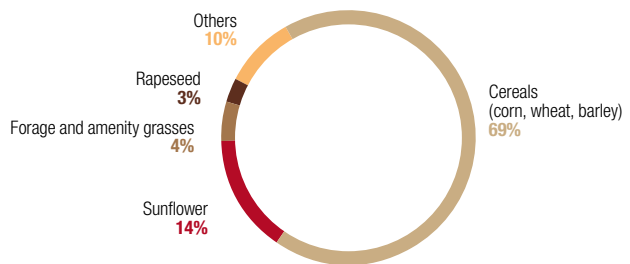
883.9
million Euros sales
contributed to consolidated sales
(+2.9% on a like-for-like basis)

Almost
60%
sales from proprietary varieties*

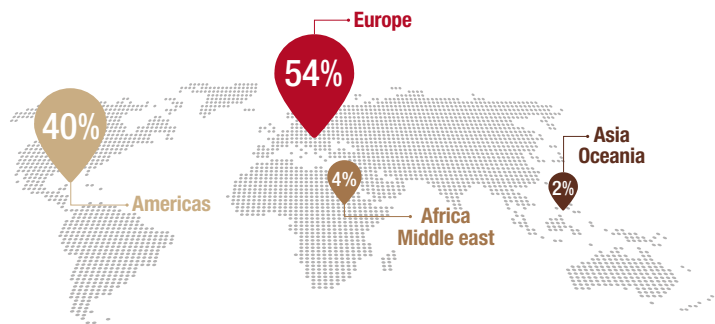
33
countries with locations

2,812
permanent staff

Analysis of sales according to crop
(as a %)



Analysis of sales according to geographical zone
(as a %)



(1) In particular by integrating 50% of AgReliant (North America. Field seeds). Because of the application of the standard IFRS 11, certain companies have been recorded using the equity method since fiscal year 2014-2015.

(2) Wheat and barley.

(3) Through AgReliant.

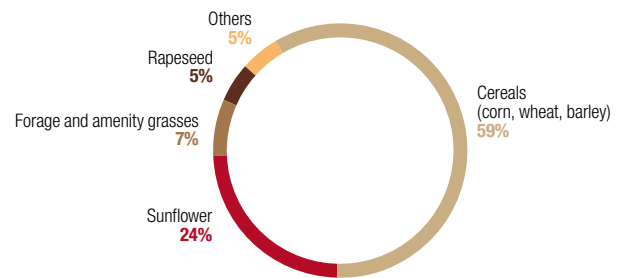
Field seeds in Europe

523.6
million Euros sales
contributed to consolidated sales
(-1.4% on a like-for-like basis)

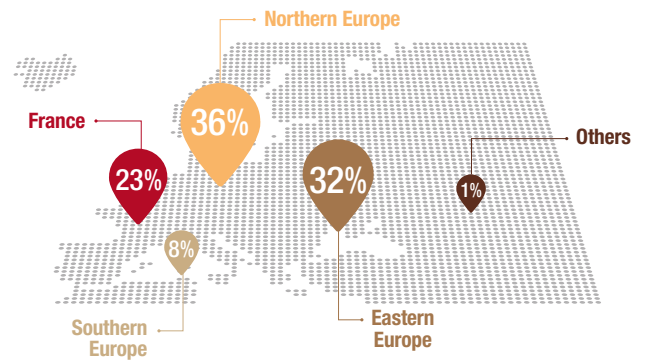
20
countries with locations

1,589
permanent staff

Analysis of sales according to crop
(as a %)



Analysis of sales according to geographical area
(as a %)



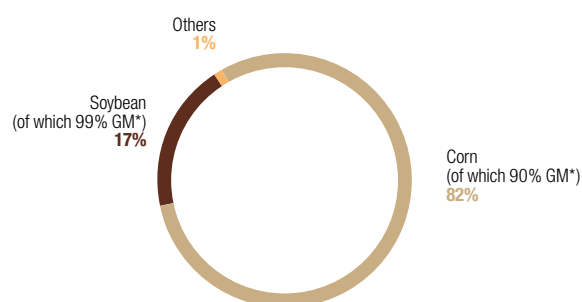
Field seeds in North America

604.3**million Euros sales**contributed to consolidated sales (at 100%)
(+7.6% on a like-for-like basis)**930****permanent staff**

(at 100%)

Analysis of sales per crop

(as a %)



Field seeds in new development zones

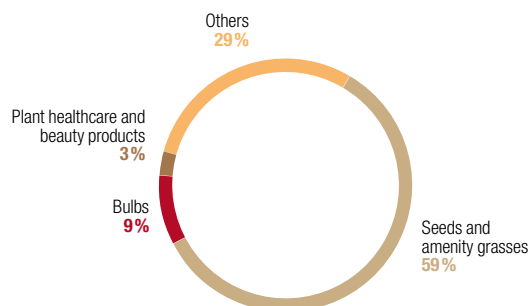
58**million Euros sales**contributed to consolidated sales
(+22.4% on a like-for-like basis)**11****countries with locations****758****permanent staff**

GARDEN PRODUCTS AND HOLDINGS

54.7**million Euros sales**contributed to consolidated sales
(-7.3% on a like-for-like basis)**4****countries with locations****550****permanent staff**

Analysis of sales according to product families

(as a %)



1.2.

HISTORY AND EVOLUTION OF THE COMPANY

A HISTORY OF SOLID DEVELOPMENT

1.2.1. HISTORICAL EXPERTISE IN PLANT IMPROVEMENT

Vilmorin & Cie has been built on the foundations of more than 270 years of prestigious history. In 1743, Philippe Victoire de Vilmorin and Pierre d'Andrieux joined forces to create the boutique "d'Andrieux et Vilmorin", on the Quai de la Mégisserie in Paris. Following in the tracks of these two talented botanists, subsequent generations made major discoveries and decisive technical progress in plant improvement.

Strengthened by this exceptional heritage, Vilmorin & Cie today benefits from an incomparably wide and diversified expertise and genetic heritage, a true reference in the seeds sector.

1.2.2. CLOSE PROXIMITY WITH THE WORLD OF AGRICULTURE

Through its reference shareholder Limagrain, Vilmorin & Cie benefits from close proximity with the world of agriculture.

Indeed, Limagrain is an international agricultural cooperative group founded and managed by French farmers, with almost 2,000 farmer members today in Auvergne (France). Limagrain's mission is entirely devoted to progress in agriculture.

This knowledge of farmers and different forms of agriculture throughout the world represents a solid and original performance lever for Vilmorin & Cie in the seed sector.

1.2.3. KEY STAGES IN DEVELOPMENT

1993: INTRODUCTION OF VILMORIN & CIE TO THE PARIS STOCK MARKET

Initially structured around field seeds since its creation in 1942, Limagrain gradually built up a pillar of activity in vegetable seeds through successive purchases: Vilmorin in 1975, Tézier in 1979, Ferry-Morse in 1981, and Flora Frey in 1990. In 1989, Oxadis was set up to distribute all the brands on the French home garden market as a complement to these acquisitions.

In June 1993, Vilmorin & Cie combined all Limagrain's Vegetable seeds and Garden products activities, and entered the French stock market with a single ambition: to aim for world leadership on its markets.

2006-2007: INTEGRATION OF LIMAGRAIN'S FIELD SEEDS INTO THE SCOPE OF VILMORIN & CIE

From 1993 until 2006, the Vegetable seeds activity continued to develop with the purchase in 1996 of Clause in France and Harris Moran in the United States, then Nickerson Zwaan (Netherlands) in 1998 and Hazera Genetics (Israel) in 2003.

Vilmorin & Cie also reinforced its investments in research, in particular by becoming a shareholder of the Dutch biotechnology* Keygene in 2000.

Vilmorin & Cie set out to pursue its expansion and consolidate the financial performances it had achieved since its introduction to the Paris stock market. With the support of its reference shareholder Limagrain, in 2006 Vilmorin & Cie integrated Limagrain's Field seeds activity into its scope.

At the time the Field seeds activity was essentially European (with the integration of Nickerson's straw cereals activity in 1990 and the acquisition of Advanta Europe in 2005) and North American (AgReliant, a joint venture with the German seed company KWS, was founded in 2000).

This broadened scope allowed Vilmorin & Cie to build up its resources in upstream technologies, take advantage of the new critical size to facilitate external international growth, and develop new research partnerships to establish new growth relays and ensure a better risk spread.

SINCE 2007, ACCELERATION OF DEVELOPMENT AND INTERNATIONALIZATION

Internationalization of the Vegetable seeds division was strengthened through the creation of a seed unit in Japan in 2007 (Mikado Kyowa Seed), acquisitions in the United States (Mesa Maize in 2010, Campbells' Seeds in 2012, Shamrock in 2013, Genica Research in 2016), in Turkey (Su Tarim in 2010), in India (Century Seeds in 2012) and in Vietnam (Tropdicorp in 2015).

With global ambitions in corn and in wheat, at the same time the Field seeds division enjoyed fast acceleration and Vilmorin & Cie progressively set up business in all parts of the world. In 2010, Limagrain Cereal Seeds was founded in the United States for the international development of wheat.

In South America, business has been developing since 2011, with the acquisitions of Sementes Guerra and Brasmilho in Brazil.

After the acquisition of Link Seed (South Africa) in 2013, the stake purchased in Seed Co, the largest African seed company, formed the base for solid development in Africa. In Asia, business was structured around 3 units: a unit in India after the integration of Bisco Bio Sciences in 2013, a unit in China built around the joint venture Hengji Limagrain Seeds created in September 2015, and a unit in South East Asia with the purchase of Seed Asia in 2014.

Sustaining a high research budget, Vilmorin & Cie signed strategic partnerships in wheat, in Australia with Australian Grain Technologies (2008) and in Canada with Canterra Seeds (2015) along with corn. In 2013 Vilmorin & Cie and its partner KWS founded the company

Genective, in order to develop GM* traits* for corn, with a clearly defined ambition: to take up position among the few global providers of technologies.

YEAR	COMPANY NAME	COUNTRY	NATURE OF THE OPERATION	DIVISION
1743	Fondation of Vilmorin Andrieux			
1975	Vilmorin joins Limagrain			
1993	Introduction of Vilmorin & Cie to the Paris stock market			
1994	Suttons	United Kingdom	Acquisition	Garden products
1996	Clause	France	Acquisition	Vegetable seeds
	Harris Moran	United States	Acquisition	Vegetable seeds
1998	Nickerson Zwaan	Netherlands	Acquisition	Vegetable seeds
2000	Kyowa	Japan	Acquisition	Vegetable seeds
	Keygene	Netherlands	Research partnership and minority stake	Vegetable seeds
2003	Hazera Genetics	Israel	Acquisition	Vegetable seeds
2006	Mikado	Japan	Acquisition	Vegetable seeds
	Limagrain's field seeds activity	Europe and North America	Acquisition	Field seeds
2008	Global Genetics	United States	Isolated assets	Vegetable seeds
	Australian Grain Technologies	Australia	Research partnership and minority stake	Field seeds
2009	LSL Plant Science-LSL Biotechnologies	Mexico	Isolated assets	Vegetable seeds
	Genefresh	United States	Isolated assets	Vegetable seeds
	K&B Development	United States	Isolated assets	Vegetable seeds
	Gentropic	Guatemala	Isolated assets	Vegetable seeds
	Dahlco	United States	Acquisition	Field seeds
2010	Su Tarim	Turkey	Acquisition	Vegetable seeds
	Trinity Growers	United Kingdom	Acquisition	Vegetable seeds
	Mesa Maize	United States	Acquisition	Vegetable seeds
	Trio Research	United States	Acquisition	Field seeds
	Arcadia Biosciences	United States	Research partnership and minority stake	Field seeds
	BSF Ag Research	United States	Specific assets	Field seeds
	Genesis Seed Research	United States	Specific assets	Field seeds
	Trigen	United States	Specific assets	Field seeds
	Clovis Matton	Belgium	Acquisition	Field seeds
2011	Genective	France	Research partnership	Field seeds
	Sementes Guerra	Brazil	Specific assets	Field seeds
	Brasmilho	Brazil	Specific assets	Field seeds
2012	Campbells' Seeds	United States	Isolated assets	Vegetable seeds
	Century Seeds	India	Acquisition	Vegetable seeds
	Eurodur	France	Acquisition	Field seeds
	Boreal Plant Breeding	Finland	Research partnership and minority stake	Field seeds
	Genetica Agricola	Brazil	Specific assets	Field seeds

YEAR	COMPANY NAME	COUNTRY	NATURE OF THE OPERATION	DIVISION
2013	Link Seed	South Africa	Acquisition	Field seeds
	Bisco Bio Sciences	India	Acquisition	Field seeds
	Geneseed	Brazil	Specific assets	Field seeds
	KSP	Brazil	Specific assets	Field seeds
	CCGL	Brazil	Specific assets	Field seeds
	Shamrock	United States and Mexico	Acquisition	Vegetable seeds
	Eureka Seeds	United States	Acquisition	Field seeds
2014	Seed Co	Zimbabwe	Minority stake	Field seeds
	Green Land	Poland	Acquisition	Garden products
	Seed Asia	Thailand	Acquisition	Field seeds
2015	Tropicorp	Vietnam	Acquisition	Vegetable seeds
	DNA	Brazil	Specific assets	Field seeds
	Canterra Seeds	Canada	Research partnership and minority stake	Field seeds
	Hengji Limagrain Seeds	China	Minority stake	Field seeds
	Golden Acres Genetics ⁽¹⁾	United States	Acquisition	Field seeds
2016	Genica Research	United States	Acquisition	Vegetable seeds

(1) Acquisition made by AgReliant (North America. Field seeds).

1.3.

THE SEED MARKET

MAJOR LEVERS FOR GROWTH

Representing more than 37 billion dollars in 2015 (Source: Phillips McDougall 2016), the world market for seeds is essentially a growing market, as a result of several complementary factors, the first of which is the growing world population.

1.3.1. POWERFUL GROWTH FACTORS

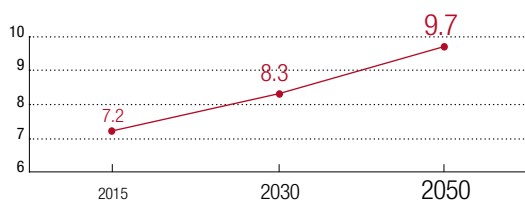
1.3.1.1. THE INCREASE IN FOOD NEEDS

The growth in the world population and the evolution of food habits towards increased consumption of vegetables and meat are leading to a significant increase in the need for agricultural raw materials.

By the year 2050, food production will therefore need to be increased by 70% in order to feed almost 10 billion people and thus meet the needs of the world's growing population (Source: United Nations Food and Agriculture Organization / FAO).

Evolution of the world population (projection)

(in billions of inhabitants)



Source: FAO

1.3.1.2. GROWING USE OF COMMERCIAL SEEDS

Farmers and growers are using commercial seeds more and more systematically. They are more efficient technically than farm seeds, and their use can considerably improve crop yields.

And indeed, meeting world food requirements, producing more and better – particularly utilizing less resources – has become a major challenge in a context characterized by:

- slow erosion of arable land on a world scale, because of urbanization, desertification, and the overall deterioration in soil quality;
- more complex growing conditions, because of the greater need to take environmental factors into account, but also because of climate variations and increasingly limited access to water resources.

Moreover commercial seeds guarantee production that is perfectly adapted to new industrial requirements: resistance to diseases and insects, shorter production cycles, simultaneous maturity and homogeneity in production.

The potential to substitute farm seeds for commercial seeds remains significant in several countries where agriculture is in the process of being modernized and for certain crops in particular, such as wheat. For example more than 40% of the European wheat market is covered by farm seeds, whereas this rate stands at almost 2/3 in the United States (Internal source).

1.3.1.3. THE ADOPTION OF GENETICALLY MODIFIED ORGANISMS (GMOs)*

GMOs*, RISING TO NEW WORLD CHALLENGES

Providing new solutions to facilitate the adaptation of supply to demand, genetically modified seeds can help the profession to rise to new challenges. With a yield per hectare which can be much higher in certain environments than conventional seeds, they provide greater efficiency to agricultural production while considerably reducing production costs. And by reducing agro-chemical treatment, they are indirectly respectful of the environment, and tomorrow they will also make it possible to manage water resources better.

A SEEDS MARKET DOMINATED BY GENETICALLY MODIFIED SEEDS

The technology of genetically modified seeds has become indispensable in certain areas of the world, with the market expanding fast in recent years, both in volume and in value. Nevertheless, in 2015 for the first time, market growth contracted in value, as a result of the evolution of currency exchange rates and also an unfavorable market environment, in particular the low prices of agricultural production and the drop in cultivated corn acreage.

Over the past five years, even though the market for vegetable seeds has progressed by nearly 2% per year, it is GM* field seeds that have been driving the market: their annual growth stood at 9% over the same period.

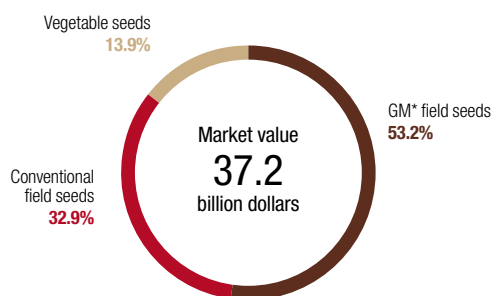
GENETICALLY MODIFIED SEEDS FULLY ADOPTED IN CERTAIN REGIONS OF THE WORLD

In total, this market represents more than 10% of arable land, with strong variation between different regions. Some countries have fully adopted GMOs*, such as the United States, a precursor where 92% of corn acreage is GM*, rising to 94% for soybean and almost 100% for sugar beet. And the example of Brazil really is striking: GM* technology for corn was only adopted in 2007, and today its adoption rate already stands at 84%.

However other key markets remain to be convinced, as is the case in Europe. With around 117,000 hectares in 2015, GM* crops remain marginal even though they represent a major stake for the competitiveness of its agriculture and its food sovereignty.

This is also the case for India, where GM* crops only concern cotton, and for China, which to date represents only 2% of cultivated GM* acreage in the world (Source: ISAAA 2016).

World market of commercial seeds 2015



Source: Phillips McDougall 2016

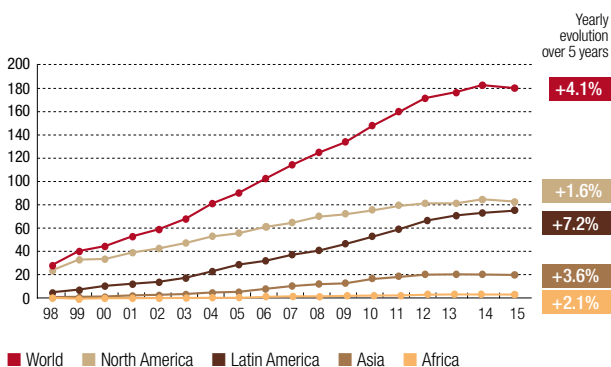
HIGHER VALUE FOR GM* SEEDS

In spite of the market slowdown in 2015, genetically modified seeds have, in recent years, repeatedly benefitted from sustained growth in terms of value, at the same time as their progression in volume. Representing almost 20 billion dollars in 2015 (an average annual growth of almost 9% over the past five years) (Source: Phillips McDougall 2016), the market for GM* field seeds today represents more than half of the world market for commercial seeds in terms of value. This is particularly due to the integration of several traits* stacked in the same variety.

As an indication of how well these technologies have been integrated, genetically modified seeds are sold at a price 50% to 100% above that of conventional seeds, depending on their technical input.

Evolution of the acreage of genetically modified plants

(in millions of hectares)



Source: ISAAA 2016

NEW TRAITS* IN THE PIPELINE TO OPTIMIZE GROWING CONDITIONS

Today's GM* varieties mainly propose three traits*, which are being more and more frequently stacked: resistance to insects (corn borer and corn root worm) and tolerance to herbicides. In 2015, stacked traits represented more than 32% of the market (Source: ISAAA 2016).

In years to come new traits* will be launched, participating in the valorization of the world market: for example, plants more tolerant to drought and varieties that optimize the use of fertilizers.

In 2015, GM* seeds represented 179.7 million hectares cultivated by 18 million farmers in 28 countries.

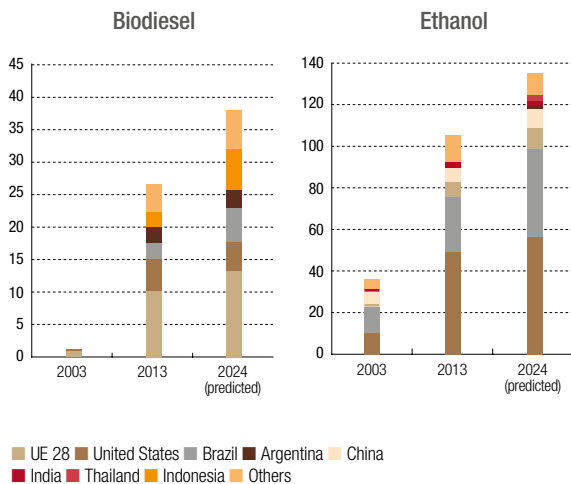
1.3.1.4. THE DEVELOPMENT OF NON-FOOD NEEDS

Parallel to the market for food, markets that exploit agricultural production for industrial purposes can strengthen the potential for growth of the seeds market. This especially concerns:

- plant chemistry, also known as “green chemistry”, including the market for biodegradable plastics,
- and agro-fuels, particularly ethanol, produced from corn, and representing 38% of corn applications in the United States. However, because of the drop in oil prices and the emergence of shale gas, agro-fuels appear to be less attractive today.

The expansion of these markets, still modest in size, can have a positive influence on the volume of activity in commercial seeds. While Vilmorin & Cie has not yet initiated a significant research program devoted to these applications, it remains attentive to the evolution of these markets. It does sell corn and rapeseed varieties whose yield performances are significantly higher specifically in order to meet the expectations of this market.

Evolution of the world production of agro-fuels
(in billion of liters)



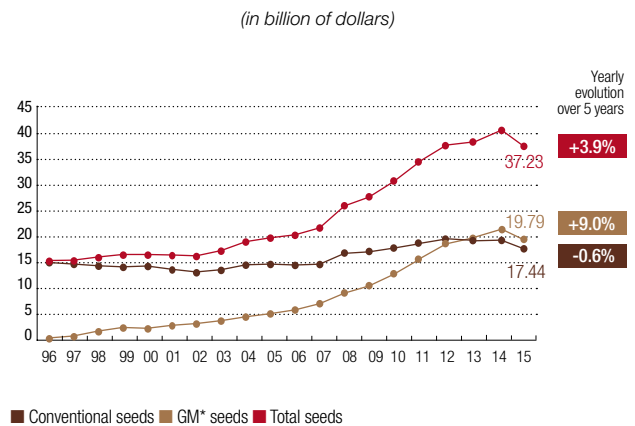
Source: FAO-OCDE : Agricultural perspectives 2024

1.3.2. AN ESSENTIALLY GROWING SEEDS MARKET

The world market for seeds, the value of which was estimated to be around 37 billion dollars in 2015, dropped in value by more than 8% this past year, particularly because of the evolution in currency exchange rates against the dollar and also, for field seeds, the low price obtained for agricultural production, which hit the profitability of farms, and because of the drop in the market for genetically modified seeds.

This temporary evolution in no way calls into question the market growth trend, almost 4% per year over the past five years. (Source: Phillips McDougall 2016).

Evolution of the seed market between 1996 and 2015
(in billion of dollars)



Source: Phillips McDougall 2016

1.3.2.1. THE VEGETABLE SEEDS MARKET

The value of the world market for vegetable seeds was estimated to be at around 5.2 billion dollars in 2015, corresponding to an estimated average annual growth of almost 2% per year over the past five years (Source: Phillips McDougall 2016).

The regularly increasing world consumption of vegetables drives the growth of Vilmorin & Cie’s target markets. It is a consequence of the rising world population, and the evolution of the food habits of consumers who have become more aware of the importance of a well-balanced, varied diet.

Greater use of commercial seeds in developing markets, and the increase in the use of seed technology in the more mature markets, are also contributing to global growth in the sector.

MANY HIGH ADDED-VALUE NICHES

The operators on the vegetable seeds market work side by side in the major production and consumption zones.

The sector has become highly concentrated yet it still remains scattered in terms of products. This trend can be explained by the numerous specificities of the vegetables market:

- a great diversity of species (more than 150 botanic species are cultivated throughout the world), with great diversity in types of product for the same specie (shape, size, color, taste) and extensive line-ups, covering all the sales possibilities, from production in season to that of counter-season,
- extremely varied types of production unit: open field, cold or heated shelter (tunnels, plastic greenhouses, glass greenhouses, etc.),
- a vast geographical dispersion of production zones.

Therefore the world market for vegetable seeds is composed of many niches, with particularly strong added value.

INNOVATION AT THE HEART OF MARKET GROWTH

The vegetable seeds market is highly sensitive to the technical performance of seeds.

Indeed the varieties the growers choose will determine the quality and added value of their production, while the cost of seeds remains moderate compared to that of other inputs*. It is therefore a strategic choice, above all driven by economic considerations, and by the criteria of yield, resistance to disease and suitability to trends in consumption.

Even though the market for vegetable seeds is powered by the global increase in vegetable consumption, it is mainly dependent on the research results of seed companies and the development of innovation that can stimulate producers to purchase seeds with greater added value.

1.3.2.2. THE MARKET FOR FIELD SEEDS

The value of the world field seeds market is estimated to be more than 32 billion dollars in 2015 (*Source: Phillips McDougall 2016*), including almost 20 billion dollars for genetically modified seeds.

Corn holds the position of top crop in terms of value, representing about 15 billion dollars, whereas wheat is the most widely cultivated world crop in terms of acreage (about 222 million hectares in 2015) (*Source: USDA*).

THE MARKET FOR FIELD SEEDS IN EUROPE

The European market is dominated by corn, straw cereals, and by rapeseed and sunflower. It has experienced varying trends in the cultivated crops and an increased acreage of set-aside, with overall market growth that was constant albeit moderate; this growth has been hit by an unfavorable global environment since fiscal year 2013-2014. The drop in cultivated corn acreage, mainly due to the impact of low prices for agricultural production, concerned most countries over fiscal year 2015-2016.

Evolution of cultivated acreage in the European Union 28

(in millions of hectares)

	Acreage 15-16	Evolution over 1 year
Total corn	14.9	-3%
> Grain corn	8.9	-6%
> Forage corn	6.1	+2%
Soft wheat	24.3	+1%
Sunflower	4.2	+1%
Rapeseed	6.3	-1%

Sources: Oil World, Stratégie grains, USDA, COCERAL

Furthermore, with regard to sunflower, cultivated acreage in Ukraine and Russia grew significantly in 2015-2016, fiscal year 2014-2015 having been hit by an extremely disturbed market context in these two countries.

Marginal acreage of GM* crops

Growing, selling and importing genetically modified plants are subject to European directives and regulations. To date, only one GM* variety (MON810 corn) is authorized for growing and selling in the European Union, whereas more than fifty types of transgenic corn, soybean, cotton and spring rape, including combinations, are authorized for import, mainly for animal feed.

Certain member states have nevertheless suspended authorization to grow MON810 corn, triggering different clauses provided in European regulations. This is specifically the case of France, Germany, Italy, Hungary, Austria, Greece and Luxembourg. A procedure allowing member states to prohibit the cultivation for commercial purposes of transgenic plants in their country was adopted in March 2015 (directive 2015/412) by the Parliament and the Council; it offers greater liberty and a seemingly wider legal base to prohibit such cultivation.

Consequently, GM* varieties were only marginally grown in Europe in 2015 with about 117,000 hectares (mainly in Spain, Portugal, and the Czech Republic). Down 18% this year, it represents less than 1% of world acreage (*Source: ISAAA 2016*).

Convinced that these markets will ultimately open up, Vilmorin & Cie is running specific research programs with the aim of selling its own genetically modified seeds, initially integrating insect resistance and herbicide tolerance traits* adapted to this market. The research program is explained on page 41.

The low level of prices for agricultural production

The prices of agricultural raw materials continued to drop in 2015-2016.

These trends can be explained by the lack of coherence between supply and demand that is specific to all agricultural production, by fluctuating weather conditions in different geographical areas leading to surpluses or shortfalls, and by the fact that there is persistent speculation on agricultural raw materials.

This evolution has a grave impact on the profitability of farms and the revenues of farmers, who are being even more careful in how much they invest in their inputs*.

Evolution of the prices of corn and wheat in Europe between 2001 and 2016

(In Euros per tonne)



■ Wheat ■ Corn

Sources: Cereals market, France Agrimer. August 2016.

THE MARKET FOR CORN SEEDS IN NORTH AMERICA

After experiencing a drop in 2015, cultivated corn acreage in the United States returned to growth this past year, with an increase of 7% in 2016 (*Source: USDA 2016*), reaching 38 million hectares.

At the same time, acreage planted with soybean progressed slightly (+1%), reaching almost 34 million hectares.

The predominant position of genetically modified plants

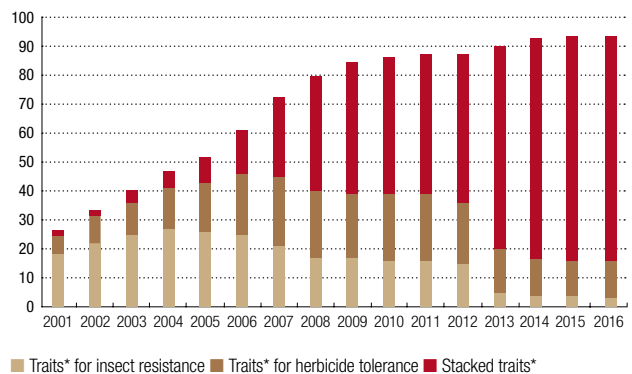
Representing almost 40% of the world acreage for all crops combined (*Source: ISAAA 2016*), the United States is by far the biggest producer of genetically modified plants, in spite of a slowdown in 2015. Today they cover 92 % of cultivated acreage in corn.

Varieties stacking several resistance traits* represent a significant share of the market, estimated to be 76% of GM* corn acreage (*Source: USDA 2016*).

Although on average these genetically modified seeds are considerably more expensive than conventional seeds, they enable farmers to reduce their running costs significantly, in particular those concerning pesticide and herbicide treatments, while guaranteeing a much more abundant harvest.

Evolution of the acreage of genetically modified corn in the United States

(as a %)



Source: USDA 2016

Agrofuels, a significant outlet for corn production

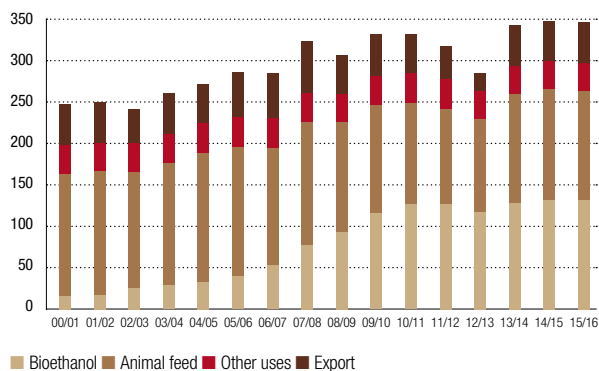
As of 2000, corn production in the United States had been stimulated by agrofuels. High demand from bioethanol factories in particular was behind the strong increase in corn acreage.

In 2015-2016, 38% of corn in the United States was devoted to this market.

However today agrofuels appear less attractive especially because of the drop in oil prices and the development of shale gas.

Evolution of the total applications for corn in the United States

(in millions of tonnes)



Source: USDA 2016

The move towards precision farming

American farmers have increasingly wide access to new services accompanying them in the management of their farms. Based on the use of new technologies, precision farming make more and more detailed data available to them, updated and personalized to guide them in their decisions: choice of varieties for sowing depending on the characteristics of their plots, sowing density and growing practices, for example.

This trend is also catching on more and more in Europe.

THE MARKET FOR SEEDS IN NEW DEVELOPMENT ZONES

South America

With average annual growth of 10% over the past 5 years, the South American market represented, in value, 20% of the world market for seeds in 2015 which is 7.4 billion dollar (Source: Phillips McDougall 2016).

Over and beyond the globally unfavorable context for field seeds markets, the South American market was hit in 2015-2016 by additional disruptions because of the evolution of currency exchange rates and the political and economic environment, especially in Brazil.

While soybean holds a prominent place, corn is also a widely cultivated crop in South America: almost 24 million hectares were planted with corn in 2015, including around 16 million hectares in Brazil.

Brazil is a special case since, in certain regions, there are two corn harvests per year: safra (summer crop) and safrinha (winter crop). In 2015-2016, there was a drop in safra acreage because of competition from soybean crops, while safrinha acreage increased significantly.

The country is also characterized by a very high adoption rate of genetically modified varieties, in particular for corn, which stood at more than 84% in 2015, which is more than 13 million hectares. Brazil is therefore the second largest world market in terms of GM* corn acreage (Source: ISAAA 2016).

Asia

With the fourth largest seeds market in the world in value terms, Asia represents almost 6 billion dollars (Source: Phillips McDougall 2016).

Characterized by a continuous population increase, the emergence of middle classes and changes in consumption patterns, the Asian market continues to increase regularly: +3% on average per year over the past five years.

The main crops in terms of value in Asia are vegetables, and then rice, cotton and corn.

China is a major producer of cereals, and one of the major players in the world for rice and corn acreage. Its seeds market is growing fast, both in volume and value, as a result of the modernization of its agriculture, progressive concentration of the local players and the involvement of the Chinese authorities in this sector which is considered to be highly strategic.

In India, where self-sufficiency in food continues to be a major challenge, the seeds market is evolving very fast, with an annual average growth rate of almost 10 % over the past five years. It is also characterized by a trend towards greater concentration of the numerous local seed companies, and a rate of commercial seed use by farmers gradually improving.

Africa

By 2050, Africa will contain almost a quarter of the world's population (Source: United Nations Food and Agriculture Organization / FAO). In order to satisfy these immense food needs, farmers will require access to efficient varieties, which the majority don't have today. The African market, which today represents less than one billion dollars, has a low rate of adoption of commercial and hybrid* seeds. It is therefore a very promising market with considerable development in years to come.

However in 2015-2016 the continent was severely affected by drought (El Niño), in particular in South Africa and other southern countries, and corn acreage decreased significantly.

Corn is the main crop grown in Africa which in 2015 represented around 19% of world grain corn acreage, with almost 34 million hectares (Source: USDA 2016).

This concerns mainly white corn, which along with vegetables and chicken is a staple food for Africans, although acreage for yellow corn, intended for animal feed, is progressing to meet increasing poultry feed requirements.

Only South Africa is the exception, where yellow corn dominates. This particularly promising market for field seeds, and corn above all, with around 3 million hectares grown, is also focused on innovation. Furthermore genetically modified seeds are already widely used by farmers, with an adoption rate of 90% in 2015 for corn (*Sources: ISAAA and USDA 2016*).

1.3.3. STRONG BARRIERS PREVENTING ENTRY INTO THE SEEDS MARKET

Any new protagonist entering the seeds market has to benefit from several complementary assets which all constitute a barrier to this entry.

1.3.3.1. GENETIC RESOURCES*, EXPERTISE AND TIME

In order to create high performance seeds, first of all genetic resources* are required, as diverse as possible; this is fundamental for the continuation of seed production. What is specific about the creation of seeds is that they inevitably start from existing resources. Mastering each of the stages in the profession is also indispensable: the expertise of seeds producers involves research, cutting edge technologies in terms of plant breeding*, production, processing and distribution of the seeds through networks that need to be as close as possible to the markets, in order to understand and anticipate the needs of growers and farmers better.

And even if all these resources and this expertise are combined, it still takes seven to ten years for the seeds producer to come out with a new variety for marketing.

1.3.3.2. SIGNIFICANT INVESTMENTS

The level of investment required also makes it difficult for newcomers to penetrate the seeds market.

These investments concern the funding of the production cycle and working capital needs, setting up distribution networks and marketing plans, and above all research, the key to the creation of value. The seeds market is indeed one of the most demanding sectors in terms of investment in research. Accordingly, Vilmorin & Cie spent more than 15% of its sales of seeds on research in 2015-2016.

1.3.4. A CONCENTRATED COMPETITIVE ENVIRONMENT

Even though market integration varies considerably depending on regions and crops, recent years have been marked by movements of concentration, and consequently even greater power for the main players on the market: the top five seed companies today represent nearly 60% of the world market for commercial seeds⁽¹⁾.

Within this particularly concentrated competitive environment, several take-overs and mergers are in progress, concerning the major operators in the seeds and agro-chemicals sector. As the 4th largest seed company in the world, and the main pure play seed company, Vilmorin & Cie carefully follows these movements and their potential consequences on its markets.

(1) Data before the different take-overs and mergers in progress.

1.4.

ACTIVITIES

A WORLD LEADER IN SEEDS

Vilmorin & Cie is one of the world leaders of the seeds sector.
The Company focuses on its historical, core business of seeds; it does not operate in the agrochemicals sector.

Vilmorin & Cie develops business around three activities, two of which represent its core business: Vegetable seeds and Field seeds, along with the Garden products activity, intended for the consumer market. Each of these divisions is organized into Business Units, guaranteeing close proximity to their markets.



Vegetable seeds

52%
of sales 2015-2016

Field seeds

44%
of sales 2015-2016

Garden products

4%
of sales 2015-2016⁽³⁾

10 Business Units

- HM.CLAUSE
- Hazera
- Vilmorin-MKS⁽¹⁾

- Limagrain Europe
- Limagrain South America
- Limagrain Cereal Seeds
- Limagrain Asia
- Limagrain Africa
- AgReliant⁽²⁾

- Vilmorin Jardin

(1) On July 1, 2016, the Business Units Vilmorin and Mikado Kyowa Seed joined forces to create the Business Unit "Vilmorin-MKS".

(2) Bearing in mind the application of the standard IFRS 11, AgReliant (a 50/50 joint venture with the German seed group KWS) has been recorded in the accounts using the equity method since fiscal year 2014-2015.

(3) Including Holdings.

1.4.1. VEGETABLE SEEDS

No. 2 worldwide for vegetable seeds, Vilmorin & Cie creates, produces and sells novel seeds for professional vegetable production. Market gardeners who produce vegetables for fresh markets, and indirectly processors, specialists in canning and deep-freezing, make up its customers.

Extremely diversified, Vilmorin & Cie's product line-up comprises about thirty different crops, and in particular those that are most widely consumed throughout the world: tomato, sweet and hot pepper, onion, watermelon, carrot, cucumber, melon, lettuce, cabbage, cauliflower, sweet corn, bean, summer squash, etc.

For some of these crops Vilmorin & Cie holds leading world positions: No. 1 in tomato, the top vegetable crop in the world in terms of value, but also in carrot, melon and cauliflower, No. 2 in bean and summer squash, No. 3 in sweet pepper.

1.4.1.1. KEY ADVANTAGES: INNOVATION AND PROXIMITY TO MARKETS

A STRONG CAPACITY FOR INNOVATION

Vilmorin & Cie is positioned as a world leader in terms of innovation and market shares. Indeed, Vilmorin & Cie continuously invests in research to develop seeds that meet the performance demands of vegetable growers and processors: increase in productivity, resistance to diseases and insects, tolerance to climatic stress, perfect adaptation to growing and processing conditions, preservation, etc.

The varieties sold must also anticipate and meet consumer expectations (nutritional qualities, taste etc.), taking their cultural diversity into account, while optimizing added value for professional vegetable producers.

A DIVERSIFIED MARKET APPROACH

In order to cover highly segmented markets efficiently, the Vegetable seeds were structured around four Business Units up to June 2016: three of them had a worldwide vocation (HM.CLAUSE, Hazera and Vilmorin), whereas Mikado Kyowa Seed had a regional vocation dedicated to the Asian markets.

As of July 1, 2016, the organization of the Vegetable seeds has changed: the Business Units Vilmorin and Mikado Kyowa Seed joined forces to create the Business Unit "Vilmorin-MKS".

The aim of this association is to accelerate the development of Vegetable seeds in Asia, with Mikado Kyowa Seed benefitting from Vilmorin's strong international presence. The new BU will rely on the solid bases in Japan to develop throughout the Asian markets.

Over the past 15 years, the two Business Units had already been working together in various fields and on joint projects, for example carrot breeding*.

The global strategy for Vegetable seeds is defined by the Divisional management, particularly in terms of research and marketing. Organized around international, multi-cultural teams, each of the Business Units is responsible for its operational management. Each unit has a commercial organization specifically adapted to zones of influence. The Business Units successfully combine their portfolio of products and brands, their sales forces and their distribution networks.

This organization encourages a close approach to worldwide markets, from research right through to sales, that are extremely fragmented. It also means a large number of highly profitable local and niche markets can be covered, with a better response to the needs of vegetable producers and consumers, and therefore it contributes to developing market shares.

Vegetable seeds
Main brands

Hazera
Seeds of Growth

HM HARRIS
MORAN
SEED COMPANY

CLAUSE
VEGETABLE SEEDS

Vilmorin
SEED GENERATION

MIKADO KYOWA SEED

1.4.1.2. PERFORMANCES FOR 2015-2016: VERY STRONG, DYNAMIC GROWTH

Sales for the year for the Vegetable seeds division reached 688.7 million Euros on June 30, 2016, an increase of 12.1% with current data compared with 2014-2015. Restated on a like-for-like basis, this increase was 9.6%.

Following on from previous years, Vilmorin & Cie achieved another high quality fiscal year, confirming the pertinence of its strategy. Business growth concerns all its Business Units, particularly in their key areas (United States, Mexico, India, Mediterranean basin, Near and Middle East, etc.).

In terms of crops, progression was particularly solid in major strategic

crops: tomato, carrot, pepper and cauliflower, but also in specialty crops such as fennel and witloof, for which Vilmorin & Cie has managed to develop leadership positions.

Thanks to this progression, which is greater than estimated market growth, Vilmorin & Cie continues to win market shares, confirming its world leadership in vegetable seeds.

1.4.1.3. HIGHLIGHTS IN 2015-2016

TARGETED OPERATIONS TO CONSOLIDATE COMPETITIVE POSITIONS

Over the course of fiscal year 2015-2016, Vilmorin & Cie continued its policy of targeted acquisitions, with the full takeover, in February 2016, of the company Genica Research (United States).

Specialized in research, breeding*, production and distribution – by delegation – of hybrid* vegetable seeds, Genica Research is active in major crops: sweet pepper, strong hot pepper, cucumber, summer squash, along with tomato, eggplant, melon and watermelon.

Through this acquisition, Vilmorin & Cie has gained access to high-quality complementary proprietary genetic resources, and to a pipeline of rich, promising products.

The highly experienced team of breeders is another major advantage of this company.

Vilmorin & Cie has thus significantly consolidated its positions in key crops and territories: United States, Mexico, Spain, Italy and Middle-East in particular.

Similarly, acquisitions and the establishment of new sites in recent years in key geographical areas (United States, Turkey, Algeria, Morocco, India, Russia, etc.) and strategic crops (tomato, pepper, onion, etc.) have shown themselves to be well-advised, active growth relays.

For example, the acquisition in September 2012 of Campbell's Seeds, a company specialized in tomatoes for the processing industry and based in the United States, made it possible to boost the performance of research programs in this segment and gain significant market shares.

ACCELERATING INNOVATION AND PROXIMITY TO MARKETS

In order to keep up growth in coming years, investments in research programs and tools have been intensified, while resources devoted to sales and marketing development have been scaled up as sales have increased.

- The fiscal year 2015-2016 was marked by ongoing investments in research facilities. The extension of the HM.CLAUSE site in Saint-Rémy de Provence (France) was inaugurated during the course of the year, while the new Hazera research center, located in Brurim (Israel), was finalized, with the commissioning of the phytopathology laboratory, created for a better understanding of plant diseases. These new cutting edge research infrastructures are already helping to consolidate Vilmorin & Cie's capacity to innovate.
- Furthermore, in order to extend its cover of target areas, Vilmorin & Cie opened a subsidiary in South Korea, strengthening its presence in Asia on a market with high potential. In the same way, the creation of a subsidiary in Russia in 2011-2012, has enabled Vilmorin & Cie to achieve very high growth on this key market.

1.4.1.4. COMPETITIVE POSITION

Today the top five operators represent more than half of the world market for vegetable seeds. Within this highly concentrated competitive market, Vilmorin & Cie is clearly positioned as No. 2 worldwide.

Companies	Countries	Sales Vegetable seeds (in millions of Euros)
Monsanto	United States	728 ⁽¹⁾
Vilmorin & Cie	France	689⁽¹⁾
Syngenta	Switzerland	560
Nunhems (Bayer Crop Science)	Germany	399
Rijk Zwaan	Netherlands	340

(1) Sales 2015-2016.

Sources: internal estimates and company disclosures.

1.4.2. FIELD SEEDS

Leader in Europe for straw cereals⁽¹⁾, No. 3 for corn seeds in North America, the largest market in value in the world, and No. 4 for corn seeds in Europe, Vilmorin & Cie creates, produces and distributes field seeds for farmers. Corn and wheat are the two strategic crops defined by Vilmorin & Cie worldwide. The company also works with regional crops: sunflower, rapeseed and barley in Europe, rice in India, and soybean, which Vilmorin & Cie distributes in North and South America.

Vilmorin & Cie's field seeds activities cover Europe, North America, and, since 2010, new development zones, all organized around six Business Units:

- field seeds in Europe, with the Business Unit Limagrain Europe,
- corn seeds in North America, through AgReliant, a 50/50 joint venture with the German seed group KWS,
- corn seeds in new development zones through three Business Units: Limagrain South America (mainly Brazil), Limagrain Asia (India, China and Southeast Asia) and Limagrain Africa,
- wheat seeds outside Europe, grouped within the Business Unit Limagrain Cereal Seeds.

In 2015-2016, the Field seeds division posted sales of 581.7 million Euros, slightly up by 0.6% on a like-for-like basis compared with fiscal year 2014-2015, demonstrating fine resistance of the business in an ever tenser market context.

And if the seeds activities for corn and soybean in North America, grouped in AgReliant, are included, sales came to 883.9 million Euros⁽²⁾, an overall increase of 2.9% on a like-for-like basis compared with 2014-2015.

1.4.2.1. FIELD SEEDS IN EUROPE

The field seeds activity – cereals and oilseed crops – located in Europe, focuses on farmers as customers, through distribution networks that vary according to the countries targeted and the crops distributed.

A KEY ADVANTAGE: OPTIMIZED COVER OF THE EUROPEAN MARKET

A product line segmented according to strategic interests

A major player in Europe, Vilmorin & Cie is active on the main European agricultural markets, with clearly defined positioning for the different crops. To optimize its research and marketing efforts, Vilmorin & Cie has segmented its crops into three main categories:

- strategic crops for which it holds strong competitive positions, particularly corn and wheat. Sunflower, oilseed rape and barley are also among the main European crops for which Vilmorin & Cie develops specific research programs.
- support crops which constitute commercial synergies as line complements when strategic crops are marketed. Research investment is limited and production is carried out by sub-contractors through partnerships such as that developed with DLF, the leader for the forage plant segment.
- so-called "local" crops (amenity grasses, cotton, sugar beet, etc.) distributed according to market opportunities, which complete the line-up.

This multi-crop positioning means that all the farmers' needs can be met.

Corn, straw cereals (wheat and barley), sunflower and rapeseed, which represent the core products of Vilmorin & Cie in Europe, are powerful creators of value, in the short-, medium and long-term.

- Corn is a highly profitable crop, given high-performance germplasm, that is historically well-suited to the needs of the forage corn market in Northern Europe. Vilmorin & Cie is indeed well-positioned as the second largest player in Europe for forage corn seeds. This crop is liable to develop even further, particularly through the launch of new varieties developed for grain corn, the main corn market in Europe, and ultimately the potential emergence of the market for genetically modified plants.
- Straw cereals (wheat and barley), sold through two different distribution channels (long channel, from seed companies to farmers, and short channel, from seeds companies to agricultural cooperatives) have a life cycle that is longer than average. Their profitability, which is indirectly influenced by the prices of agricultural raw materials, is lower than for other strategic crops, and can vary from one year to the next. However the long-term outlook for the creation of value is encouraging, with the perspective of developing GMO* and then hybrid* wheat. This is a strategic development for Vilmorin & Cie and is presented on page 42. As far as barley is concerned, Vilmorin & Cie owns efficient germplasm which will enable it to become one of the reference breeders* for this crop.

- Sunflower, which is very similar to corn, benefits from very high performance germplasm, and a solidly implanted European distribution network. It has been developing fast for several years, especially in Ukraine and Russia. After a halt in development in 2014-2015, as a result of the political and economic crisis having impacted these two countries, growth dynamics returned in 2015-2016.

(1) Wheat and barley.

(2) In particular by integrating 50% of AgReliant (North America. Field seeds). Because of the application of the standard IFRS 11, certain companies have been recorded using the equity method since fiscal year 2014-2015.

■ Rapeseed varieties, because of their agronomic profile, have a short lifespan. The crop is extremely profitable, and will be even more so as it continues to switch to its hybrid* form.

A distinctive marketing and sales approach

The marketing strategy adopted by Vilmorin & Cie for the field seeds market in Europe is also one of the key factors in its success. In corn for example, the company has fine-tuned the segmentation of its range according to two criteria: the market targeted (market for forage corn and industrial applications) and the qualities targeted (digestibility and starch content for forage corn, and varieties devoted to the production of agrofuels, etc.).

Vilmorin & Cie's multi-crop and multi-brand strategy clearly accounts for the central role of agricultural distribution to exploit the value of its brands and innovations. In this respect, privileged commercial partnerships with European cooperative distribution networks represent another sizeable advantage.

Field seeds in Europe Main brands



Advanta®: brand registered by
Advanta Netherlands Holdings BV

PERFORMANCES AND HIGHLIGHTS IN 2015-2016: FINE RESISTANCE OF ACTIVITY IN AN ENVIRONMENT THAT REMAINS DIFFICULT

For fiscal year 2015-2016, Vilmorin & Cie posted a slight drop in its sales in Europe, which stood at 523.6 million Euros on June 30, 2016, down 1.4% on a like-for-like basis.

Business held up well in an extremely tense market context. Indeed, once again this year the market was characterized by a particularly low level of prices for agricultural production, a drop in cultivated corn acreage in most countries (-3% in Europe 28. *Source : Stratégie grains, USDA, COCERAL*) and strong pressure on pricing policies.

On European markets that remained disturbed, Vilmorin & Cie nevertheless succeeded in globally consolidating its market shares. At the same time, throughout the full fiscal year, the company pursued its programs in upstream research (molecular marking* and

transgenesis*) and breeding* for its strategic crops, guaranteeing its future development.

■ In corn, volumes sold were down, in spite of the fact business picked up again on the Russian and Ukrainian markets. Just like cultivated acreages for this crop, the downturn was particularly marked in Western Europe, where Vilmorin & Cie nevertheless managed overall to hold up its prices. At the end of the fiscal year, Vilmorin & Cie confirmed its position as the No. 4 player in Europe for corn seeds.

■ In straw cereals, certified wheat and barley seed sales for the long distribution channel decreased, as they were directly affected by the low price of agricultural production, leading farmers to opt for farm seeds. Delegation of straw seed varieties (the so-called short channel) posted a slight increase compared with the previous year; it thus contributed to generating more than 33 million Euros in royalties.

■ In sunflower, Vilmorin & Cie made good progress and managed to conquer market shares. Driven by the return to a high level of activity in Ukraine and in Russia, this performance confirms that Vilmorin & Cie's germplasm is well-adapted to these key markets for growing sunflower - Ukraine and Russia represent about half the cultivated surfaces in the world for this crop. In order to continue to develop seeds that are well-adapted to this zone, Vilmorin & Cie this past year opened a research center devoted to sunflower in Russia.

■ In oilseed rape, the sales campaign for 2015-2016 once again ended with substantial growth, allowing Vilmorin & Cie to confirm its position as a top rank European player. Progression was particularly marked in the United Kingdom, confirming market share gains, and also in Germany and Central Europe. The adoption by farmers of new hybrid* varieties is continuing, contributing to an increase in the profitability of this crop.

COMPETITIVE POSITION

In Europe, Vilmorin & Cie holds top rate competitive positions for its main crops.

Competitive panorama in Europe

	Straw cereals ⁽¹⁾	Corn ⁽²⁾	Sunflower ⁽²⁾
No. 1	Vilmorin & Cie	Dupont Pioneer	Syngenta
No. 2	RAGT	Monsanto	Dupont Pioneer
No. 3	KWS	KWS	Vilmorin & Cie
No. 4	-	Vilmorin & Cie	Euralis

Source: internal estimates.

(1) Wheat and barley (major countries where Vilmorin & Cie operates).
(2) Enlarged Europe.

1.4.2.2. CORN SEEDS IN NORTH AMERICA ⁽¹⁾

AgReliant, a 50/50 joint venture set up in July 2000 with the German seed group KWS, breeds, produces and sells corn and soybean seeds in the United States and Canada. The original aim in creating this company was to unite the research and marketing investments of the two companies and to climb into the rankings of the top local seed companies. Research, production, distribution and administration are all today fully pooled.

AgReliant has achieved recurring dynamic growth since it was first set up, and is now the third largest player on the corn market in the United States, the largest world market in terms of value.

A KEY ADVANTAGE: A SPECIFIC MARKET APPROACH

High added value seeds

AgReliant offers North American farmers high-quality germplasm, which, when combined with technical options, enables adapting seeds to their most specific needs. These options concern two possibilities:

- traits*, giving the plant the characteristic sought after. These resistance genes incorporated into the plant's genome* enable it to resist certain destructive insects (corn-borer and rootworm) and herbicides. The genetically modified varieties combine several resistance genes, using the stacking* technique, now considered to be a standard offer by farmers,
- plant protection products, giving protection to the plant against certain parasites or diseases.

A distinctive sales policy

By devoting more than half of its staff to a first rate sales team, AgReliant can cover the three distribution networks in North America:

- direct sales to the farmer,
- farmer-dealer networks,
- and sales through distributors.

In all these distribution methods, and predominantly the first, brands, the real link between the farmer and the seed producer, are a vital factor in marketing strategy.

AgReliant's sales teams therefore rely on a portfolio of highly reputable brands, some with a national scope and others with a regional vocation dedicated by geographical areas, that extensively cover the Corn Belt, the heart of the North American market, and the Canadian market.

Field seeds in North America Main brands



PERFORMANCES AND HIGHLIGHTS IN 2015-2016:

A SOLID SALES CAMPAIGN IN CORN SEEDS

For fiscal year 2015-2016, AgReliant posted sales of 604.3 million Euros (100% data) and achieved considerable growth (+7.6% on a like-for-like basis), in an environment this year marked by strong pressure on prices.

In the context of a return to increased cultivated corn acreage (+7%. *Source: USDA*), volumes of marketed corn seeds increased significantly, demonstrating the fine performance of AgReliant's product line-up. As the No. 3 player on the North American market for corn seeds, the company was thus able to consolidate its market shares.

At the same time, volumes of marketed soybean seeds increased slightly, in proportion to the higher cultivated acreage for this crop (+1%. *Source: USDA*).

Moreover, during the fiscal year AgReliant signed a distribution agreement with the Canadian company Canterra Seeds⁽²⁾, which will help AgReliant to strengthen its commercial presence on the western Canada market.

As for the company Golden Acres Genetics, based in Texas and acquired at the beginning of fiscal year 2015-2016, it is now fully integrated and performed very well this year. The acquisition of this company, specialized in corn and sorghum seeds has allowed AgReliant to pursue its strategy of geographical expansion beyond the Midwest.

⁽¹⁾ Bearing in mind the application of the standard IFRS 11, AgReliant has been recorded in the accounts using the equity method since fiscal year 2014-2015.

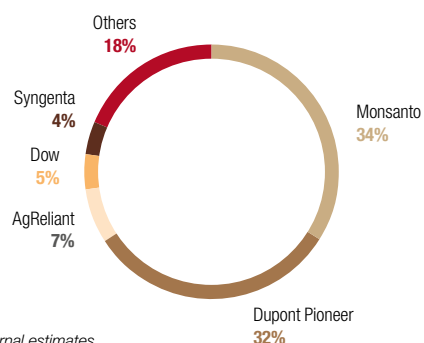
⁽²⁾ Vilmorin & Cie also purchased a minority stake in Canterra Seeds in 2015-2016 and set up a joint venture with the company. This information is set out on page 27.

Finally, during this past year AgReliant launched its platform "Advantage Acre[®]" for precision agriculture. This novel tool, developed with Spensa Technologies⁽¹⁾, will allow farmers to fill in their own data from their farms and combine them with information concerning AgReliant hybrids*. The objective is to allow growers to optimize sowing conditions, to follow the state of their crops with precision and thus overall improve agricultural production.

COMPETITIVE POSITION

Within a particularly concentrated competitive environment (almost 80% of the market being held by four players), in recent years AgReliant has managed to regularly strengthen its market shares, mainly on the Corn Belt, in particular to the detriment of smaller players.

Estimate of market shares in corn seeds
(Spring 2016)



1.4.2.3. CORN SEEDS IN NEW DEVELOPMENT ZONES

To go beyond its positions in Europe and North America, Vilmorin & Cie made the strategic choice in 2010 to internationalize its corn activities on new, fast-developing markets: South America, Asia and Africa.

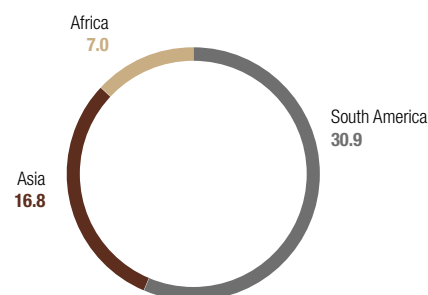
PERFORMANCES IN 2015-2016: VERY STRONG BUSINESS GROWTH

In its new development zones for corn seeds, Vilmorin & Cie made sales of almost 55 million Euros in 2015-2016, an increase of more than 21% on a like-for-like basis compared with 2014-2015.

(1) An American company specialized in the elaboration of precision agriculture systems.

Corn seeds in new development zones Analysis of business on June 30, 2016

(in millions of Euros)



With the exception of business in South Africa, which was hit hard by drought, all of Vilmorin & Cie's new development territories enjoyed fine growth over the fiscal year. This is the fruit of the gradual international deployment of its corn seed business, even though these sales still remain modest on the scale of the group. Growth was particularly strong in South America (+31.5% on a like-for-like basis), in particular as a result of the second part of the sales campaign for corn (Safrinha).

Business development will also contribute to compensating for the strong seasonality that exists in the division, since business has been concentrated until now in the northern hemisphere.

HIGHLIGHTS IN 2015-2016:

CONTINUING DEPLOYMENT OF THE ORGANIZATION

Vilmorin & Cie continues to deploy its organization in its new development areas, in terms of research, production and commercial development.

The research and strategic marketing functions are global today, ensuring there is worldwide coordination of these cross-functional functions.

Similarly a genetic resources* network has been established, making it possible to optimize the management of tropical corn germplasm. Finally, with the opening of new research centers in several territories, research facilities are now in the finalization stage.

Brazil

Fiscal year 2015-2016 was marked by really fine growth in business, and Vilmorin & Cie further built up its commercial line-up in Brazil: it now offers farmers varieties of soybean seeds. By distributing this crop, the objective is to cover all customer needs in a market where soybean is a major crop.

At the same time, Vilmorin & Cie has continued to structure its corn research while strengthening its research teams and consolidating the implantation of research centers. Thus, as a complement to the site of Goiania (state of Goias) and Sorriso (state of Mato Grosso), the third Vilmorin & Cie corn research center in Brazil is now fully operational. Located in Londrina (state of Parana), it now enables Vilmorin & Cie to cover the main Brazilian breeding* environments.

Looking beyond Brazil, the Business Unit Limagrains South America, responsible for the development of field seeds in South America, also deploys its business in Argentina, particularly for corn, wheat and sunflower research, and in Chile and Peru, with these two countries mainly devoted to production of seeds.

Asia

In Asia, Vilmorin & Cie's corn activities are structured around three priority zones: India, China and Southeast Asia. Their development is managed by teams in the Business Unit Limagrains Asia, based mainly in Hyderabad (India), Beijing (China) and Bangkok (Thailand).

■ In India, Vilmorin & Cie posted very solid business growth in 2015-2016. Its organization in this country relies on Bisco Bio Sciences, one of the top Indian players in corn seed, held 100% since March 2013. Vilmorin & Cie, which today holds a market share for field seeds of about 7% on the sub-continent, is continuing its deployment in India: this year, for example, it finalized the installation of a new research center in Yadaram (state of Telangana). At the same time, Vilmorin & Cie is currently introducing its hybrid* rice seed program and will therefore soon be in a position to offer Indian farmers this crop that is essential for the market.

■ In China, in September 2015, Vilmorin & Cie obtained all the necessary authorizations from the Chinese administration to set up the joint venture for the production and distribution of corn seeds, for which it had signed an agreement with the Chinese company Anhui Hengji Seeds. This new structure, called Hengji Limagrains Seeds, and in which Vilmorin & Cie holds 45% of the capital stock, is now fully operational. Vilmorin & Cie has thus taken a key step in its development on this key market.

In China, the participation of foreign companies in the capital stock of Chinese seed companies is currently limited by law to minority positions.

Vilmorin & Cie also has three research centers, located according to the different corn types (spring, summer and subtropical), two counter-season sites, and a wheat breeding* station. Vilmorin & Cie, which already distributes its first hybrid* corn variety throughout China, is pursuing its local research programs. Now, several varieties are being introduced into the market.

■ In Southeast Asia, Vilmorin & Cie structures its activities around the Thai company Seed Asia, acquired in March 2014. The commercial organization was redeployed during the course of this past fiscal year, in order to optimize cover of Thailand and Cambodia, and ultimately to approach the Indonesian market.

Africa

In Africa, Vilmorin & Cie develops its field seeds activities through the Business Unit Limagrains Africa.

Vilmorin & Cie began its activity on the African corn market in January 2013, with the acquisition of Link Seed, the 3rd largest field seed company in South Africa. In order to pursue its strategic implantation on the continent, in 2013-2014, Vilmorin & Cie purchased a minority stake in the capital stock of the African company Seed Co, in two operations, and held 30.4% of the company at the end of June 2016. Listed on the Zimbabwe Stock Exchange since 1996, Seed Co⁽¹⁾ is the largest seed company in Africa, with strong presence on the white corn market for human consumption.

The two companies are continuing to build up their partnership – particularly for research – which was begun in 2013-2014, helping Vilmorin & Cie to gain access to new markets with high potential.

Furthermore, over the fiscal year Vilmorin & Cie finalized its research organization in South Africa with a new research center, shared with Seed Co, which should become fully operational during 2016-2017. Based in Potchefstroom, this facility devoted to temperate corn, will be working on germplasm* from southern Europe, North America, and Argentina in particular, illustrating Vilmorin & Cie's capacity to create networks for genetic resources*.

Vilmorin & Cie is accompanying Seed Co in its development projects, both for the yellow corn segment, which is growing fast in Africa, and on the market for vegetable seeds. Two joint ventures are projected to structure these collaborations.

(1) For the fiscal year 2015-2016, (closing on March 31) Seed Co made sales of almost \$96 million (+1% compared with the previous year) in a difficult market context, badly affected by unfavorable climate conditions (El Niño). Net income came to \$15.4 million, an increase of 3% compared with the previous year.

1.4.2.4. WHEAT SEEDS IN NORTH AMERICA AND IN NEW DEVELOPMENT ZONES

Wheat is the most widely cultivated crop in the world, and so for Vilmorin & Cie it is a strategic crop which must be approached on a worldwide basis. Beyond Europe, where it is the market leader, Vilmorin & Cie is gradually moving out into new territories.

Today, the company is operating in the main wheat production zones in the world: the United States, Canada, Australia (through its minority stake of almost 33% in Australian Grain Technologies, the Australian leader for breeding*, developing and distributing cereals), Argentina and Brazil.

The Business Unit Limagrain Cereal Seeds, based in Fort Collins (Colorado, United States), is the development platform for these activities. It is a joint venture between Vilmorin & Cie (holding 65% of the capital stock) and Arcadia Biosciences (holding 35%), an American biotechnology* company.

The operation combines scientific cooperation with certain American universities, a portfolio of diversified genetic resources* adapted to local climate conditions, privileged access to Arcadia Biosciences' innovative technologies, and a sales network covering the main American production areas.

The local team, comprising wheat experts who are highly mobilized to develop this new market that remains undervalued today, is a key factor in the success of the project.

PERFORMANCES AND HIGHLIGHTS IN 2015-2016: CONTINUING DEPLOYMENT OF THE DEVELOPMENT PLAN

■ The Business Unit Limagrain Cereal Seeds had increased its business significantly by June 30, 2016 (3.3 million Euros, an increase of more than 41% on a like-for-like basis on June 30, 2015). This turnover, which remains modest, nevertheless demonstrates that both wheat seed sales and royalties received are growing. In a difficult market, with wheat acreage decreasing considerably in the United States (-7%. *Source: USDA*), it is also the positive result of the gradual introduction of a new quality product flow.

■ Fiscal year 2015-2016 was marked by the signature, at the beginning of 2016, of a technological and commercial partnership with the Colorado Wheat Research Foundation and the company Albaugh, specialized in generic products for plant protection. This collaboration agreement targets the development and distribution of wheat varieties with a non-GMO* trait* conferring resistance to a generic herbicide. This world partnership involves an exclusive license granted to Vilmorin & Cie, with the commitment to deploy the use of the technology.

The introduction of the herbicide tolerance trait* for wheat represents a novel, innovative solution for wheat producers. The first varieties with this trait* are expected for distribution by 2020.

■ In Canada, at the beginning of July 2015, Vilmorin & Cie and Canterra Seeds announced the creation of a joint venture, Limagrain Cereals Research Canada, specialized in the development and breeding* of cereals, and located in Saskatoon (Province of Saskatchewan, Canada). Canterra Seeds, founded in 1996 and based in Winnipeg (Province of Manitoba, Canada), sources original, genetically superior seed products; its portfolio mainly comprises cereals, supplemented by pulses and oilseed crops.

Held 70% by Vilmorin & Cie and 30% by Canterra Seeds, the new joint venture will ultimately bring significant added value to western Canadian agriculture, by developing new varieties of cereals, with a specific focus on wheat, using the most advanced technologies currently available. This creation was made possible in a context where the Canadian government has just adjusted its legislation, which, in the coming years, should result in the application of royalties on wheat seeds, and which should place Canada among the top world players for this crop.

Beyond this joint venture, Vilmorin & Cie is taking up a minority stake of 30% in Canterra Seeds, in order to develop the distribution of cereal seeds in western Canada.

■ Finally, in Brazil, the first wheat varieties are being introduced, following the acquisition, at the end of 2014, of the Brazilian company DNA, specialized in the genetic improvement of tropical wheat. This operation, made through the Business Unit Limagrain South America, will enable Vilmorin & Cie to provide Brazilian farmers with an important complement to its corn line-up.

1.4.3. GARDEN PRODUCTS

Vilmorin & Cie offers home gardeners a full range of seeds (vegetable, flower and lawn) and associated products: flower bulbs, products for soil and plant nutrition and garden equipment. Its customers comprise all the garden product distribution networks: garden centers, DIY stores and supermarkets.

The Garden products division is now structured around the Business Unit Vilmorin Jardin.

1.4.3.1. A KEY ADVANTAGE: INNOVATING TO SATISFY CONSUMER EXPECTATIONS

Vilmorin & Cie permanently develops innovations to anticipate and meet the needs of consumers who are seeking efficient, easy-to-use solutions, and guaranteeing success for their vegetable and decorative flower gardens. Notions of pleasure and fun experiences are also playing a greater role today in consumer choices.

Moreover the Garden products division relies on the technical expertise of the Vegetable seeds division to succeed in this strategy of innovation, and also on a portfolio of strong, prestigious brands, including the emblematic brand name of Vilmorin.

Garden products Main brands



1.4.3.2. PERFORMANCES AND HIGHLIGHTS IN 2015-2016: BUSINESS DOWN IN A DECLINING MARKET

Sales for the Garden products division, consolidated with the activities of the holdings, came to 53.6 million Euros on June 30, 2016, a drop of 7.4% on a like-for-like basis. This activity is still largely affected by an economic environment that remains difficult: certain segments of the home garden business continued to drop, especially seed packet sales. Nevertheless the Garden products division achieved good commercial results in Poland and Turkey over the fiscal year.

The fiscal year was marked by implementation of the reorganization necessary to downsize in order to deal with a contracting market. In this context, a job saving plan affecting about 30 jobs was signed. Major reorganization was also adopted in the Netherlands by delegating industrial and logistics functions to partners; this will be implemented for the 2016-2017 campaign.

Vilmorin & Cie also continued to deploy its action plan to ensure better control over overheads, particularly operating costs.

The Garden products division thus completed a difficult fiscal year, marking a transition before redirecting its business model. The objective is to reinforce Vilmorin & Cie's presence on all the slots proposed to home gardeners, in order to meet new market trends.

1.4.3.3. COMPETITIVE POSITION

Vilmorin & Cie remains one of the European leaders on the seeds market for home gardeners.

1.5.

DEVELOPMENT MODEL

A SPECIFIC MODEL

In a business sector that is characterized by the strong concentration of its players, and driven by research and internationalization, Vilmorin & Cie focuses its development on a specific economic model, with the following 3 major, singular advantages:

- a single core business of seed,
- organization very close to its markets,
- a long-term vision of its development.

Through the solidity of this model, Vilmorin & Cie is in a strong position to deploy an ambitious strategy, in order to sustainably ramp up its world leadership positions.

Vilmorin & Cie's development model draws its inspiration from the respect of three founding values: progress, perseverance and cooperation. Shared with its reference shareholder, Limagrain, these values are linked to the historic expertise of Vilmorin & Cie in plant improvement since 1743, and its anchorage in the world of agriculture.

- Progress has always been at the heart of the convictions and mission of Vilmorin & Cie, which has always had a culture that is both agricultural and scientific. This culture of progress is materialized by permanent, sustained investment in research.
- Perseverance is part and parcel of the professions of farmer and seed producer, which both need to work in the long-term. At Vilmorin & Cie, this perseverance is also expressed through the consistency of its strategic orientations.
- Finally, the spirit of cooperation, which is also one of the founding principles of the cooperative group Limagrain, expressed through the numerous cooperation agreements instigated throughout the world, whether scientific, industrial or commercial.

1.5.1. A SINGLE CORE BUSINESS: SEEDS

Vilmorin & Cie is a pure play seed company, not involved in agro-chemicals.

Active throughout the value chain, from research to distribution, Vilmorin & Cie controls all the stages in the seed business, proposing high quality seeds, perfectly adapted to its target markets.

The process of developing a seed involves the following stages:

ANALYZING NEEDS

The phase of analyzing and anticipating the needs of direct customers – farmers and growers – and indirect targets – distributors and consumers – is a fundamental stage in the creation of seeds. This stage is all the more complex that it has to account for geographical specificities and expectations that can vary considerably for the same crop.

- Vilmorin & Cie relies on operational organization that is close to its markets in order to assess the requirements of its customers and ensure relevant information is passed on to its marketing and research teams.

MANAGING GENETIC RESOURCES*

The development of new seeds is only possible if beforehand there is a collection of plants, called genetic heritage or resources*, as wide and varied as possible. They have to be collected, enriched, and characterized, and then maintained regularly so as to preserve their quality and ensure they are available for the research teams. Indeed breeders use this plant base to draw their "raw material", which is indispensable for the creation of a new plant.

- Vilmorin & Cie holds a vast, diversified collection of varieties from its own genetic heritage. Built up over the past 270 years of its history, it has been enriched through the acquisitions of seed companies, breeding* programs and research partnerships.

CREATING NEW SEEDS THROUGH CONVENTIONAL BREEDING* OR TRANSGENESIS*

After these phases of needs analysis and access to genetic resources*, breeding* can begin, which is the art of crossing two varieties of the same plant species, with distinct properties, in order to create a new plant whose agronomic profile will be superior to that of its parents.

This variety improvement work, the key to creating value and the competitiveness of the seed company, can be facilitated by using plant biotechnology*. These tools can be used to develop new plants faster and more efficiently thanks to more extensive knowledge of their genome*.

- Vilmorin & Cie develops varieties with a better yield, specific resistances (to diseases, insects, herbicides, etc.) and improved nutritional qualities. In a context where research is becoming more and more industrialized, Vilmorin & Cie can benefit from an international network of internal and external skills, including more than 1,800 staff contributing to the research process spread out over more than 100 research centers all over the world, and from numerous partnerships.

REGISTERING SEEDS

In compliance with regulations in force in targeted countries, before distributing the created variety, it has to be certified and registered, in particular in order to demonstrate its qualities (innovative trait*, homogeneity, stability, etc.) and to ensure its availability.

PRODUCING SEEDS IN THE FIELDS

Once it has been created and registered, the new seed variety is produced in the field. Seed production must provide flexibility and optimal adaptability to market conditions, with high quality at a competitive price. The careful choice of production zones is therefore a vital factor in determining seed quality and the capacity to satisfy demand.

- Vilmorin entrusts its production to an international network of carefully selected seed multiplication farmers* who work to very strict specifications.

OPTIMIZING SEED QUALITY IN THE FACTORY

Seed production also involves an industrial phase. During this stage, the seed is first prepared – i.e. sorted, cleaned and dried - then treated (with applications of phytosanitary products used to protect the plant against certain parasites or diseases, or to foster its germination) or pelleted to facilitate sowing.

This stage also integrates packaging and storage.

- Vilmorin makes full use of the strong expertise of its teams, modern industrial equipment, and standardized controls to guarantee the high quality of the seeds.

DISTRIBUTING SEEDS

Finally the seeds are distributed to international markets for growers and farmers.

- In order to remain in close contact with its customers, almost all Vilmorin & Cie's subsidiaries sell seeds through distributors, cooperatives and sometimes directly to the end users. These networks are selected according to the specific nature of each geographical zone. Sales teams represent about 30% of the total headcount in the Company.

Vilmorin & Cie has a portfolio of strong brands, each with specific positioning.

7 to 10
YEARS

IT TAKES SEVEN TO TEN YEARS ON AVERAGE TO CREATE A SEED

1.5.2. ORGANIZATION THAT IS CLOSER TO MARKETS

Vilmorin & Cie has chosen to organize each of its activity divisions around Business Units, in order to focus on proximity to its multiple markets.

This organization model, specific to Vilmorin & Cie, is a great strength. It guarantees very close proximity with its customers, excellent knowledge of its markets, which are highly segmented both in terms of products and territories, along with a real capacity to anticipate and to respond.

The ten Business Units⁽¹⁾ of Vilmorin & Cie each have a well-adapted development strategy, defined in accordance with a global crop - geographic zone architecture; and they each have their own dedicated organization.

Cross-cutting functions, such as the scientific strategy, the external growth policy and finance are all centralized.

The organization diagram is presented on page 19.

1.5.3. A LONG-TERM VISION OF ITS DEVELOPMENT

Vilmorin & Cie is driven by a long-term vision of its development, corresponding to that of its reference shareholder Limagrain.

The long-term is the very nature of the profession of farmers and seed producers, where long periods are involved. This is also an important feature of the culture of Limagrain, with part of its source in the farmer members of the cooperative, above all concerned to ensure the lasting success of their farms.

Characterized by a culture of transparent information and sharing decisions, the cooperative governance of Limagrain means that strategic decisions are made in a lasting context. This constancy in strategic orientations has resulted in a solid history of progression and also enabled Limagrain to encourage the development of Vilmorin & Cie, accompanying its investments regularly and significantly.

(1) Further to the two Business Units Vilmorin and Mikado Kyowa Seed joining forces in July 2016.

1.6.

STRATEGY AND PERSPECTIVES

A STRATEGY OF WINNING MARKET SHARES

Vilmorin & Cie is above all positioned on the market for agriculture; its aim is to contribute to meeting the world's food needs better, by creating high added value seeds.

For this purpose, the Company relies on an ambitious strategy, combining sustained investment in research, on a targeted external growth policy, and on partnerships and strong international growth in order to accelerate its expansion and strengthen its competitive positions sustainably on promising world markets.

3 STRATEGIC FOUNDATIONS

SUSTAINED INVESTMENT IN RESEARCH

Research is at the heart of Vilmorin & Cie's strategic vision. Its role is to ensure growth for the future, through the development of more efficient seeds (yield, disease resistance, better adaptation to different climates and regions, etc.).

15.2%
of sales invested
in research ⁽¹⁾

Almost **300 million**
Euros invested in research
including funding through partnerships

More than **100**
research centers
in the world

More than **300**
seed varieties
created and launched

(1) Calculated on the basis of sales of seeds intended for professional markets, and integrating 50% of the activities of AgReliant (North America. Field seeds).

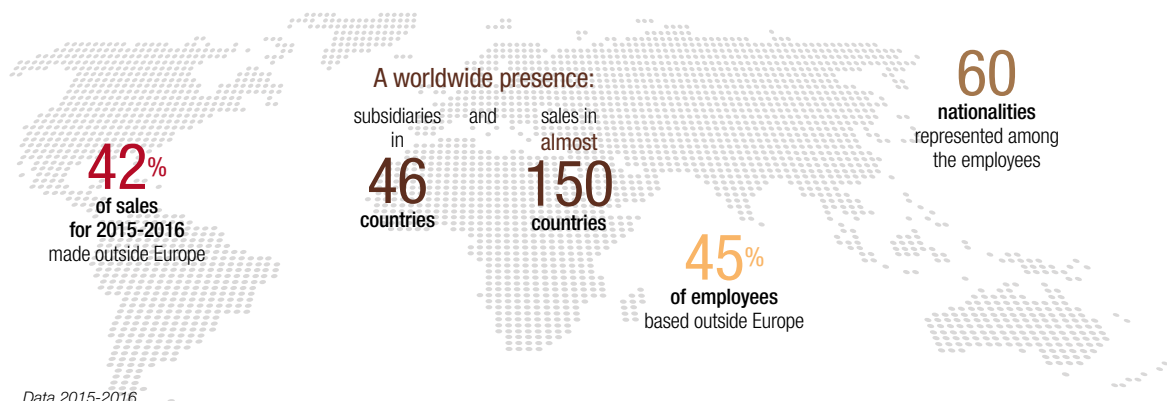
A TARGETED POLICY OF EXTERNAL GROWTH AND PARTNERSHIPS

Vilmorin & Cie has adopted a policy of targeted acquisitions and continues to establish numerous cooperation agreements throughout the world, whether scientific, industrial or commercial. These operations enable the group to acquire new genetic resources*, and to penetrate and cover zones with strong potential, while providing a better risk spread.

STRONG INTERNATIONALIZATION OF ITS ACTIVITIES

The internationalization of Vilmorin & Cie's business drives its development on what is now a global seed market.

Vilmorin & Cie is pursuing its development plan, both on vegetable seed and field seed markets in zones with growth and with high potential: in particular the United States, Brazil, Asia and Africa.



1.6.1. SUSTAINED INVESTMENT IN RESEARCH

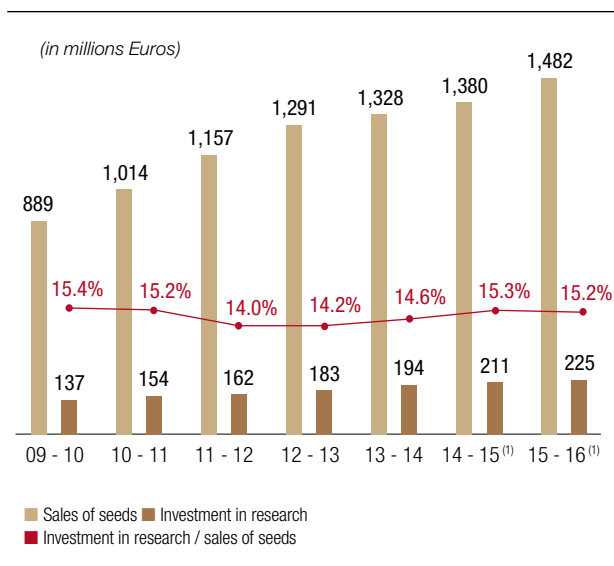
1.6.1.1. RESEARCH, THE KEY TO CREATING VALUE

As the main source of value creation, research ensures tomorrow's growth and is at the heart of business development challenges. Its mission is to find new varieties as quickly as possible to meet the needs of the different players in the sector, and must therefore:

- improve the plant's agronomic qualities (yield, resistance to diseases and insects, adaptation to different climates and territories, drought tolerance, etc.) for farmers and growers,
- integrate the technical and logistical constraints of industrialists and distributors (standardization of calibration, appearance and texture of food products, preservation, earliness, price etc.),
- improve the taste, convenience and nutritional qualities of the products depending on the cultural specificities of consumers, and by anticipating evolutions in consumption practices.

By developing new seeds with high added value, and that are perfectly suited to customer requirements, and by reducing the time it takes to make these new varieties available to them, Vilmorin & Cie's research offers decisive commercial advantages, making it possible to win new market shares and achieve organic growth higher than that of the market.

KEY RESEARCH INDICATORS 2015-2016



Scientific progress, a priority:

- 15.2% of sales for seeds reinvested in research⁽¹⁾ - including about 86% devoted to conventional research, and 14% devoted to biotechnology*
- 225 million Euros of investment in research in absolute value, balanced in its spread between Vegetable seeds and Field seeds
- Almost 300 million Euros invested globally, i.e. including funding in the form of partnerships
- More than 300 new varieties created and marketed
- 90% of sales from proprietary varieties* in vegetable seeds, i.e. made from varieties originating in research at Vilmorin & Cie
- Almost 60% of sales from proprietary varieties* in field seeds.

1.6.1.2. THE MEANS TO SUCCEED

SOLID INTERNAL RESEARCH ORGANIZATION

As a result of the expertise of its research teams, particularly in plant biotechnology*, and its worldwide locations, Vilmorin & Cie is able to create new varieties with differentiating advantages, and strengthen its competitiveness through innovation.

More than 1,800 staff contribute to the research process – representing 28% of the headcount – spread out over more than 100 research sites throughout the world, working on upstream research and conventional breeding* in vegetable seeds and field seeds to meet market needs.

In terms of organization, Vilmorin & Cie's research combines cross-company resources and sites that are as close as possible to its target markets. Each Business Unit runs its own plant breeding programs, ensuring that customer requirements are taken into account with regard to the product innovation process. Their activity is coordinated by a Divisional Research Department ensuring that technological resources are pooled, and genetic databases are circulated between the Business Units, with faster integration of any work concerning the development of biotechnology*. It is also responsible for managing major partnerships.

In the Field seeds division, Research Departments have also been set up for each of the strategic crops, and for each of the major areas of biotechnology*.

The Group's Scientific Affairs focuses on certain strategic projects, prospective science and technology and the pooling of support in expertise. One of the topics under consideration at the moment, for example, concerns New Breeding Techniques, which have

⁽¹⁾ Calculated on the basis of sales of seeds intended for professional markets, and integrating 50% of the activities of AgReliant (North America. Field seeds).

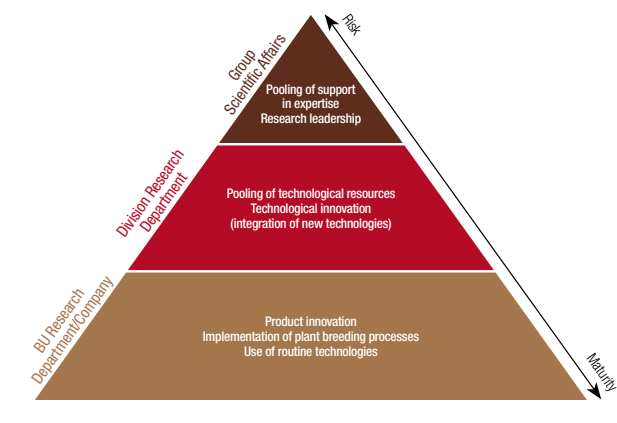
great potential and should ultimately be one of the vital tools made available to breeders. Another key topic concerns changes with regard to the emergence of precision farming; thus Vilmorin & Cie is currently working to develop new innovative, global solutions for farmers to steer their crops, from sowing to harvesting. They include several areas of expertise: genetics, agronomy, data technologies (for example data sensors) and analysis.

time by identifying the plants of interest early and more efficiently, according to the breeding* objectives.

On average two to three years of development are saved, which provides the reassurance of quicker response to the evolution of demand.

Investment in biotechnology* today represents almost 14% of the research budget and will continue to progress in the coming years, while of course taking into account the adequate consolidation of the Company's financial profile.

Organization of Vilmorin & Cie research



Developing strategic partnerships to enrich upstream research

Strategic partnerships, permanently pursued and strengthened, constitute a complement to Vilmorin & Cie's research arrangements. They provide access to new skills and technologies, extending existing genetic bases and enriching upstream research:

→ Genective (France) - a 50/50 joint venture with the German seed company KWS: through this upstream research agreement initiated during the course of fiscal year 2011-2012, Vilmorin & Cie and KWS have pooled resources in order to develop GMO* traits* intended for corn seeds. It concerns the final phase of ongoing development of first generation traits* (tolerance to herbicides and resistance to insects) and the development of other innovative traits*.

The first authorizations were obtained in September 2013 in the United States, and in February 2014 in Canada, for a proprietary trait* of tolerance to the herbicide glyphosate. This transformation event is currently awaiting import authorization in several countries.

Vilmorin & Cie will thus eventually have a proprietary line-up of genetically modified corn seed varieties.

→ Arcadia Biosciences (United States) - specialized in the development of technologies and products for agriculture, and listed on the NASDAQ since May 2015. Vilmorin & Cie has privileged access to wheat technologies developed by this company, with exclusive worldwide access to a gene for drought resistance. The combined effect of Arcadia's innovative technologies and Vilmorin & Cie's genetic resources* will ultimately be used to develop high yield GM* wheat, providing economic advantages to farmers and contributing to better respect for the environment.

→ Keygene (Netherlands) - experts in genomics* applied mainly to vegetable plants, and in which Vilmorin & Cie has held a stake of 25% since 2001, in partnership with the Dutch seed companies Enza Zaden and Rijk Zwaan, and the Japanese seed company Takii.

VILMORIN & CIE'S RESEARCH FOCUSES

Permanently enriching genetic resources*

In order to create new varieties, research is first and foremost dependent on the diversity of plants. Access to genetic resources* is fundamental for prolonged seed production.

Progress in plant breeding* is dependent on the capacity to enrich this heritage and is guaranteed by taking full advantage of breeders' know-how, the opening of new research centers internationally and a steadfast policy in terms of external growth and partnerships.

Accelerating the breeding process by using plant biotechnology*

Future progress in plant breeding is largely dependent on mastering a range of tools that has grown considerably in recent decades, largely through the development of plant biotechnology*.

These tools are used to describe plants with great precision and predict some of their characteristics. The breeder gains precious

- Biogemma (France) - European specialist in field seed plant biotechnology*, held 55% in partnership with the seed companies Euralis and RAGT and the financial institutes for the French oilseed and protein chain (Avril group) and cereal chain (Unigrains).
- Australian Grain Technologies (Australia) - Australian leader for breeding*, developing and distributing novel cereal varieties. Vilmorin & Cie holds a stake of almost 33% in the company's capital stock, and can therefore benefit from broad access to Australian public genetic resources, technologies and research, and to be present on the major straw cereal markets.
- Soltis (France) - a 50/50 joint venture between Vilmorin & Cie and Euralis, specialized in sunflower research.

Vilmorin & Cie's researchers also work in association with public and private research institutes: INRA and IRSTEA (France), University of Davis (United States), Hebrew University (Israel), CSIRO (Australia), etc. Moreover, in June 2016, the Vegetable seed Business Unit Mikado Kyowa Seed⁽¹⁾ signed a cooperation agreement with the University of Chiba (Japan), recognized for its expertise in horticultural production and vertical culture. Through this agreement, Mikado Kyowa Seed will be able to use the University's vertical farm to breed innovative lettuce varieties, enabling an acceleration of its breeding* process* by shortening growing cycles.

Through this research organization, every year Vilmorin & Cie is able to create on average several hundred new varieties and thus achieve a significant share of its sales from products that come out of its own research programs: in 2015-2016, 90% of Vegetable seed sales and almost 60% of Field seeds sales thus originated in seed varieties created by Vilmorin & Cie.

1.6.2. A TARGETED POLICY OF EXTERNAL GROWTH AND PARTNERSHIPS

1.6.2.1. ORIENTATIONS FOR ACQUISITIONS

In 2015-2016, Vilmorin & Cie pursued its external growth strategy of anticipating market evolutions so that it can respond to major strategic opportunities:

- gain access to genetic resources* that are differentiating and/or complementary to strategic crops,
- acquire new production capacities,
- create new platforms for commercial developments,
- penetrate and cover areas with high potential to provide new outlets and guarantee that the offer is adapted to local demand,

- ensure there is a better spread of risks (climate, industrial, logistics, etc.).

Accordingly, the operations achieved in 2015-2016 concerned Vilmorin & Cie's priority markets, for example in North America.

Vilmorin & Cie is pursuing its development plan both on vegetable seed and field seed markets. In a context of difficult markets in field seeds, Vilmorin & Cie nevertheless announced in April 2016, several specific measures, in particular leading the Company to set as a priority the integration of recently acquired structures. However Vilmorin & Cie does not exclude the possibility, in a highly selective approach, of seizing any adequate opportunities to consolidate its activities.

1.6.2.2. A PROGRESSIVE INTEGRATION MODEL THAT RESPECTS EXISTING IDENTITIES

Vilmorin & Cie's external growth policy is to gradually integrate companies that are taken over, with the purpose of preserving the identity of the acquired company and capitalizing on the existing assets and know-how of the teams already in place.

Product development, local distribution networks and the brand policy are maintained in most cases, whereas the functions that can generate synergies (upstream research, administration, etc.) are pooled.

1.6.3. STRONG INTERNATIONALIZATION OF ACTIVITIES

Vilmorin & Cie's internationalization of activities within the world seeds market is the driving force for its development.

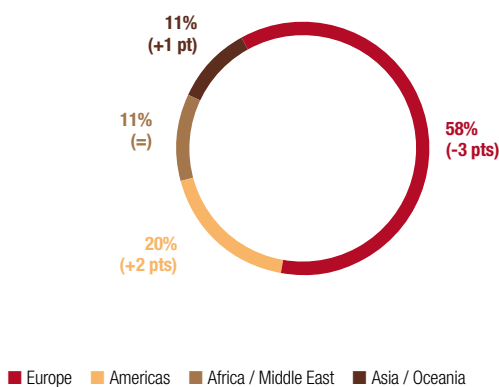
All the stages in the development of a seed have acquired an international dimension: research sites are spread out all over the world; seeds are produced and processed in the two hemispheres, while the products themselves are distributed on the main zones where the seeds are used.

Internationalization of business, based on a strategy of strong segmentation, targeted by zone and by crop, combines organic and external growth, and regularly involves acquisitions, strategic alliances and partnerships.

(1) On July 1, 2016, the Business Units Mikado Kyowa Seed and Vilmorin joined forces to create the Business Unit "Vilmorin-MKS".

1.6.3.1. BUSINESS WHICH IS ALREADY DEVELOPED OUTSIDE EUROPE

Geographical analysis of sales
with evolution compared with 2014-2015



1.6.3.2. NORTH AMERICA: A MAJOR MARKET

AN AREA OF CONSISTENT GROWTH IN VEGETABLE AND CORN SEEDS

In the United States, Vilmorin & Cie holds strong positions and is in the top three players that share almost 75% of the market for corn and for vegetable seeds (*Internal source*). Moreover it consolidated its presence in the country in 2015-2016, with the acquisition of the company Genica Research Corporation (Vegetables). This information is presented in detail on page 21.

Since it covers the territory efficiently, Vilmorin & Cie holds all the assets it needs to pursue its growth on a market that continues to expand. Indeed, North America is the largest seed market in the world in value, with growth of 4% over the past five years (*Source: Phillips McDougall 2016*).

A LONG-TERM GROWTH ZONE FOR WHEAT

Average wheat yields today in the United States stand at 3 tonnes per hectare while they stand at almost 6 tonnes per hectare in Europe. Largely dominated by low yield farm seeds, the North American market is lacking in any major innovation, whereas in Europe, seed companies are very active in wheat breeding, proposing varieties that perform better and better.

Nevertheless, faced with the inevitable evolution of the North American market towards high yield seeds, and with the increasing adoption of commercial seeds, Vilmorin & Cie has a major opportunity to exploit its expertise in this crop and contribute to converting the market.

In this respect, at the beginning of 2016, Vilmorin & Cie signed a collaboration agreement with the Colorado Wheat Research Foundation and the company Albaugh. This agreement targets the development and distribution of wheat varieties with a non-GMO* trait* conferring resistance to a generic herbicide. This information is presented in more detail on page 27.

Furthermore, following the evolution of Canadian legislation, which in the coming years, should result in the application of royalties on wheat seeds, Vilmorin & Cie has initiated its presence in wheat in this country. Vilmorin & Cie and the Canadian company Canterra Seeds therefore announced, at the beginning of July 2015, the creation of a joint venture dedicated to research and development of new cereal varieties, and wheat in particular.

More details on this information are provided on pages 27.

1.6.3.3. ASIA AND SOUTH AMERICA: TWO PRIORITY AREAS FOR INVESTMENT IN THE SHORT TERM

Asia and South America have been defined as two priority areas for development, considering the current size of their markets and their growth potential.

ASIA: A FAST GROWING MARKET

With the continuous growth in population and the evolution of consumption habits, the Asian market is growing fast: + 3% per year on average for the past five years (*Source: Phillips McDougall 2016*). Asia represented 9% of Vilmorin & Cie's sales in 2015-2016, achieved mainly in Japan⁽¹⁾, along with India, China and Thailand. Besides the two target countries initially defined - India and China - Vilmorin & Cie has expanded its presence in southeast Asia in recent years, with the acquisition of the Thai company Seed Asia (Field seeds) in 2013-2014 and the Vietnamese company Tropdicorp (Vegetable seeds) in 2014-2015.

For Vilmorin & Cie, development in this zone is a clear strategic objective, both in vegetable seeds and field seeds, with an approach combining respect for cultural specificities and protection of intellectual property. In a longer-term perspective, Vilmorin & Cie's ambition is to make 15% of its consolidated sales on this continent.

SOUTH AMERICA: NO. 2 WORLD MARKET FOR SEEDS

With average annual growth of 10% over the past 5 years, the South American market represented 20% of the world market for seeds in 2015 (*Source: Phillips McDougall 2016*) and offers very significant potential for development.

Vilmorin & Cie made sales of more than 80 million Euros⁽²⁾ on this continent in 2015-2016.

Historically, South America has provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season

seeds. For Vilmorin & Cie today, this is a zone for commercial development, with field seeds as a priority, Brazil being the key country.

Vilmorin & Cie's ambition is to double its market shares for corn within five years in Brazil.

1.6.3.4. AFRICA: A MARKET WITH POTENTIAL

Even though the market for seeds in Africa today represents less than one billion dollars (*Sources: Phillips McDougall and ISAAA 2016*), it is assured of considerable development in the long-term, especially because of dynamic population growth. Africa will hold almost one quarter of the world's population by 2050 (*Source: United Nations Food and Agriculture Organization / FAO*).

Already present with vegetable seeds, in particular in North Africa and South Africa, Vilmorin & Cie set up business at the beginning of 2013 on the market for corn seeds, the most widely grown crop in Africa, by acquiring Link Seed, the third largest seed company in South Africa. Vilmorin & Cie has also held a minority stake since fiscal year 2013-2014 in Seed Co, the top seed company in Africa. On June 30, 2016, this stake stood at 30.4% of Seed Co's capital stock.

Vilmorin & Cie's aim is to pursue its gradual development on this particularly high potential continent, by continuing to rely on its direct facilities, partnerships and distribution agreements, while adapting to the specific nature of each country.

(1) Through the Vegetable seeds Business Unit Mikado Kyowa Seed, which on July 1, 2016, was integrated into the Business Unit "Vilmorin-MKS".

(2) Excluding Mexico.

1.6.4. THREE STRATEGIC PRIORITIES

Vilmorin & Cie's ambition is to accelerate its development according to three strategic priorities, each at its own rhythm:

- maintain world leadership in vegetable seeds is an immediate priority;
- the objective of becoming a global player in corn seeds is a medium-term aim;
- internationalization of leadership in wheat is on the long-term horizon.



VEGETABLE SEEDS

No. 2 IN THE WORLD

A global market with high value (5.2 billion dollars in 2015), highly segmented in terms of products and production methods

STRATEGY

- Combine organic and external growth:
 - Maintain organic growth higher than that of the market, thanks to the virtuous circle of innovation combined with proximity to its markets.
 - Strengthen positions through targeted external growth operations.
 - Develop business on complementary crop/territory segments.

OBJECTIVE

**REINFORCE
WORLD
LEADERSHIP**



CORN SEEDS

No. 3 IN NORTH AMERICA⁽¹⁾ N° 4 IN EUROPE

Largest world seed market (in value - about 15 billion dollars in 2015)

STRATEGY

- Become a major player on the grain corn market in Europe
- Internationalize business, beyond its major positions in Europe and North America
- Pursue innovation in plant breeding and develop a proprietary range of genetically modified varieties

OBJECTIVE

**BECOME
A GLOBAL
PLAYER**



WHEAT SEEDS

No. 1 IN EUROPE FOR STRAW CEREALS⁽²⁾

Wheat, No. 1 crop in the world (in terms of cultivated surface areas – representing about 222 million hectares in 2015)

STRATEGY

- Contribute to converting the market to high yield seeds
- Consolidate its position of leader in Europe
- Progressively go beyond new frontiers and develop solid international partnerships

OBJECTIVE

**ULTIMATELY BECOME
THE WORLD
REFERENCE**

⁽¹⁾ Through AgReliant
⁽²⁾ Wheat and barley.

1.6.4.1. VEGETABLE SEEDS: STRENGTHEN WORLD LEADERSHIP

Vilmorin & Cie's development on this mature market, where it is No. 2 worldwide, is based on a combination of organic growth, driven by a regular flow of innovations, and external growth, through targeted operations.

This development will be pursued and promoted through its organization in Business Units, with a focus on certain main orientations, to enable Vilmorin & Cie to develop on complementary crop/territory segments. For this purpose, Vilmorin & Cie has defined a segmentation strategy for its geographical markets and crops, depending on their size and growth potential, to guide its market approach.

MAINTAIN ORGANIC GROWTH HIGHER THAN THAT OF THE MARKET

In order to gain market shares and prolong its organic growth, Vilmorin & Cie relies on the virtuous circle of innovation combined with proximity to its markets. Indeed, development of the vegetable seed market, due to evolutions in the world consumption of vegetables, depends primarily on the development of novel seeds.

For this reason, mastering cutting-edge research technologies, for example plant biotechnology* (molecular marking*, cellular biology, etc.), contributes directly to the acceleration of plant breeding and is now a vital tool for breeders. Research investment allocated to these tools will therefore continue to be at a high level in the future, along with investments in research sites that run this work. For example, in fiscal year 2015-2016, the Business Unit Hazera finalized its research center in Brurim (Israel), by commissioning a phytopathology laboratory, while the Business Unit HM.CLAUSE inaugurated the extension of its research center in Saint-Rémy de Provence (France).

At the same time, organization in Business Units guarantees a much finer knowledge of customer needs, with teams operating very closely to highly segmented markets, and working together in tight collaboration in plant breeding*, product development and marketing. Moreover, opening new sites increases proximity to highly segmented markets and contributes to the chances of winning business there. For this purpose, and during the course of this past fiscal year, a subsidiary was opened in South Korea, a high potential market.

Similarly, the modernization and extension of certain production sites directly participate in the final quality of the product and customer satisfaction. Investments are regularly made to improve the different sites of Vilmorin & Cie everywhere in the world.

STRENGTHENING POSITIONS BY TARGETED EXTERNAL GROWTH OPERATIONS

Vilmorin & Cie's objective is to reinforce its positions on the most mature markets (Europe, Middle East, North America) while developing business in new emerging zones, in particular in Asia. Consequently, operations undertaken to consolidate the current geographical set-up, and solidify the key zones and crops that are less prominent in the line-ups in the Business Units will continue in the years to come.

To illustrate this objective, the acquisition, in February 2016, of the company Genica Research, based in the United States, will enable Vilmorin & Cie to strengthen its positions on major crops (sweet pepper, hot pepper, cucumber, summer squash and tomato in particular), while consolidating its presence in the United States, Mexico, Spain, Italy and the Middle East.

This information is presented in more detail on page 21.

Furthermore, Vilmorin & Cie will continue, beyond its solid anchorage in Japan, to strengthen its presence in Asia (Southeast Asia, South Korea, India, etc.), by purchasing stakes, making acquisitions and developing partnerships.

The acquisition of the Vietnamese company Tropdicorp, finalized during fiscal year 2014-2015, illustrates this objective, and enabled Vilmorin & Cie to strengthen its presence in Southeast Asia. At the same time, in India, once again this past year, sales increased considerably, confirming the successful integration of the company Century Seeds, acquired in 2012-2013.

As for China, a zone where Vilmorin & Cie cannot afford to be absent because of the high level of vegetable production, it nevertheless requires a gradual, careful approach because of the difficulties involved in protecting intellectual property. Vilmorin & Cie's presence and development are the responsibility of breeding* stations and distribution networks for all the Vegetable seeds Business Units.

1.6.4.2. CORN SEEDS: BECOME A GLOBAL PLAYER

As the largest seeds market in the world in terms of value, representing 200 million hectares in 2015 (grain corn and forage corn), corn is quite naturally a strategic crop for Vilmorin & Cie.

In spite of a context that remains difficult for field seed markets, leading to tighter management of the Company's investments, Vilmorin & Cie is pursuing the implementation of its strategic plan to become a global player for this crop. This plan is based on the combination between regional Business Units, something very specific

to Vilmorin & Cie, and global functions - research and strategic marketing – to ensure coordination of these cross-cutting functions throughout the world.

In this respect, the networking of genetic resources* for corn means their management can be optimized, so they can benefit from high levels of synergy. The genetic resource* flows between the tropical and temperate zones of the world therefore contribute to increasing the efficiency of research.

BECOMING A MAJOR PLAYER ON THE EUROPEAN CORN GRAIN MARKET

The world market for corn is divided between grain corn (more than 90% of world acreage) and forage corn, essentially a European crop. Vilmorin & Cie needs both to consolidate its leadership on the forage corn segment and, in a context where its competitive positions in corn are becoming more and more international, strengthen its presence on the grain corn segment, by bringing out novel products. Research programs have been redeployed to extend the existing line-ups through innovations specifically developed for this segment, particularly for early grain corn, to better meet the needs of farmers (higher yields, resistances to diseases, etc.).

INTERNATIONALIZING BUSINESS BEYOND THE MAIN POSITIONS IN EUROPE AND NORTH AMERICA

Historically present on the corn market in Europe and in North America, Vilmorin & Cie can use these solid bases to branch out towards a wider market.

Capitalizing on its expertise in field seeds and on the proven solidity of its development model, in 2010 Vilmorin & Cie fixed a strong ambition: to become a top international player in corn. This objective implies rapid internationalization of its positions in corn on new, fast-growing markets, and to set up business here sustainably:

- South America, with Brazil in particular,
- Asia (India, China and Southeast Asia),
- and Africa.

This internationalization will enable Vilmorin & Cie to aim for a much more significant share of this market for corn: by integrating South America, Asia and Africa, Vilmorin & Cie is now targeting around 85% of the world acreage for corn, as opposed to about 30%, with presence exclusively in Europe and North America.

Furthermore, conquering new frontiers is an opportunity to approach corn with a more comprehensive vision of the crop. It will enable Vilmorin & Cie to enrich its research process, gain access to complementary genetic resources*, particularly for tropical corn, and to work in extremely varied climatic environments with different objectives in the use of corn.

The first stages in this ambitious action plan have been to set up Business Units on these different markets in order to form development platforms. Acquisitions and research partnerships have been achieved for several years in order to establish the right conditions and best advantages for the deployment of these activities. In 2015-2016, Vilmorin & Cie therefore pursued its development in these new zones, while providing greater structure to the organization: by opening new research centers in several countries, it is finalizing its organization for this purpose. This information is presented on pages 25-26.

South America

Historically, South America has provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season seeds, to extend the period when products are available in the northern hemisphere. As a complement to this strategic advantage, this continent, and particularly Brazil, now represents a key development orientation for field seeds. Corn is a widely grown cereal here and the use of genetically modified varieties is very widespread: Brazil has become the second world market in terms of GM* corn acreage.

Vilmorin & Cie prefers a gradual approach to its development in South America, with the aim of reinforcing its existing organization in Brazil before envisaging its development in neighboring countries. In a country where soybean is a major crop, in 2015-2016 the Company extended its commercial line-up, and now offers soybean seed varieties to Brazilian farmers. It thus has a further advantage to approach this market and optimize its cover.

Vilmorin & Cie's ambition in Brazil is to double its corn market shares within 5 years, relying on a line-up comprising innovative conventional and genetically modified seeds, combining genetic resources* and proprietary technologies.

Asia

In Asia, the largest geographical continent for corn acreage, with 57 million hectares in 2015, Vilmorin & Cie has defined priority zones for action and investments: India, China, and Southeast Asia.

Vilmorin & Cie's long-term growth in these areas means extending its present number of sites through new partnerships or acquisitions. Access to local genetic resources*, just like in other regions of development, is an essential step. An increase in the field seeds business in Asia will initially require selling high added value conventional corn seeds, and possibly at a later stage, the introduction of GM* varieties that will better respond to the need to improve yields. To date, only the Philippines and Vietnam have adopted GM* corn in Asia.

- In India, Vilmorin & Cie has strong strategic ambitions. With a market share of around 7% in field seeds, Vilmorin & Cie's objective

is to continue to win market shares in the corn sector. After taking full control of Bisco Bio Sciences in 2013, one of the top Indian players in corn seeds, Vilmorin & Cie has created a facility which has a number of trump cards to help it achieve its ambitions in this sub-continent: adapted and shared genetic resources*, breeding* centers and local production units, reinforced through an extensive sales network.

Furthermore, Vilmorin & Cie will soon be strengthening its hybrid* rice program in India, which will mean it can complete its product portfolio for this essential crop on the market.

- In China, Vilmorin & Cie has adopted a determined, specific development policy. In this key country, Vilmorin & Cie has to develop business growth in conditions that guarantee protection of intellectual property and its values, particularly in terms of management and organization model.

Moreover, foreign companies are limited by law to a minority stake in the capital stock of Chinese seed companies, and so access to genetic resources* and their conditions of use must be assessed carefully before any investment. In such a context, direct implantations and partnerships with important local seed companies remain the two privileged options in Vilmorin & Cie's development policy in this zone.

In this respect, in September 2015, Vilmorin & Cie obtained authorization from the Chinese authorities for the creation of a joint venture for the production and distribution of corn seeds with the company Anhui Hengji Seeds. This new structure, named Hengji Limagrain Seeds, is thus fully operational.

Vilmorin & Cie also has a network of research sites located according to different types of corn, which means it can breed seeds adapted to local agronomic conditions.

- As far as Southeast Asia is concerned, this became a new high potential region for Vilmorin & Cie in fiscal year 2013-2014, with the acquisition of the company Seed Asia (Thailand), specialized in hybrid*, tropical corn. Besides being present commercially in Southeast Asia, (Thailand, Cambodia, and ultimately Indonesia) through this operation, Vilmorin & Cie has gained access to proprietary genetic resources* of high quality also suited to other zones, (India, Brazil, southern China and Africa), and which have enriched its genetic heritage in tropical corn.

Africa

A new zone for the development of corn for Vilmorin & Cie, Africa has considerable potential for growth in the long term. Almost 34 million hectares of corn were grown here in 2015, which is around 17% of world acreage. Vilmorin & Cie first set up business on this continent in fiscal year 2012-2013, through the acquisition of the third largest seed company in South Africa, Link Seed.

In 2013-2014, Vilmorin & Cie purchased a minority participation in Seed Co, the largest seed company in Africa: on June 30, 2016, this participation stood at 30.4% of Seed Co's capital stock.

Seed Co, which owns an extensive base of infrastructures (six factories and six research stations) spread out over the continent, holds leading positions in several countries (Zimbabwe, Zambia, Malawi, etc.). The company also aims to develop in other regions in Africa.

Vilmorin & Cie is continuing to strengthen its partnership with Seed Co: this collaboration today involves the development of operational partnerships that mainly concern research, and several other projects have been initiated, in order to accompany the fast growth of yellow corn in Africa. Vilmorin & Cie is thus pursuing its progressive integration on the African market.

PURSUING INNOVATION IN PLANT BREEDING AND DEVELOPING A PROPRIETARY LINE-UP OF GENETICALLY MODIFIED VARIETIES

With an adoption rate of 29% of world acreage in 2015 (*Source: ISAAA 2016*) the market for genetically modified corn seeds today represents more than 10 billion US dollars (*Source: Phillips McDougall 2016*) and is characterized by more and more complex products, often stacking several traits* in the same variety.

In this context, Vilmorin & Cie aims to take up position among the few technology providers in the world and to develop a proprietary line-up of transgenic corn varieties:

- so-called first generation: with traits* for tolerance to herbicides and resistance to insects, intended primarily for American markets (North and South America), and for other potential GM* markets (Europe and Asia),
- so-called second generation intended for the world market: improving yield, integrating better tolerance to drought or with an improved utilization of nitrogen fertilizers.

With this objective in mind, Vilmorin & Cie is counting on a number of complementary sources:

- As a complement to GMO* traits* for corn currently being licensed in, Vilmorin & Cie is working on the development of corn seed varieties integrating its own technologies.

This research is being conducted through Genective, a 50/50 joint venture between Vilmorin & Cie and KWS in order to develop proprietary GMO* traits* for corn. The first authorizations were obtained in September 2013 in the United States, and in February 2014 in Canada, for a proprietary trait* of tolerance to the herbicide glyphosate.

On top of the files already registered in various other countries, this success has enabled Genective to submit this trait* for authorization to import into other countries, such as China for example; this authorization is pending.

■ At the same time, in October 2015 Vilmorin & Cie and KWS announced they had signed long-term license agreements with Syngenta, concerning GMO* traits* for corn.

These agreements provide Vilmorin & Cie with the authorization to use, for commercial purposes, present and future GMO* traits* for corn developed and sold by Syngenta. These agreements also provide for the combination of these traits* with those developed by Genective; they also include AgReliant⁽¹⁾ for North American markets.

These agreements significantly supplement and strengthen Vilmorin & Cie's technological platform. Indeed, the possibility of combining its proprietary genetic resources* with a wider range of highly competitive traits* – including those developed by Genective – will make it possible to offer farmers throughout the world a greater number of options and corn seed varieties that are extremely competitive in meeting their needs.

Vilmorin & Cie could thus commercially launch the first products, integrating first generation traits*, in the medium term on markets that are open to GMOs*.

1.6.4.3. WHEAT SEEDS: BECOMING THE WORLD REFERENCE FOR THE MOST WIDELY GROWN CROP IN THE WORLD

UTILIZING A FUNDAMENTAL LEVER: INNOVATION

Wheat is the most widely grown cereal in the world with nearly 222 million hectares in 2015 (*Source: USDA*), and is the staple food for one third of the world's population. In order to satisfy constantly increasing food needs, the world production of wheat needs to increase by 60% before 2050.

Yet wheat is suffering from low yields, and this represents a serious risk for the world food balance. This situation can be explained by a lack in any major innovation in this crop and consequently the really low use of commercial seeds. The seeds sector is thus working to come up with more efficient seeds, guaranteeing a better yield.

Vilmorin & Cie is particularly well positioned to contribute to the conversion of this market into a seed market that offers high yields as a result of genetic progress, with GM* seeds being developed, and then, at a later date, hybrid* seeds.

CONSOLIDATING THE POSITION OF LEADER IN EUROPE

As the leader in Europe for straw cereals (wheat and barley), Vilmorin & Cie is empowered by its historical expertise and high-quality genetic resources* obtained through acquisitions and specialized partnerships. Today in wheat, it holds almost 12% of the market in Europe with market shares exceeding 20% in certain countries. Vilmorin & Cie's ambition is to maintain and strengthen its position as No. 1 in Europe. In particular this involves the creation of varieties that meet farmers' needs even better, and the strengthening of its genetic resources* on a case-by-case basis.

PROGRESSIVELY CONQUERING NEW FRONTIERS AND DEVELOPING SOLID INTERNATIONAL PARTNERSHIPS

With this European leadership, Vilmorin & Cie has all the benefits required to stand out as the world reference for this strategic crop. Targeting the main wheat production areas, i.e. the Americas, Australia and Asia, its particularly dynamic conquering strategy is aimed at the constitution of a portfolio of genetic resources* perfectly adapted to local climatic conditions, access to, and development of, innovative technologies and the setting up of new distribution networks.

■ The United States represented the first major objective for Vilmorin & Cie. Launched in 2009, its wheat seed development plan for this zone means that it now has an efficient platform to distribute high yield seeds.

Furthermore, the signing, at the beginning of 2016, of a collaboration agreement with the Colorado Wheat Research Foundation and the company Albaugh means Vilmorin & Cie can take a step forward in its development of this crop. Indeed, this agreement, which targets the development and distribution of wheat varieties with a non-GMO* trait conferring resistance to a generic herbicide, also involves an exclusive license granted to Vilmorin & Cie, with the commitment to deploy the use of this technology worldwide.

This information is presented in detail on page 27.

Moreover, Vilmorin & Cie has also initiated its presence on the Canadian market for wheat. At the beginning of July 2015, Vilmorin & Cie and the Canadian seed company Canterra Seeds

(1) A 50/50 joint venture created in July 2000 with the German seed group KWS.

created a joint venture devoted to research and the development of new cereal varieties, in particular wheat. This joint venture already has a fully operational wheat research center located in Saskatoon (Canada).

This operation is the consequence of changes to Canadian legislation, which, in the coming years, should result in the application of royalties on wheat seeds, and provide direct remuneration to research. Canada would therefore be positioned among the top world players for this crop.

This information is presented in detail on page 27.

- Australia is an extremely important market for wheat seeds, and already has an efficient royalties collection system. Since 2008 Vilmorin & Cie has benefited from a strategic partnership with the company Australian Grain Technologies (AGT), the Australian leader for the breeding*, development and distribution of innovative wheat varieties, which holds more than 45% of market shares. It also benefits from existing agreements with the two wheat research leaders in Australia – ACPFG and CSIRO⁽¹⁾ – to develop wheat optimizing the use of nitrogen adapted to local conditions.
- At the same time Vilmorin & Cie is pursuing its strategy to internationalize its positions on other major markets, and particularly in Asia, which is the largest market in terms of wheat acreage and production, and in South America. In 2014-2015, Vilmorin & Cie entered the Brazilian wheat market, which offers great potential, through the acquisition of the assets of the company DNA, a research company for tropical wheat. The objective is to take up a prominent position on the wheat market in Brazil and other South American countries, by developing wheat varieties with improved qualities and a high potential for production. Finally, in southern Africa, the company Seed Co, in which Vilmorin & Cie holds a minority stake, also owns and develops wheat seed activities.

1.6.5. OBJECTIVES FOR 2016-2017

For 2016-2017, Vilmorin & Cie aims to pursue the deployment of its development and innovation strategy, in a long-term perspective, while taking into account the unfavorable market conditions for field seeds, which had a negative impact on the results for the third consecutive year. Consequently, Vilmorin & Cie will continue to implement the specific measures announced in April 2016:

- Moderate growth in research and development investment.
- Set as a priority the integration of recently acquired structures, without excluding the possibility, in a highly selective approach, of seizing any adequate opportunities to consolidate its activities.
- Manage more tightly all the operating charges and industrial investments.

1.6.5.1. VEGETABLE SEEDS

After an extremely dynamic year once again in 2015-2016 for this activity, Vilmorin & Cie's aim for 2016-2017 is to strengthen its leadership in vegetable seeds and to develop more particularly in emerging countries. The objective is, just as in previous years, to achieve growth in sales that is higher than the estimated progression of the market.

Pursuing innovation in plant breeding will enable Vilmorin & Cie to win new market shares by ensuring that its product line-up is regularly renewed. Moreover, Vilmorin & Cie will deploy its new organization around three Business Units, following the joining of the Business Units Vilmorin and Mikado Kyowa Seed, so that it can approach the priority continent of Asia more efficiently.

1.6.5.2. FIELD SEEDS

In a market context that will probably remain difficult, Vilmorin & Cie is approaching 2016-2017 with the ambition of strengthening its positions in the different territories where it has set up business, considerably broadened in recent years, both for corn seeds (South America, Asia and Africa) and wheat seeds (North and South America).

This objective is founded on the continuing implementation of its strategic plan for Field seeds, aiming specifically to reach an uncontested position as global player in corn seeds.

FIELD SEEDS IN EUROPE

In Europe, Vilmorin & Cie's objective is to consolidate its commercial positions in market conditions that remain tense, especially thanks to the flow of new corn seed products (grain corn and forage corn).

FIELD SEEDS IN NORTH AMERICA

In North America, AgReliant⁽²⁾, No. 3 player on the corn market in the United States, aims to continue to consolidate its market shares. Furthermore, fiscal year 2016-2017 will be devoted to exploiting the agreements signed with Syngenta in October 2015 concerning GMO* traits* for corn.

(1) ACPFG: Australian Centre for Plant Functional Genomics. CSIRO: Commonwealth Scientific and Industrial Research Organisation.
(2) A 50/50 joint venture created in July 2000 with the German seed group KWS.

CORN SEEDS IN NEW DEVELOPMENT ZONES

In 2016-2017, Vilmorin & Cie will be devoting energy to the reinforcement of its presence in its new development areas (South America, Asia and Africa), with the objective of achieving another increase of volumes sold, while raising the level of profitability.

As a complement to corn, positioned as the strategic crop, Vilmorin & Cie will continue to deploy its activities through a portfolio of complementary crops, depending on each market, so that Vilmorin & Cie can increase its visibility, particularly soybean in Brazil and rice in India.

The strengthening of partnerships with Seed Co in Africa, and the development of business through the joint venture Hengji Limagrain Seeds in China will also be included in the priorities.

WHEAT SEEDS IN NORTH AMERICA AND NEW DEVELOPMENT ZONES

Vilmorin & Cie will continue to strengthen its global wheat network during the course of 2016-2017.

In North America, Vilmorin & Cie will continue to structure its wheat seeds business, particularly by reinforcing its partnerships with American universities. In the short-term, the objective is to develop

the distribution of conventional wheat seeds. Vilmorin & Cie will make further progress in the deployment of cooperation agreements initiated in 2015-2016, on the one hand with the Colorado Wheat Research Foundation and Albaugh, and on the other hand with the Canadian company Canterra Seeds.

1.6.5.3. GARDEN PRODUCTS

En 2016-2017, Vilmorin & Cie aims to begin the redirection of its business model, particularly in terms of its line-up and distribution techniques, in order to strengthen its presence for all the solutions proposed to home gardeners, and thus initiate its response to new market trends.

For this purpose, Vilmorin & Cie will continue to highlight its flagship brand Vilmorin with consumers.

From an operational point of view, the objective for 2016-2017 is to redeploy its activities in France, and continue to build up business in Poland, while providing impetus to export markets. Additionally, Vilmorin & Cie will be making considerable effort, alongside its customers, to consolidate service quality and offers.

1.7. RISK FACTORS

1.7.1. RISK MANAGEMENT ORGANIZATION

Through its business activities, Vilmorin & Cie is exposed to risks of different natures (operational, financial and cross-functional). Risk management is an integral part of the global strategy at Vilmorin & Cie, which is pursuing the construction and permanent improvement of its organization in this respect.

During the course of fiscal year 2015-2016, Vilmorin & Cie's risk management program continued its consolidation, with the furthering of its operational anchorage in the Business Units and the broadening of its actions within the recently created Progress Department. This department includes the CSR, legal affairs, quality and insurance departments, thus contributing to the cohesion of the second line of defense in the organization when faced with risks liable to affect Vilmorin & Cie.

The risk management program and its governance are described in the Chairman's report on the functioning of the Board of Directors and internal control. (cf. page 78).

The main risk factors to which Vilmorin & Cie believes it is exposed, which it considers significant or liable to become so, on the date of the present Annual Report, are described hereafter. Other risks – which Vilmorin & Cie is not aware of on the date of this Annual Report or which it doesn't consider to be significant on this same date and which might have a negative effect on Vilmorin & Cie – might exist.

1.7.2. CRISIS MANAGEMENT ORGANIZATION

Vilmorin & Cie has set up an organization for crisis management, involving different functions in the company and which is devolved in the Business Units. This organization is founded on dedicated tools (the crisis management manual, for example).

During fiscal year 2015-2016, several events justified the mobilization of the Group's crisis unit within the Business Units concerned. The new organization, implemented in 2014-2015, has thus demonstrated its efficiency.

The lessons drawn from the different events occurring this year were exploited in such a way as to improve on the internal processes for crisis management.

1.7.3. OPERATIONAL RISKS

1.7.3.1. RISKS RELATED TO THE COMPETITION

Identification of the risk

A sudden change in the competitive environment or a disruptive innovation coming from a competitor are both risks that need to be envisaged. First of all, since agriculture is a priority focus for many governments, a new player with support from the public authorities from its country could emerge and call into question the balance of the competing forces worldwide. Moreover the introduction by a competitor of a disruptive innovation in terms of plant breeding research, technology, or more generally a business model might expose Vilmorin & Cie to the loss of a competitive advantage on one of its business segments.

Managing the risk

The spread of Vilmorin & Cie's business, both in terms of business segments and geographical zones helps to limit these risks.

Furthermore, Vilmorin & Cie reinforces its positions on vegetable seed and field seed markets by devoting sustained investment to research, by launching several hundred new varieties on average every year, and by developing numerous collaboration agreements with research institutes with a world-reaching reputation.

The Development Department is responsible for producing a forward vision and exploring new topics to accompany Vilmorin & Cie's growth, in terms of activities and products in particular. Within the Development Department, the strategic and competitive intelligence department that analyzes market trends follows the evolution of the strategy of competitors and detects any weak signals.

1.7.3.2. RISKS RELATED TO THE GEOPOLITICAL ENVIRONMENT

Identification of the risk

Vilmorin & Cie has sites in 46 countries and does business in almost 150 countries. The group's employees and activities are liable to be affected, whether directly or indirectly, by a period of economic, political or financial instability affecting the situation of agriculture and farmers (war, revolution, major social conflicts, devaluation, unsecured funding for farmers, etc.).

Moreover, since agriculture is considered to be a strategic business sector in many countries, local authorities may implement restrictive policies for foreign investors: foreign exchange control, protection of intellectual property rights, local indebtedness, repatriation of flows and the capital invested, or even nationalization of agriculture.

Managing the risk

Vilmorin & Cie cannot affirm that its results would not be affected by an upheaval in the economic, political or regulatory conditions, or by a crisis in certain countries in which it is present.

However, Vilmorin & Cie's international development has created a diversified geographical spread, limiting the concentration of this risk in a given country.

Furthermore, any risks related to countries are also considered when making decisions on investments and the location of industrial, scientific and commercial assets: foreign exchange facilities, political stability, protection of intellectual property, etc.

1.7.3.3. RISKS RELATED TO EXTERNAL GROWTH OPERATIONS

Identification of the risk

Vilmorin & Cie's strategy is based on a combination of organic growth and external growth. Working within a seeds industry that is continually growing more concentrated, the risk would be to make an external growth operation that turned out to be inappropriate or, on the contrary, to be incapable of achieving operations that turned out to be the most promising, particularly in a context where potential targets are rare, and where there is strong competition between players with very different scales of financial resources. The failure of an external growth operation might also result from a breakdown in the process (analysis, structuring and integration).

Managing the risk

In order to deal with these risks, Vilmorin & Cie has set down a specific process for mergers and acquisitions, from the identification of targets right up to their integration, in which several departments are involved, both at group level and Business Unit level. Each stage in the process is reviewed and validated by Vilmorin & Cie's management bodies. Acquisitions form part of the mid-term strategic plan which is reviewed every year, so that funding needs can be anticipated, and funding sources identified.

1.7.3.4. PRODUCT QUALITY RISKS

Identification of the risk

Once created and registered, seed varieties are produced in the fields. In order to produce its seeds (conventional and genetically modified field seeds, conventional vegetable seeds), Vilmorin & Cie makes use of a vast international network of seed multiplication farmers*.

Vilmorin & Cie must respect its obligations with regard to legislation, to its contracts and to customer requirements, by reducing its exposure to risks of product non-conformities. Product non-conformities can have serious financial consequences, which may be amplified when the seeds are disseminated in different countries in the world, and by the complexity of regulations.

Moreover, Vilmorin & Cie's reputation, its financial results, and the market value of products could be negatively affected in cases of:

- contamination of seed lots, particularly for vegetables, by parasites or bacteria,
- unintended mixes of conventional seeds and genetically modified seeds (physical mixing or contamination by genetically modified pollen flows),
- errors in analysis results for the group's products, controlled by analytical laboratories, either internally or by external providers.

Managing the risk

Vilmorin & Cie has a quality management system, redeployed in its operating structures. Its mission is to ensure the conformity of its conventional and GMO* products through a network of correspondents, for its activities of research, production and sales.

The system is based on a precise and detailed document system (guidelines, procedures, etc.). Deployment of the GMO* quality reference manual is backed up by internal training for users. Regular audits are carried out to validate the system is correctly implemented, with traceability of research processes, trials, production, processing, and distribution, in order to limit the risks of unsolicited mixes, seed non-conformities and labeling errors.

In order to guarantee the quality and reliability of the products sold, a quality control and traceability organization has been implemented along with analytical plans to follow. Moreover, in order to control the quality of seed production, Vilmorin & Cie is extremely careful to set up contractual relations with its network of seed multiplication farmers* They are rigorously selected with a view to medium- or even long-term partnerships.

As far as GMOs* are concerned, Vilmorin & Cie has specific analytical controls conducted. These controls are run by accredited laboratories which are regularly tested and validated by the quality management department in order to guarantee the reliability of the results. Moreover, for responsible management of GMOs*, Vilmorin & Cie is a member of the ETS⁽¹⁾ (Excellence Through Stewardship) network, and applies the quality management system to the full life cycle of the GM* product: research, production, marketing, sales, crisis management and product end. Vilmorin & Cie was successfully audited by ETS in 2015, concluding a cycle of 3 years.

1.7.3.5. RISKS RELATED TO PROCUREMENT

Identification of the risk

Vilmorin & Cie's activities are highly seasonal, and sensitive to climate risks and supply hazards. Whether the reasons are climate-related, technical, geopolitical, contractual, etc., the consequences of risks related to procurement may have a strong impact on Vilmorin & Cie.

Managing the risk

The production plan⁽²⁾ plays a major role in limiting risks related to procurement. As a vital aspect in the appropriate supply of markets and also control over inventory levels, the production plan is set up with regard to different factors: market needs, harvest results, commercial lifespan and keeping quality of each variety, and also production zones. Coordinated by the production managers, this plan is confirmed by the General Management in each company.

In terms of climate and weather risks, the varied international locations of production areas and research stations make it possible to share out and limit the risks related to meteorological uncertainty, and ensure regular high-quality seed production. As far as production is concerned, the highly seasonal nature of the business, the specific needs of the different crops and the variations in demand all mean that sites need to be set up all over the world. There are about twenty

production basins spread out over all continents, both in the northern and southern hemispheres, to ensure this risk is under control.

1.7.3.6. RISKS RELATED TO RESEARCH

Identification of the risk

In order to develop tomorrow's seeds and ensure its future growth, Vilmorin & Cie permanently invests in research and development projects. Today these investments represent almost 15% of its professional sales⁽³⁾.

Vilmorin & Cie's competitiveness could be affected in cases of:

- a mismatch between the research projects launched and future market needs, bearing in mind the long duration of research cycles (7 to 10 year to create a new seed; 10 to 15 years to develop a new trait*),
- an imbalance between the distribution of investments granted to different research and development projects, the targets being insufficiently diversified, or markets being targeted with no potential or inappropriate timelines.

Managing the risk

Vilmorin & Cie has adopted several measures in order to secure its investments in research. On the one hand, permanent work on scientific, technological and competitive intelligence is carried out and several international partnerships provide information on the identification of emerging trends and breakthroughs that Vilmorin & Cie and its environment will be confronted with tomorrow. Moreover, Vilmorin & Cie relies on research orientation committees for each activity and the management of project portfolios to assess research programs and make sure the balance of investment fits in with market trends and ensures current programs will be profitable.

(1) Reference system set up at the initiative of the international seed industry.

(2) Depending on crops and varieties, the production plan is built up on the basis of sales forecasts for the following year. These forecasts are made with regard to inventories, customer opportunities and market trends. The production plan aims to define the crops and varieties to be produced, the places and quantities for production, depending on climate risks, production sites, earliness, average yields and producers.

(3) Integrating the activities of the North American company AgReliant held 50%.

1.7.4. FINANCIAL RISKS

1.7.4.1. DETERIORATION OF THE WORKING CAPITAL NEEDS

Identification of the risk

Vilmorin & Cie runs worldwide business that is, in part, sensitive to climate hazards and the evolution of agricultural markets. If there is an unanticipated deterioration of the different components of its working capital needs, the group might see a corrosion of its financial ratios and economic performance.

Managing the risk

The measures implemented to limit the risks related to procurement are described above (cf. section 1.7.3.5.).

Efficient management of the quantities and quality of seed inventories is therefore a key aspect in the group's strategy.

With regard to its customer portfolio, Vilmorin & Cie is not globally confronted with excessive concentration of its customers that might lead to a sudden drop in business.

The risks of failing to recover customer debts are generally moderate. Vilmorin & Cie's subsidiaries provide suitable solutions according to their particular businesses.

The company has a wide portfolio of customers:

Evolution of the weight of the main customers in sales

(as a % of consolidated sales)

	15-16	14-15	13-14
Weight of the top 5 customers	7.1	7.0	5.9
Weight of the top 10 customers	10.8	9.8	8.0

Finally, as far as its relations with suppliers are concerned, Vilmorin & Cie pays careful attention to make sure there is no economic dependence, and manages a significant part of its procurement and purchasing conditions through a dedicated internal organization, comprising representatives from different Business Units, structured in steering committees for each major category of products and services.

1.7.4.2. RISKS REGARDING EXCHANGE RATES, INTEREST RATES AND MARKETS

Identification of the risk

As it conducts its business, Vilmorin & Cie is naturally exposed to risks related to exchange rates and to the volatility of interest rates and the prices of certain agricultural raw materials.

Managing the risk

More detailed information, with figures on the group's exposure to these risks, is presented in the notes to the consolidated annual statements.

Bearing in mind the size of Vilmorin & Cie and its international dimension, procedures have been set up in order to better identify these risks and control them.

For this reason the Corporate Finance Department more particularly manages both for Vilmorin & Cie and its subsidiaries:

- the search for diversified and suitable financial resources,
- an intra-group mutual management procedure to deal with currency translation risks with group forward cover strategies,
- specialized cash flow and interest rate risk management tools (cash flow agreements, forward cover instruments).

On June 30, 2016, Vilmorin & Cie's consolidated bank debt mainly involved funding at a fixed rate, with 450 million Euros from a debenture loan, and 79 million Euros from the Schuldschein funding.

During the course of fiscal year 2013-2014, Vilmorin & Cie set up a syndicated bank loan of 300 million Euros with its reference banking partners, structured in the form of a revolving credit facility with maturity after five years, the due date being in May 2019, and involving two extension options, each for one year. In fiscal year 2015-2016, Vilmorin & Cie exercised its option for a second extension. On June 30, 2016, this credit facility had been partially used for a total of 67.6 million Euros. This credit facility is accompanied with the commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial charges); on June 30, 2016, Vilmorin & Cie complied fully with this commitment.

At the same time, over the past fiscal years, Vilmorin & Cie has pursued its banking disintermediation strategy through an unrated inaugural public bond issue for a total of 300 million Euros, with initial maturity of seven years, completed through a tap of 150 million Euros.

As far as the potential impact of the volatility of certain agricultural raw material prices is concerned, it should be emphasized that the network of seed multiplication farmers* to which Vilmorin & Cie entrusts the production of its seeds meets very strict specifications, one of the main points being that the purchasing price of the seed is pre-defined. These specifications comprise fixed or variable prices which are not structurally indexed on the evolution of the prices of agricultural raw materials. Therefore the contractual system set up allows Vilmorin & Cie to preserve considerable economic independence.

Furthermore, Vilmorin & Cie occasionally uses forward cover instruments, essentially for its North American field seeds activities, to compensate for the evolution of agricultural raw material prices and thus gain better control of the potential volatility of its procurement costs.

1.7.5. CROSS-FUNCTIONAL RISKS

1.7.5.1. IMAGE RISKS

Identification of the risk

Through its business activities, Vilmorin & Cie is exposed to public attacks of all kinds and all origins, whether well-founded or not, sincere or otherwise, which might damage its image and reputation.

Such events could have negative effects on Vilmorin & Cie's sales, income, image, attractiveness and development perspectives.

Managing the risk

In order to limit the proliferation, range and impact of criticisms and attacks against the group, Vilmorin & Cie has implemented measures to prevent this risk and be in a position to react in the case of a media crisis. The Communication and Institutional Affairs department, which is more specifically in charge of crisis communication, has organized its approach around several points:

- the strengthening of relations with national and local administrations, by presenting the Group, its activities and its installations, its challenges and potential risks. This preventative action means there is greater comprehension and proximity in times of crisis, in situations where the intervention of these services is required.
- the development of regular communication with the regional and national media to facilitate their understanding of the group and initiate quality dialogue.

- awareness development and training for the representatives and spokespersons of the group. They each have a crisis communication guidebook and specific media-training programs are run depending on the maturity and sensitivity of the subject.

Specific web monitoring, flexible and multi-lingual (social media, websites, blogs, etc.) are also part of this system.

Moreover, the group's Code of Conduct is disseminated to employees to provide guidance in their actions and behavior, thereby ensuring integrity and ethics are respected

1.7.5.2. LEGAL RISKS

ANTI-TRUST RISK

Identification of the risk

Vilmorin & Cie does business in a competitive environment where there is growing concentration of players. Legislation aiming to prevent these economic players from restricting or distorting competition on a particular market, imposes, in cases of infringement, fines calculated as a percentage of the sales of the group concerned.

Managing the risk

Knowing the rules, and integrating them in specific codes of conduct, and early enough in reflections, are both essential in preventing such risks.

Naturally, Vilmorin & Cie is committed to respecting legal and regulatory provisions, both national and international, with regard to laws on competition. The whole network of the group's lawyers is required to supply any information and assistance necessary to make sure that legislation in force is known and applied in the Company and all its subsidiaries.

Training, advice and the dissemination of guidelines are some of the actions undertaken to satisfy this objective.

These actions are monitored and are the subject of specific reports (indicators) within the framework of the CSR action plan. Moreover the Code of Conduct includes reminders concerning the rules of business ethics.

RISKS RELATED TO INTELLECTUAL PROPERTY

Identification of the risk

Vilmorin & Cie's business relies on the exploitation of intellectual property rights, which protect its innovations (patents, Proprietary Variety Protection Certificates...), and its products and services (brands, models). The acquisition, management and defense of such rights, which constitute major strategic assets for Vilmorin & Cie, require particular precautions.

The questioning of the validity of intellectual property rights, and the related rights, is a risk that Vilmorin & Cie might well be faced with.

Moreover, Vilmorin & Cie's activity requires access to genetic* resources in order to develop new varieties adapted to the needs of farmers throughout the world. In this respect, Vilmorin & Cie is exposed to different risks, particularly that of unduly using protected genetic material without the adequate authorizations. This risk could, on the one hand, be related to new regulations such as the Convention on Biological Diversity (CBD), and on the other, to changes in practices in the seed industry. Indeed, the seed industry, alongside the traditional intellectual property tool of the Proprietary Variety Protection Certificate (PVPC), is increasingly using patents to protect its innovations. Therefore claims could be made against Vilmorin & Cie.

These risks could weaken the Company, affecting its results and/or damaging its image and its reputations.

Managing the risk

Vilmorin & Cie has a Coordination Committee composed of experts from the Legal Affairs and Scientific Affairs departments who work very closely on intellectual property issues. Supported by a solid legal framework and a network of expert lawyers on this subject, Vilmorin & Cie uses tools to protect its rights and innovations.

One of the clauses in the group's Code of Conduct⁽¹⁾, states that each employee in the group must ensure that creations and innovations benefit from adequate protection of intellectual property, which is essential for the company's sustainability and development.

Moreover, traceability and documentation of biological material used in breeding programs are indispensable to ensure authorizations for use. This process is based on written collection procedures laid down for this purpose, and on the training of employees at Vilmorin & Cie and its subsidiaries on this subject.

At the same time, Vilmorin & Cie lobbies public authorities for a breeder's exemption to be included in legislation on patents,

so that a plant protected by a patent can nevertheless be used for breeding* purposes. Moreover, in order to facilitate the acquisition of patents⁽²⁾ protecting plant innovations, Vilmorin & Cie participated in the creation of the International Licensing Platform Vegetable: <http://www.ilp-vegetable.org/>.

LITIGATION

As they run their business, Vilmorin & Cie and its subsidiaries are sometimes required to find solutions to various kinds of litigation. These situations are immediately examined in detail, with the risks and responsibilities analyzed, resulting in the appropriate course of action to be taken in the subsidiaries, in liaison with Vilmorin & Cie's legal services.

With the exception of litigation for which provisions have already been made, on June 30, 2016, the company had identified no other litigation that might affect its financial situation significantly.

To the knowledge of the company, there is no other governmental, judiciary or arbitration procedure in progress, or threatening to arise, concerning the past twelve months that is liable to have, or indeed has had, any significant effects on the company's financial situation or profitability.

IMPORTANT CONTRACTS OUTSIDE THE NORMAL COURSE OF BUSINESS

Vilmorin & Cie runs its business activities through a large number of suppliers and a diversified clientele.

Within the framework of its Field seeds business in North America, Vilmorin & Cie has signed agreements for pluriannual licenses to use technologies which enable selling genetically modified seeds.

With the exception of these pluriannual, contractual relations, for which Vilmorin & Cie has alternative solutions, there is no other important contract outside the normal course of business that is liable to have a significant and recurring impact on its financial profile.

1.7.5.3. RISKS RELATED TO HUMAN RESOURCES

Identification of the risk

One of Vilmorin & Cie's challenges lies in its capacity to attract and retain talents in all the countries where the group has sites. Vilmorin & Cie's long-lasting success is related to its performance level in innovation and relies on certain professions, particularly those related to research activities, requiring specific expertise. Any difficulty in attracting or retaining skilled staff could have a negative impact on the development of the group's activities and results.

(1) Detailed information on the Code of Conduct is presented in chapter 4, page 98.

(2) Detailed information on the PVPC and patents is presented in chapter 4, page 116.

Managing the risk

Vilmorin & Cie is pursuing the development of its employer brand to broaden its visibility and attractiveness: partnerships with schools and universities, social networks, student forums, relations with companies, etc.

Furthermore, Vilmorin & Cie has a diversified global compensation system including the redistribution of income through profit sharing to all employees. For staff working in French companies there is also an employee savings scheme. Vilmorin & Cie is gradually extending its system and has committed to a process that integrates all its employees to its health and providence social protection scheme. Detailed information is presented in part 4, page 101.

The aim of the group Careers Committee is to promote internal mobility and offer perspectives for career evolution to employees. In addition, Vilmorin & Cie encourages international mobility to support its activities throughout the world, by providing the opportunity to future employees to benefit from international professional experience through international volunteer programs (VIE).

By combining social and sustainable performance, Vilmorin & Cie promotes attachment to the group's values of progress, perseverance and cooperation, thereby developing employee loyalty. Vilmorin & Cie's strong involvement in social actions in the world demonstrates its commitments. Detailed information is presented in part 4, page 116.

1.7.5.4. RISKS RELATED TO THE SAFETY OF PERSONS

Identification of the risk

Vilmorin & Cie employs more than 6,400 permanent employees in 46 countries, working in various conditions and environments. Through Vilmorin & Cie's business activities, employees are exposed to different risks liable to provoke work accidents, in certain cases resulting in sick leave.

Particular risk factors include:

- risks related to mechanical and electrical equipment;
- risks related to the working environment;
- risks related to exposure to chemical agents;
- risks from industrial accidents;
- risks of road traffic accidents (commuting or business trip accidents).

Managing the risk

Vilmorin & Cie is pursuing its efforts in the prevention of work accidents. Aiming at a 50% reduction in accidents over a period of three years, the policy initiated in fiscal year 2014-2015 is based on a high level of management involvement and a behavioral approach to the prevention of accidents. It is now bearing its fruit, with the progressive training of all the managers in questions of security and systematic managerial safety visits.

Information on employees' health and safety is presented in part 4, page 104.

1.7.5.5. RISKS RELATED TO THE SECURITY OF STAFF AND PROPERTY

Identification of the risk

Vilmorin & Cie is exposed to risks of harm to persons, especially because of its international sites. A significant proportion of its employees, whether they are expatriates, local staff, or on business trips, are exposed to a variety of risks in different countries (acts of terrorism, armed conflicts, riots, criminal activity).

Vilmorin & Cie is also exposed to the risk of malicious attacks on its property (production plant, production inventory, products from its research, etc.). Theft and deliberate damage are the main risks involved in this category.

Managing the risk

Vilmorin & Cie has implemented a monitoring and alert procedure in countries with risks in order to limit staff exposure, for example through accompaniment during business trips or even restrictions on such trips. A reference document of risks in different countries has been written and is regularly updated. In order to provide help and information in the event of difficulties, the capacity to locate staff away on business trips at all times has been deployed. Finally repatriation solutions have been set up.

This organization has been completed by crisis management procedures dealing with the nature of these risks.

With regard to risks of attacks on property, Vilmorin & Cie is permanently reinforcing the protection systems at its research sites.

1.7.5.6. RISKS RELATED TO INFORMATION SYSTEMS

Identification of the risk

The information system and IT infrastructures play an ever-greater role in the management and development of Vilmorin & Cie. The main risks concern the availability, the integrity and the confidentiality of data. Any failure of the information system, its infrastructures and the network or data centers (centers that manage, host and process data), and any loss of data, whether accidental or intentional, could have a negative impact on Vilmorin & Cie's business and its results.

Managing the risk

The most sensitive applications and data are hosted in different data centers exploited by companies with recognized know-how in this domain. Vilmorin & Cie is pursuing the deployment of its policy to consolidate its IT infrastructures, particularly for its data centers. As part of this approach, all the sensitive information systems are being transferred to a highly secure data center (Tier 3+)⁽¹⁾. At the same time, Vilmorin & Cie has begun migration of the network using a single provider, a leader on the market and recognized as an expert in operating secure, global networks.

1.7.5.7. ENVIRONMENTAL RISKS

Identification of the risk

In order to conduct its business, Vilmorin & Cie is subject to varied environmental legislation. This legislation, which is constantly evolving and becoming stricter and stricter, concerns the quantitative and qualitative management of water, air, greenhouse gas emissions, soil

pollution, the use of natural resources, noise and waste. In cases where the group's environmental responsibility were to be called into question because of an accident or significant pollution, its activities, results and reputation could be negatively affected.

Moreover, the purchasing preferences of distributors and customers, especially in more developed countries, are more and more influenced by environmental issues (particularly greenhouse gas emissions, soil protection and preservation of water resources), sometimes publicized by NGOs (Non Governmental Organizations). If Vilmorin & Cie fails to anticipate these evolutions correctly, and take measures to optimize and communicate on the environmental consequences of its business, its activities, results and reputation could be negatively affected.

Vilmorin & Cie cannot guarantee that it will always be perfectly compliant with these multiple regulations, which are complex and constantly evolving. Furthermore, compliance of the group's activities with new regulations or modifications of existing regulations could be costly, and even limit the group's capacity to run or develop its business activities.

Managing the risk

In order to ensure its compliance with environmental regulations in force, the group has set up organizations, procedures and tools, and it has also begun fixing precise objectives to reduce key environmental indicators. These different initiatives and the measures set up during the course of fiscal year 2015-2016 are explained in detail in part 4 (section 4.1.3.).

The group continually strives to reinforce its social, corporate and environmental commitment and improve on the management of its activities through the life cycle of its products. Actions adopted and achievements in 2015-2016 are described in part 4 (section 4.1.1.).

(1) This type of processing center reaches and even exceeds an availability rate of 99.99% (an aggregate of less than 24 minutes of stoppage per year. Systems do not need to be stopped, even for operations of logistical maintenance or replacement of active equipment.

1.7.6. INSURANCE

Vilmorin & Cie has a policy of global cover concerning different operating and cross-functional risks, and makes use of different insurance schemes available on the world market, depending on their availability and local regulations.

Insurance programs are negotiated and managed by Vilmorin & Cie for its subsidiaries with leading international or national insurance companies. These programs concern, in particular, risks of damage to property and operating losses, civil liability, damage to goods in transit and insurance for the automobile fleet.

For risks of damage to property, operating losses and civil liability, the cover is “all risks except” on the basis of the widest guarantees that exist on the market, combined with deductible that varies according to activity. Compensation limits, fixed on the basis of worst-case

scenarios and of capacities proposed by the insurance markets, stand at 300 million Euros per claim for consequential and operating loss, and at 50 million Euros per claim and per year for general public liability and product liability.

Insurance programs for special risks which are potentially significant and require centralized management, such as the responsibility of corporate officers and environmental risks, are negotiated according to capacities available on the markets.

Management of these programs is entrusted to brokers and professional insurers under the supervision of Vilmorin & Cie. These programs were renewed on July 1, 2015, for the duration of one year. Vilmorin & Cie is gradually standardizing its cover policy and deploying its insurance programs internationally.

2

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE CODE OF REFERENCE

For fiscal year 2015-2016 Vilmorin & Cie has used as its reference the "Corporate governance code of listed corporations" set out jointly by the AFEP⁽¹⁾ and the MEDEF⁽²⁾, in its revised version made public on November 12, 2015. This Code and its application guide, revised in December 2015, can be consulted on the website www.afep.com/en.

In cases where certain recommendations in this Code and its directives published at a later date, have not been updated, this decision is justified in the Summary Table of recommendations from the AFEP-MEDEF Code not adopted (cf. § 2.5).

As of fiscal year 2016-2017, Vilmorin & Cie will refer to the MiddleNext Corporate Governance Code for Midcaps, revised in September 2016 (which can be consulted on the website www.middlenext.com), replacing the AFEP-MEDEF Code, considering that the points for vigilance and recommendations of this code are better suited to the Company when bearing in mind the structure of its capital stock.

2.1. THE BOARD OF DIRECTORS

Vilmorin & Cie attaches the greatest importance to the quality of its governance, which is strongly marked by two particular aspects: the fact it is a seed company with the need for a long-term vision, and its reference shareholder, Limagrain, an international agricultural cooperative group. In 1993, when Vilmorin & Cie was first listed on the French stock market, Limagrain made a commitment to encourage its development strategy, respecting the interests of minority shareholders, another fundamental pillar in the Company's development.

2.1.1. COMPOSITION AND MANDATES OF THE BOARD MEMBERS

COMPOSITION OF THE BOARD OF DIRECTORS ON JUNE 30, 2016

On June 30, 2016, Vilmorin & Cie's Board of Directors comprised eight members:

- Chairman and CEO: Philippe AYMARD;
- five Directors representing the reference shareholder Limagrain: Joël ARNAUD, Jean-Yves FOUCAULT, Jean-Christophe JUILLIARD, Sébastien VIDAL and Pascal VIGUIER;
- two independent Directors: Miriam MAES and Mary DUPONT-MADINIER.

The Directors are appointed by the Annual General Meeting of Shareholders for the duration of 3 years, renewable.

(1) AFEP: French association of private companies.

(2) MEDEF: Movement for French companies.

Unless otherwise stated, the mandates presented are exercised in «group companies», i.e. companies in which Vilmorin & Cie holds a stake of more than 10%.

2



PHILIPPE AYMARD

- Chairman and CEO
- 56 years old
- Nationality: French

Terms of office:

- Commencement: 2006
- Renewal: 2014
- Expiry: 2017

Main activities:

Farmer and Vice-Chairman of Limagrain

Background:

A Member of the Limagrain Board since 1995, and Vice-Chairman since 2013, Philippe AYMARD is Chairman of the Vegetable seeds division. He plays an important role in agriculture, and participates in the professional bodies representing cereals in the region of Auvergne (France).

ONGOING MANDATES ON JUNE 30, 2016

- **Chairman of the Board:**
HM. CLAUSE SA (France), Vilmorin SA (France)
- **Chairman of the Board of Officers:**
HM. CLAUSE INC. (United States)
- **Joint Manager:**
Aigle & Partners SNC (France), Dôme 2000 (France)
- **Member of the Board of Management:**
Limagrain Chile Limitada (Chile)
- **Member of the Board:**
Coopérative Agricole Limagrain (France) (Vice-Chairman), Groupe Limagrain Holding SA (France), Hazera Seeds Ltd (Israel), Mikado Kyowa KK (Japan), Selia SA (France), Vilmorin USA Corp (United States)

MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- 2010** **Member of the Board:** AgReliant Genetics LLC (United States), Domagri-Maïcentré GIE (France), Limagrain Central Europe SE (France), Limagrain Europe SA (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy), Société Meunière du Centre SA (France) (Representing GLH), Ulice SA (France) (Representing LimaClub)
- Chairman of the Board:** Grains Auvergne Innovation (France) (Representing Limagrain) (Union de Coop)
- Member of the Board of Trustees:** Limagrain GmbH (Germany), Limagrain UK (United Kingdom)
- Member of the Board Committee:** Limaclub SAS (France), Limagrain Céréales Ingrédients S.A.S (France)
- Member of Management Committee:** Limagrain Cereal Seeds LLC (United States)
- Member of the Supervisory Board:** Limagrain Nederland BV (Netherlands), Limagrain Nederland Holding BV (Netherlands)
- 2011** **Chairman of the Board and CEO:** Dom Vert SA (France)
- Joint Manager and founder:** Vilmorin 1742 SARL (France)
- Member of the Board Committee:** Selia SAS (France)
- Chairman of the Board of Management:** Cave Saint Verry SARL (France)
- Chairman of the Board of Officers:** Suttons Seeds (Holding) Ltd (United Kingdom)
- Member of the Board:** Top Green SA (France)
- Member of the Board of Trustees:** Top Green SAS (France)
- Chairman of the Supervisory Board:** Eurodur SA (France)
- 2012** **Member of the Board:** Clause SA (France), Suttons Seeds (Holding) Ltd (United Kingdom), Vilmorin SA (France)
- Chairman of the Board and CEO:** Oxadis SA (France)
- Member of Supervisory Board:** CNOS Garden Sp. Zo.o (Poland)
- 2013** **Member of the Board:** Harris Moran Seed Company (United States)
- 2014** **Member of the Supervisory Board:** Nickerson Zwaan BV (Netherlands)
- Member of the Board:** DLF France SAS (France)
- 2015** **Chairman:** Vilmorin Participations SAS (France)
- Member of the Supervisory Board:** Hazera Seeds BV (Netherlands), Limagrain Cereals Nederland BV (Netherlands)



JOËL ARNAUD

- Member of the Board and Member of the Audit and Risk Management Committee
- 57 years old
- Nationality: French

Terms of office:

- Commencement: 2006
- Renewal: 2014
- Expiry: 2017

Main activities:

Farmer and Vice-Chairman of Limagrain

Background:

Joël ARNAUD joined the Limagrain Board in 1990, becoming Vice-Chairman in 1992, and is Chairman of the Field seeds division. His responsibilities in France involve chairing the FNPSMS (National Federation of Corn and Sorghum Seed Producers) and a position on the Board of the AGPM (General Association of Corn Producers).

ONGOING MANDATES ON JUNE 30, 2016

- **Chairman and CEO:**
Limagrain Europe SA (France)
- **Chairman of the Board:**
Limagrain Brasil SA (Brazil)
- **Member of the Board:**
Bisco Bio Sciences Private Ltd (India), Coopérative Agricole Limagrain (France) (Vice-Chairman), Groupe Limagrain Holding SA (France), Limagrain Tohum Islah Ve Uretim Sanayi Ticaret As (Turkey), Link Seed Proprietary Limited (South Africa), Sélia SA (France), Vilmorin USA Corp. (United States)
- **Member of the Board of Management:**
Limagrain Chile Limitada (Chile) (Representing Groupe Limagrain Holding)

MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- 2010** **Member of the Board:** Domagri-Maicentre GIE (France), Jacquet SA (France), Soltis SA (France) (Representing LVH), Ulice SA (France), Unisigma GIE (France)
Member of the Board Committee: Limagrain Céréales Ingrédients SAS (France)
Vice-Chairman and Member of the Board: Valgrain SCA (France) (Representing Limagrain)
- 2011** **Member of the Board:** Gemstar SA (France), Ets Tardifs & Fils SA (France) (Representing Limagrain), Vilmorin Luxembourg SA (Luxembourg)
Member of the Board Committee: Limaclub SAS (France), Soltis SAS (France) (Representing Limagrain Europe)
Vice-Chairman and Member of the Board: Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain)
Member of Management Committee: Limagrain Cereal Seeds LLC (United States)
- 2012** **Member of the Board:** Genective SA (France), Limagrain Guerra Do Brasil (Brazil), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain)
- Member of the Supervisory Board:** Limagrain Nederland Holding BV (Netherlands)
- 2013** **Chairman of the Board of Directors:** Brasmilho SA (Brazil)
Chairman of the Board of Trustees: Limagrain A/S (Denmark), Limagrain Belgium NV (Belgium), Limagrain GmbH (Germany), Limagrain UK Ltd (United Kingdom)
- 2014** **Chairman and CEO:** Limagrain Central Europe SE (France)
Chairman of the Board: Limagrain Italia Spa (Italy), Valgrain SCA Limagrain Ibérica (Spain)
Member of the Board: Limagrain A/S (Denmark), Limagrain UK Ltd (United Kingdom)
Chairman of the Supervisory Board: Limagrain Nederland BV (Netherlands)
- 2015** **Member of the Management Committee:** AgReliant Genetics LLC (United States)
Member of the Supervisory Board: Limagrain Cereales Nederland BV (Netherlands)



MARY DUPONT-MADINIER

- Independent Member of the Board
- 61 years old
- Nationality: Franco-American

Terms of office:

- Commencement: 2014
- Expiry: 2017

ONGOING MANDATES ON JUNE 30, 2016

- **Member of the Board:** Groupe Limagrain Holding SA (France)

COMPANIES OUTSIDE THE GROUP

- **Director:** IPSOS SA* (France), American Chamber of Commerce (AmCham) in France

* Listed company

Main activity:

Partner in a transition management consultancy

Background:

Mary DUPONT-MADINIER has more than 30 years of experience in top management in functions of business development, international trade and operations in the United States, in France and in the United Kingdom (Thales, Thales Raytheon Systems Cable & Wireless, EDS). She is a specialist in transformation and change program management. Today she is a Partner of VALTUS, experts in transition management. Mary DUPONT-MADINIER is also a Director of the American Chamber of Commerce in France (AmCham).



JEAN-YVES FOUCAULT

- Member of the Board and Member of the Audit and Risk Management Committee
- 61 years old
- Nationality: French

Terms of office:

- Commencement: 2006
- Renewal: 2013
- Expiry: 2016

Main activities:

Farmer and Chairman/CEO of Limagrain

Background:

After beginning his professional career in consultancy and agricultural training, Jean-Yves FOUCAULT started and developed his own farm. He joined the Limagrain Board in 2000, and became Chairman of the Group in December 2011. He participates in several professional agricultural organizations and associations.

ONGOING MANDATES ON JUNE 30, 2016

- **Chairman:**
Coopérative Agricole Limagrain (France)
- **Chairman and CEO:**
Groupe Limagrain Holding SA (France)
- **Chairman of the Board Committee:**
GLH Participations SAS (France)
- **Member of the Board:**
Jacquet Brossard SA (France), Selia SA (France), Tardif Tivagrain SA (France) (Representing Coopérative Limagrain), Vilmorin Jardin SA (France)
- **Member of the Board Committee:**
Agence Momagri SAS (France), Limagrain Céréales Ingrédients SAS (France), Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France), Proxiel SAS (France)
- **Member of the Board of Management:**
Limagrain Chile Limitada (Chile) (Representing Coopérative Limagrain)
- **Chairman and member of the Strategic Committee:**
Biogemma SAS (France)

MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- 2010** **Chairman and CEO:** Jacquet SA (France), Moulin de Verdonnet SA (France), Pain Jacquet SA (France), Ulice SA (France),
Chairman of the Board: Jacquet Belgium SA (France) (Representing Jacquet SA Limagrain)
Chairman of the Board Committee: Crêperie Lebreton SAS (France), Jacquet Panification SAS (France), Limagrain Céréales Ingrédients SAS (France), Société de Viennoiserie Fine SAS (France)
Member of the Board: Domagri - Maicentre GIE (France), Milcamp SA (France) (Representing Jacquet SA) (Belgium)
Manager/Joint Manager: La Gerbe d'Or SARL (France)
- 2011** **Chairman and CEO:** Limagrain Meunerie SA (France)
Chairman of the Board: Établissement Tardif & Fils SA (France)
Chairman of the Board Committee: Etablissement Tardif & Fils SA (France), Holding Meunerie SAS (France), Limaclub SAS (France), Selia SAS (France)
Chairman of the Board of Management: La Gerbe d'Or SARL (France)
Member of the Board: Coopérative Agricole Limagrain (France), Dom Vert SA (France) (Representing Coopérative Limagrain), Groupe Limagrain Holding SA (France), Société Coopérative Agricole de la Vallée du Rhône Valgrain (France) (Representing Coopérative Agricole), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (France) (Representing Coopérative Limagrain)
- Member of the Board Committee:** Limaclub SAS (France)
Manager/Joint Manager: Fournil des Vergnes SARL (France), Vertdom SCI (France), Vertimmo SCI (France)
- 2012** **Chairman and and CEO:** Genective (France), Selia SA (France)
Chairman: Céréales Vallée (France), (Competitiveness cluster - Non-profit-making association)
Chairman of the Board Committee: Grain Auvergne Innovation (France) (Representing Limagrain)
Member of the Board: Limagrain Europe SA (France), Pain Jacquet SA (France), Ulice SA (France)
Manager/Joint Manager: De la Graine au Pain SARL (France), Magasins Généraux du Centre SARL (France)
- 2014** **Member of the Board:** Jacquet Belgium SA (Belgium), Suttons Seeds (Holding) Ltd (United Kingdom)
Member of the Board Committee: Crêperie Lebreton SAS (France), Jacquet Brossard Distribution SAS (France), Jacquet Panification SAS (France)
- 2015** **Member of the Supervisory Board:** Limagrain Cereals Nederland BV (Netherlands)

JEAN-CHRISTOPHE JUILLIARD

- Member of the Board
- 52 years old
- Nationality: French

Terms of office:

- Commencement: 2016
- Expiry: 2017

ONGOING MANDATES ON JUNE 30, 2016

■ CEO:

Agence Momagri SAS (France), Coopérative Agricole Limagrain (France), Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France)

■ CEO Delegate:

Groupe Limagrain Holding SA (France), Vilmorin Jardin SA (France)

■ Vice-Chairman:

Vilmorin Garden Sp. Zo.o. (Poland)

■ Member of the Board:

Carters Tested Seeds Ltd. (United Kingdom), R & G Cuthbert Ltd. (United Kingdom), Samuel Dobie & Son Ltd. (United Kingdom), Seed Co Limited (Zimbabwe)*, Vilmorin 2014 (Holding) Limited (United Kingdom), Vilmorin 2014 Limited (United Kingdom), Vilmorin Singapore Pte. Ltd. (Singapore)

* Listed company



MIRIAM MAES

- Independent Member of the Board and Chairman of the Audit and Risk Management Committee
- 60 years old
- Nationality: Dutch

Terms of office:

- Commencement: 2013
- Expiry: 2016

ONGOING MANDATES ON JUNE 30, 2016

COMPANIES OUTSIDE THE GROUP

- **Chairman of the Board of Directors:**
ELIA Asset BV and ELIA System Operator BV* (Belgium)
- **Member of the Board of Directors:**
Assystem* (France), Naturex* (France)
- **Member of the Board of Directors:**
Port of Rotterdam (Netherlands), Ultra Centrifuge Netherlands (UCN) (Netherlands), Urenco (United Kingdom)

* Listed company

Main activity:

Compagny Manager

Background:

Miriam MAES graduated with a diploma in business administration at the Nijenrode Business Universiteit (Netherlands), and has worked for more than thirty years for multinationals (Unilever, ICI, Texas Utilities and EDF). In 2007, she became General Manager of Foresee, Climate Change Consulting Company, specialized in advising companies on strategy and policy with regard to energy and climate change. Between 2010 and 2012, Miriam MAES was Delivery Advisor to the UK Government Department of Energy and Climate Change (DECC); in 2012 she was invited to become Research Fellow on the Climate and Energy Program of the German Marshall Fund of the United States, a transatlantic policy think-tank. In February 2015 she was appointed Commissioner on the London Sustainable Development Commission.



SÉBASTIEN VIDAL

- Member of the Board and Member of the Consultative Committee for Shareholders
- 40 years old
- Nationality: French

Terms of office:

- Commencement: 2016
- Expiry: 2017

Main activity:

Farmer

Background:

Member of the Limagrain Board since 2006, Sébastien VIDAL has exercised several mandates within the different divisions in Limagrain. Today he is a Director for the Vegetable seeds division and has specific responsibilities for following the local activities of the Limagrain Cooperative.

ONGOING MANDATES ON JUNE 30, 2016

- **Chairman and CEO:**
Selia SA (France), Tardif Tivagrain (France), Vilmorin Jardin SA (France)
- **Chairman of the Supervisory Board:**
Vilmorin Garden Sp. Zo.o (Poland)
- **Member of the Board:**
Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Jacquet Brossard SA (France), Savane Brossard SA (France), Selia SA (France), Tardif Tivagrain SA (France)
- **Member of the Board of Management:**
De la Graine au Pain SARL (France) (Joint Manager), Limagrain Chile Limitada (Chile)
- **Member of the Board Committee:**
Limagrain Céréales Ingrédients SAS (France)

MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- 2011** **Member of the Board:** Limagrain Central Europe SE (France), Limagrain Europe SA (France), Limagrain Ibérica SA (Spain), Limagrain Italia (Italy)
Member of the Board of Trustees: Limagrain A/S (Denmark), Limagrain GmbH (Germany), Limagrain UK Ltd (United Kingdom),
Member of the Supervisory Board: Limagrain Nederland BV (Netherlands), Limagrain Nederland Holding BV (Netherlands)
- 2012** **Manager:** Vertdom SCI (France), Vertimmo SCI (France)
- 2013** **Chairman and CEO:** Limagrain Meunerie SA (France),
Chairman of the Board Committee: Holding Meunerie SAS (France)
Member of the Board Committee: Pain Jacquet SAS (France)
- 2014** **Chairman:** Suttons Seeds (Holding) Limited (United Kingdom)
Member of the Board: Suttons Seeds (Holding) Limited (United Kingdom)
Member of the Board Committee: Crêperie Lebreton SAS (France), Jacquet Brossard Distribution SAS (France), Jacquet Panification SAS (France)
- 2015** **Chairman and CEO:** Vilmorin Jardin SA (France)
Chairman of the Supervisory Board: Vilmorin Garden Sp. Zo.o (Poland)
Member of the Board: Jacquet Brossard SA (France), Limagrain Céréales Ingrédients SAS (France), Savane Brossard SA (France), Selia SA (France)
Manager: De la Graine au Pain (France)



PASCAL VIGUIÈRE

- Member of the Board and Member of the Audit and Risk Management Committee
- 52 years old
- Nationality: French

Terms of office:

- Commencement: 2007
- Renewal: 2013
- Expiry: 2016

Main activities:

Farmer and Vice-Chairman of Limagrain

Background:

Pascal VIGUIÈRE became a Limagrain Board Member in 1999, and has exercised several mandates in the Group's different divisions.

Today he is Vice-Chairman of Limagrain and Board Member of the Field seeds division and as such monitors the activities of Limagrain Cereal Seeds and AgReliant.

ONGOING MANDATES ON JUNE 30, 2016

- **Chairman of the Board of Directors:**
Link Seed Proprietary Limited (South Africa)
- **Member of the Board:**
Bisco Bio Sciences Private Ltd (India), Coopérative Agricole Limagrain (France) (Vice-Chairman), Groupe Limagrain Holding SA (France), Limagrain Brasil SA (Brazil), Limagrain Europe SA (France), Sélia SA (France), Soltis SAS (France) (Representing Limagrain Europe), Unisigma GIE (France)
- **Member of the Board of Management:**
Limagrain Chile Limitada (Chile)
- **Member of Management Committee:**
Limagrain Cereal Seeds LLC (United States)
- **Member Representative:**
AgReliant Genetics LLC (United States)

MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- 2010** **Chairman:** Limagrain Céréales Ingrédients SAS (France)
Member of the Board: Limagrain Central Europe SE (France), Limagrain Europe SA (France), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain), Moulin de Verdonnet SA (France)
Member of the Supervisory Board: Limagrain Nederland Holding BV (Netherlands)
Member of the Board Committee: Société de Viennoiserie Fine SAS (SDVF) (France)
- 2011** **Chairman and CEO:** Ulice SA (France)
Chairman of the Board Committee: Limagrain Céréales Ingrédients SAS (France)
Member of the Board: Brossard SA (France), Jacquet SA (France), Pain Jacquet SA (France), Savane Brossard SA (France), Saveurs de France Brossard (France)
Member of the Board Committee: Crêperie Lebreton SAS (France), Jacquet Panification SAS (France), Limaclub SAS (France), Sélia SAS (France)
Member of the Board of Management: La Gerbe d'Or SARL (France)
- 2012** **Member of the Board:** Grain Auvergne Innovation (France) (Representing Coopérative Limagrain) (Union Coop.), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (France) (Representing Coopérative Limagrain)
- 2013** **Member of the Board:** Limagrain Meunerie SA (France) (Representing Limagrain)
Member of the Supervisory Board: Limagrain Nederland BV (Netherlands)
Member of the Board of Trustees: Limagrain A/S (Denmark), Limagrain Belgium NV (Belgium), Limagrain GmbH (Germany), Limagrain UK Ltd (United Kingdom)
- 2014** **Member of the Board:** Jacquet Belgium (Belgium), Limagrain Central Europe SE (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy)
Member of the Supervisory Board: Limagrain Nederland BV (Netherlands)
- 2015** **Member of the Board:** Société Coopérative Agricole de la Vallée du Rhône Valgrain (France) (Representing Coopérative Limagrain)

TABLE OF THE COMPOSITION OF THE BOARD OF DIRECTORS ON JUNE 30, 2016

	Nationality	Age	Independence ⁽¹⁾	Commencement of terms of office	Date of last renewal	Expiry of current terms of office	Number of years on the Board	Representing employees or salaried shareholders	Participation rate in Board meetings	Audit and Risk Management Committee	Strategic Committee
Philippe AYMARD Chairman of the Board	French	56	No	2006	2014	2017	10 years	No	100%		X
Joël ARNAUD	French	57	No	2006	2014	2017	10 years	No	80%	X	
Mary DUPONT-MADINIER	Franco-american	61	Yes	2014	-	2017	2 years	No	100%		X
Jean-Yves FOUCAULT	French	61	No	2006	2013	2016	10 years	No	100%	X	X (Chairman)
Miriam MAES	Dutch	60	Yes	2013	-	2016	3 years	No	100%	X (Chairman)	
Pascal VIGUIER	French	52	No	2007	2013	2016	9 years	No	80%	X	X
Jean-Christophe JULLIARD ⁽²⁾	French	52	No	2016		2017		No	100%	X	X
Sébastien VIDAL ⁽³⁾	French	40	No	2016		2017		No	100%		
Number of meetings									5	3	2
Average presence rate									92.5%	93.3%	100%

(1) Independence in the sense of the criteria in the AFEP-MEDEF Code as interpreted by the Board of Directors.

(2) Jean-Christophe JULLIARD was appointed provisionally by the Board of Directors at its meeting of February 16, 2016 on condition of approval by the Annual General Meeting of Shareholders. Following his resignation, approval of the nomination of Jean-Christophe JULLIARD as Director will not be proposed to the Annual General Meeting of Shareholders of December 9, 2016.

(3) Approval of the nomination proposed to the Annual General Meeting of Shareholders of December 9, 2016. Sébastien VIDAL was coopted by the Board of Directors at its meeting of February 16, 2016, to replace François HEYRAUD.

For the purpose of their office, all members of the Board can be contacted at the following address:
c/o Vilmorin & Cie – CS 20001 Saint Beauzire – F-63360 GERZAT.

The Board of Directors pays great attention to its composition and to that of its Committees. It makes sure that profiles of the different members are complementary in terms of nationality and skills (expertise in the world of agriculture, knowledge of accounting and finance, etc.). It also ensures that the rate of independence of the Board corresponds to the shareholding structure of the Company (cf. paragraph 2.1.4.), and that there is a balanced representation of women and men on the Board.

INDEPENDENCE OF THE MEMBERS OF THE BOARD

In accordance with the AFEP-MEDEF corporate governance Code which the Company uses as its reference, Miriam MAES and Mary DUPONT-MADINIER are considered to be independent Directors, since they have no financial, contractual or family relationship with

Vilmorin & Cie liable to impair the independence of their judgment. In particular, Miriam MAES and Mary DUPONT-MADINIER have no close family bond with any of the corporate representatives. The compliance of Vilmorin & Cie's analysis with the criteria for the qualification of independence and the prevention of any possible risks of conflict of interest were checked during the course of fiscal year 2015-2016.

BALANCED REPRESENTATION OF WOMEN AND MEN ON THE BOARD OF DIRECTORS

On June 30, 2016, out of a total of eight Directors, two women served on Vilmorin & Cie's Board of Directors, Miriam MAES and Mary DUPONT-MADINIER, which is a proportion of 25%. Thus, the Company respects the first level required by the legislation of January 27, 2011 in terms of a balanced representation of women and men on the Board of Directors, requiring at least 20% of women in a period of three years following the Annual General Meeting of Shareholders of 2010.

2.1.2. CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS

CHANGES IN 2015-2016

On June 30, 2015, Vilmorin & Cie's Board of Directors comprised 8 members: Philippe AYMARD, Joël ARNAUD, Daniel CHÉRON, Mary DUPONT-MADINIER, Jean-Yves FOUCAULT, François HEYRAUD, Miriam MAES and Pascal VIGUIER.

Following the departures of Daniel CHÉRON (retirement) and François HEYRAUD (personal reasons), the Board of Directors at its meeting of February 16, 2016, decided to coopt Jean-Christophe JUILLIARD and Sébastien VIDAL as Company Directors pending approval by the Annual General Meeting of Shareholders.

Following his resignation, approval of the nomination of Jean-Christophe JUILLIARD as Director will not be proposed to the Annual General Meeting of Shareholders of December 9, 2016.

Approval of the nomination of Sébastien VIDAL as Director will be proposed to the Annual General Meeting of Shareholders of December 9, 2016.

The Board expressed the wish to extend to François HEYRAUD and Daniel CHÉRON their sincere gratitude for their commitment and contribution as Directors, and for their active participation in the meetings of the Board and Committees. François HEYRAUD and Daniel CHÉRON had been Directors of Vilmorin & Cie respectively since 2000 and 2006.

CHANGES PLANNED IN 2016-2017⁽¹⁾

The terms of office of the Directors Miriam MAES, Jean-Yves FOUCAULT and Pascal VIGUIER expire at the end of the Annual General Meeting of Shareholders of December 9, 2016.

In order to prepare the Annual General Meeting, the Board of Directors has examined the individual situation of these three Directors. It has noted the regular attendance and involvement of each of them in the work of the Board throughout their terms of office.

It therefore proposes that their mandate be renewed.

2.1.3. TRAINING AND EVALUATION OF THE BOARD MEMBERS

Apart from individual, customized training followed regularly by Vilmorin & Cie's Board Members, the Board also devotes a week to an annual seminar during which several topics are examined in direct relation to the group's development strategy; during this seminar the

members of the Board regularly assess their performance, and also how the Board of Directors operates.

During the course of fiscal year 2015-2016, exchanges focused in particular on the mid-term plan of each activity, particularly for the Field seeds activity, the international development strategy, and financial performance indicators.

2.1.4. PRESENTATION OF LIMAGRAIN AND THE SHAREHOLDING STRUCTURE

The majority of the Directors on the Board of Vilmorin & Cie are also members of the Limagrain Board. As a result they all benefit from specialist experience in agriculture and agronomy, along with on-hand experience in seeds.

As the reference shareholder for the Company, Limagrain has always encouraged Vilmorin & Cie's development by providing regular and consistent investment support.

Limagrain is an international agricultural cooperative group founded and managed by French farmers. Its mission is to move agriculture forward to meet food challenges. As a creator and producer of plant and cereal varieties, Limagrain develops Field seeds and Vegetable Seeds activities - through Vilmorin & Cie - and cereal products (cereal ingredients and bakery products) particularly through the brands Jacquet and Brossard.

Limagrain guarantees Vilmorin & Cie's long-term growth strategy.

Limagrain is structured around a holding company, Groupe Limagrain Holding (GLH), a joint stock company in which the Société Coopérative Agricole Limagrain is the majority shareholder, with almost 2,000 farmers working under contract.

Reflecting its culture of open-mindedness and an unprecedented approach to its governance, in 2010 Groupe Limagrain opened up its capital stock and the governance of its holding GLH to the Strategic Investment Fund (SIF), now part of Bpifrance, in order to contribute to its development. With the same objective, the Crédit Agricole banking group was invited to hold a stake in the capital stock of GLH in June 2013.

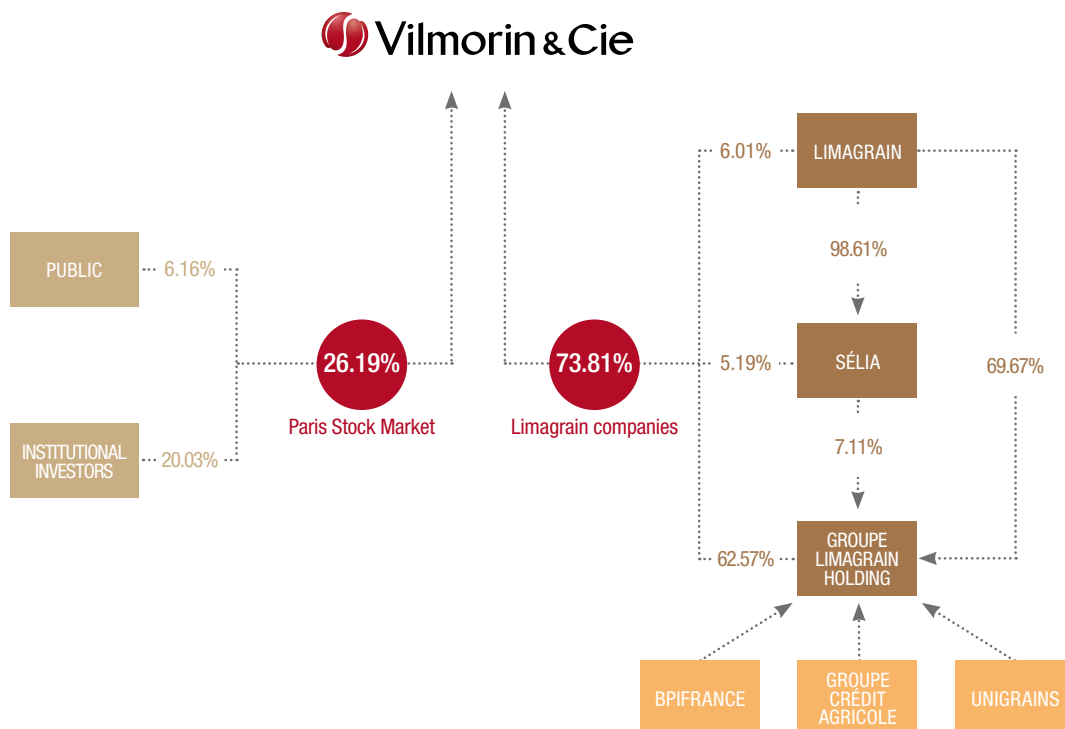
Limagrain held 73.8% of Vilmorin & Cie's capital stock on June 30, 2016⁽²⁾. Limagrain is willing to consider lowering this rate depending on market opportunities, and with the objective of encouraging the development of Vilmorin & Cie.

Vilmorin & Cie's Board answers to its majority shareholder in the same way it answers to all its other shareholders, since their common objectives and interests are to invest in a company that is both healthy and profitable with a long-term vision.

⁽¹⁾ Subject to approval by the Annual General Meeting of December 9, 2016.

⁽²⁾ With the exception of shares that benefit from the provisions laid down in the by-laws for double voting rights (registered and held for more than four years), Limagrain does not benefit from any special rights.

Shareholding structure on June 30, 2016



With majority representation on the Board of Vilmorin & Cie, Limagrain is careful, through different decision-making processes required for its organization, management and governance, not to exert abusive control on strategic orientations and their operational applications.

The work of the Board of Directors is structured through its missions of orientation and monitoring. It thus defines the strategic orientations, checks the coherence of policies implemented, and ensures that the main risks are properly identified and controlled.

The main topics discussed during the past fiscal year dealt with:

2.1.5. HOW THE BOARD OF DIRECTORS FUNCTIONS

Vilmorin & Cie's Board of Directors meets regularly. Meetings are convened by written notice to attend from the Chairman, and are held at the head office or any other place fixed in the notice.

During fiscal year 2015-2016, the Board of Directors for Vilmorin & Cie met five times; the attendance rate for the Board of Directors was 92.5%.

Vilmorin & Cie's Directors are always given responsibilities on the Board or equivalent bodies in its main subsidiaries.

- an analysis and approval of the orientations presented by the Executive Committee for the mid-term plan,
- confirmation of the strategy and the orientations of the Vegetable and Field seeds divisions both in terms of international development and research investments,
- implementation of the group development plan, and the financial operations,
- the development of partnerships, particularly in upstream technologies with the operational implementation of Genective, and the signing of a strategic agreement for access to the Syngenta GMO* corn technologies in cooperation with KWS,
- closing of the corporate and consolidated financial statements for the first semester and fiscal year of 2015-2016,
- approval of the budget for fiscal year 2016-2017.

2.2. SPECIALIZED COMMITTEES

The Board of Directors consolidates its work through two specialized committees:
the Audit and Risk Management Committee and the Strategic Committee.

2.2.1. THE AUDIT AND RISK MANAGEMENT COMMITTEE

COMPOSITION ON JUNE 30, 2016

At the beginning of 2010, the Board of Directors of Vilmorin & Cie set up an Audit and Risk Management Committee today chaired by Miriam MAES, an independent Director, and under the exclusive and collective responsibility of the members of the Board.

On June 30, 2016, Joël ARNAUD, Jean-Yves FOUCAULT, Jean-Christophe JUILLIARD⁽¹⁾ and Pascal VIGUIER were also members of this committee.

Philippe AYMARD, Emmanuel ROUGIER⁽²⁾, Daniel JACQUEMOND⁽³⁾, also participate in the committee, and depending on the items of the agenda, the Company's Statutory Auditors and certain other members of staff required for their expertise.

MISSIONS

The Audit and Risk Management Committee has rules of procedure in order to stipulate its organization and functioning as a complement to the provisions in Vilmorin & Cie's by-laws and to the decisions of its Board of Directors.

The Audit and Risk Management Committee is responsible in particular for:

- controlling the process of preparing financial information,

- ensuring the efficiency of all internal control and risk management,
- monitoring legal control of the financial statements by the statutory and external auditors,
- proposing the designation of its statutory auditors, their remuneration, ensuring their independence and safeguarding that their missions are carried out correctly.

MAIN ACHIEVEMENTS IN 2015-2016

The Audit and Risk Management Committee met three times during fiscal year 2015-2016, with an attendance rate of 93.3%. Its work mainly focused on:

- a review of the financial statements for the first semester and for the year,
- the internal audit plan with a half-yearly report on its progress,
- new orientations in the organization and the risk management policy,
- the evolution of external audits in view of European audit market reform,
- certain technical points concerning the application of IFRS standards.

Vilmorin & Cie, as a Public Interest Entity (PIE), is included in the scope of the European Audit Reform to regulate the profession of auditors. These texts, applicable as of June 17, 2016, were taken into account by the Audit and Risk Management Committee of Vilmorin & Cie on June 30, 2016, and its internal regulations have been modified in accordance.

(1) Jean-Christophe JUILLIARD will no longer be a member of this Committee in 2016-2017. Indeed, approval of his nomination as Director will not be proposed to the Annual General Meeting of Shareholders of December 9, 2016.

(2) Delegate CEO of Vilmorin & Cie.

(3) Chief Financial Officer of Vilmorin & Cie.

2.2.2. THE STRATEGIC COMMITTEE

COMPOSITION ON JUNE 30, 2016

Set up in 2010, the Strategic Committee was composed on June 30, 2016 of five Board members and is currently chaired by Jean-Yves FOUCAULT. The other members of this Committee are Philippe AYMARD, Pascal VIGUIER, Jean-Christophe JUILLIARD⁽¹⁾ and Mary DUPONT-MADINIER.

Miriam MAES, Emmanuel ROUGIER⁽²⁾ and Daniel JACQUEMOND⁽³⁾ also participate in this committee.

MISSIONS

The mission of the Strategic Committee is in particular to:

- review strategic orientation, the prospective analysis of markets and the competitive environment,
- propose the designation of new Board members.

MAIN ACHIEVEMENTS IN 2015-2016

The Strategic Committee met twice during fiscal year 2015-2016, with an attendance rate close to 100%. Its work mainly focused on:

- a presentation of the mid-term plan for 2015 and a retroactive analysis of the past five fiscal years in this process,
- current consolidation operations in the agrochemical industry and seeds,
- major changes in upstream technologies and R&D,
- development files.

Since the amount paid out for attendance fees to the Board of Directors is negligible, and because of the specific organization of its General Management, closely linked to its reference shareholder, Vilmorin & Cie does not currently formally and directly have a Remunerations Committee.

(1) Jean-Christophe JUILLIARD will no longer be a member of this Committee in 2016-2017. Indeed, approval of his nomination as Director will not be proposed to the Annual General Meeting of Shareholders of December 9, 2016.

(2) Delegate CEO of Vilmorin & Cie.

(3) Chief Financial Officer of Vilmorin & Cie.

2.3. MANAGEMENT BODIES

2.3.1. THE GENERAL MANAGEMENT

Vilmorin & Cie's General Management is the responsibility of the Chairman of the Board, Philippe AYMARD. The Board of Directors has approved the combination of the functions of Chairman and CEO.

The Chairman is assisted in his mission by Emmanuel ROUGIER, Delegate CEO, specifically in charge of operational functions.



EMMANUEL ROUGIER

- Delegate CEO
- Nationality: French
- 63 years old

Terms of office:

- Commencement: 2011
- Renewal: 2014
- Expiry: 2017

Background:

A graduate of the ESSEC business school, Emmanuel ROUGIER has 40 years of experience in the main departments of the group, both in France and abroad (United States, Netherlands). In particular he has held the operational functions of Divisional CEO and VP for Strategy and Development.

MAIN ACTIVITIES ON JUNE 30, 2016

- **Chairman of the Board:**
GLH Do Brasil Servicos De Consultoria E Participações Ltda (Brazil)
- **Chairman and CEO:**
Vilmorin USA Corp (United States)
- **Chairman of the Board of Officers :**
Genica Research (United States), Magnum Seeds Inc (United States), Jacquet North America (United States)
- **Vice-Chairman:**
Jacquet Guerra Brasil SA (Brazil)
- **CEO:**
Limagrain Céréales Ingrédients SAS (France)
- **Member of the Board:**
Bisco Bio Sciences Private Ltd (India), Genica Research (United States), Hengji Limagrain Seeds Co. Ltd (China), Jacquet North America (United States), Limagrain Brasil Ltda (Brazil), Limagrain Peru S.A.C. (Peru), Link Seed Proprietary Limited (South Africa), Magnum Seeds Inc (United States), Milcamps (Representing Jacquet Belgium) (Belgium), Vilmorin 2014, (Holding) Limited (United Kingdom), Vilmorin Hong Kong Limited (Hong Kong), Vilmorin Singapore Pte Ltd (Singapore)
- **Delegate Member of the Board:**
Jacquet Belgium (Belgium)

2.3.2. THE EXECUTIVE COMMITTEE



From left to right: Franck BERGER, Bruno CARETTE, Emmanuel ROUGIER, Daniel JACQUEMOND, Catherine PENNEC, Damien BOURGAREL

Vilmorin & Cie's Executive Committee, led by Emmanuel ROUGIER, also comprises:

- Damien BOURGAREL⁽¹⁾, CEO of the Vegetable seeds division,
- Bruno CARETTE, CEO of the Field seeds division,
- Daniel JACQUEMOND, Chief Financial Officer,
- Catherine PENNEC, VP for Human Resources.

The Executive Committee meets twice every month. Its vocation is:

- to propose strategic orientations to the Board and then to ensure their implementations,
- to arbitrate on budgetary proposals from the different Business Units and check regularly that budgetary decisions are respected,
- to analyze any opportunities for external growth, partnerships or divestments, to submit them to the Board, and then to make sure they are properly finalized,
- to define the main rules and operating procedures for Vilmorin & Cie,
- to establish projects to close the half-yearly and annual consolidated and corporate accounts.

(1) In October 2016, Damien BOURGAREL took over responsibility for the development operations of Vilmorin & Cie, and Franck BERGER became CEO of the Vegetable seeds division and thus joined Vilmorin & Cie's Executive Committee.

2.4. AGREEMENTS

WITH CORPORATE OFFICERS AND INTERESTS OF THE MANAGEMENT BODIES

2.4.1. STOCK OPTIONS, STOCK PURCHASING, VOTING RIGHTS, AGREEMENTS WITH CORPORATE OFFICERS

The members of the Board of Directors are each required to hold at least three nominatively registered Vilmorin & Cie shares for the duration of their terms of office.

No operation or agreement has been agreed by the Company with its corporate officers.

No loan or guarantee has been granted or signed in their favor by the group's banks.

2.4.2. FEES OR ALLOWANCES PAID TO CORPORATE OFFICERS AND DIRECTORS

2.4.2.1. COMPENSATION AND BENEFITS OF ANY NATURE RECEIVED BY THE CORPORATE OFFICERS

Mr. Philippe AYMARD, Chairman and CEO, exercises his mandate without any compensation, both for his function of Chairman and of CEO.

As part of the organization of the Limagrain general management functions, Vilmorin & Cie's CEO delegate has a permanent contract of employment with Groupe Limagrain Holding.

This contract defines the different components of compensation, provisions regarding the non-competition clause and the terms for terminating the contract.

Concerning the components of compensation:

- The fixed salary is reviewed annually.
- The variable part is defined each fiscal year exclusively in relation to the group's financial performance, expressed "per thousand" of Vilmorin & Cie's consolidated net income.

This quota calculation of the income is reviewed at the beginning of each fiscal year and is thus applied as such at the end of the fiscal year, once the consolidated financial statements have been definitively approved.

The total amount is not capped.

The total compensation paid for fiscal year 2015-2016 to Mr. Emmanuel ROUGIER, for his function as Delegate CEO, came to 332,000 Euros.

Contractual severance payments made in the case of termination of the contract by the employer correspond to two years of total compensation, fixed and variable.

The calculation of this sum, which constitutes the ceiling, takes into account the annual gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the past three closed fiscal years of variable compensation.

It is specified that only termination of the contract of employment by the Company can generate this severance payment.

At the end of fiscal year 2015-2016, the potential impact of the termination of the mandate of Vilmorin & Cie's Delegate CEO can be assessed at 0.7 million Euros.

As compensation for a non-competition obligation, the Delegate CEO can benefit from an allowance corresponding to one year's gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the variable compensation for the previous three fiscal years closed.

This compensatory allowance cannot be combined with any allowances or benefits due or liable to be due as a result of the termination or change of function. At the end of fiscal year 2015-2016, this allowance can be evaluated at 0.3 million Euros.

Finally, it is specified that the Delegate CEO does not receive any compensation for his corporate mandate, since all compensation is exclusively related to his contract of employment.

2.4.2.2. FEES AND ALLOWANCES PAID TO CORPORATE OFFICERS (NON-EXECUTIVE CORPORATE OFFICERS)

The Directors from Groupe Limagrain exercise their mandate without charge and do not receive any fees; moreover they do not receive any corporate compensation with a direct or indirect legal link to Vilmorin & Cie, in compliance with the normal practices of Groupe Limagrain.

Following the resolution approved by the Annual General Meeting held on December 11, 2015, the Board of Directors decided to allocate all the attendance fees 2014-2015 (45,000 Euros), to Miriam MAES and Mary DUPONT-MADINIER, independent Directors.

It will propose to the Annual General Meeting deliberating on the financial statements closed on June 30, 2016 to fix the attendance fees for fiscal year 2015-2016 at 45,000 Euros.

Compensation for corporate officers who have a work contract comprises a fixed salary that is reviewed every year, and a variable part defined in relation to the financial performance of each fiscal year, and expressed "per thousand" of the consolidated net income. The formulation of this rule is reviewed at the beginning of each fiscal year and is thus applied as such once the consolidated financial statements have been approved.

Thus for Jean-Christophe JUILLIARD, member of the Board and also a salaried member of Limagrain, the reference shareholder of Vilmorin & Cie, it should be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin & Cie in 2015-2016 amounted to 65,500 Euros, including a variable part of 15,100 Euros. The total commitments concerning his end of career allowances on June 30, 2016 came to 151,500 Euros.

On the occasion of the retirement of Daniel CHÉRON, member of the Board until February 2016 and also a salaried member of Limagrain, 183,200 Euros were paid to him in end of career allowances, in accordance with commitments made. Prior provisions for this sum had been made. Consequently on June 30, 2016, the Company had no further commitment to Daniel CHÉRON concerning his end of career allowances. It should also be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin & Cie

in 2015-2016, until the date of his departure, was 119,900 Euros, including a variable part of 44,800 Euros.

2.4.2.3. SUMMARIZED STATEMENTS OF COMPENSATION

Vilmorin & Cie applies the recommendation of the AFEP/MEDEF code concerning consultation of the shareholders on the individual compensation of executive corporate officers. The different components of compensation of the executive corporate representatives due or allocated for fiscal year 2015-2016, and which will be submitted to the advisory opinion of the Shareholders during the Annual General Meeting of December 9, 2016, are shown in the following tables, completed in reference to the appendix of the AFEP-MEDEF Corporate governance code.

TABLE 1
SUMMARIZED STATEMENT OF COMPENSATION PAYABLE, STOCK OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE REPRESENTATIVE

In thousands of Euros	06.30.15	06.30.16
Emmanuel ROUGIER, Delegate CEO		
Compensation due for the fiscal year (set out in Table 2)	338.1	332.0
Value of the stock options allocated during the fiscal year (set out in Table 4)	n/a	n/a
Value of the performance shares allocated during the fiscal year (set out in Table 6)	n/a	n/a
Total	338.1	332.0

n/a = not applicable

These provisions do not concern Philippe AYMARD, who exercises his mandate without any compensation for his functions as Chairman and CEO.

TABLE 2
SUMMARY OF COMPENSATION FOR EACH EXECUTIVE CORPORATE REPRESENTATIVE

In thousands of Euros	06.30.15		06.30.16	
	Amounts due	Amounts paid out	Amounts due	Amounts paid out
Emmanuel ROUGIER, Delegate CEO				
Fixed compensation	245.6	245.6	251.3	251.3
Variable compensation	88.3	88.3	75.9	75.9
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind ⁽¹⁾	4.2	4.2	4.8	4.8
Total	338.1	338.1	332.0	332.0

(1) Benefits in kind correspond to the use of a company car.

These provisions do not concern Philippe AYMARD, who exercises his mandate without any compensation.

TABLE 3
ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE REPRESENTATIVES

In thousands of Euros	06.30.15	06.30.16
	Amounts paid out	Amounts paid out
Miriam MAES, Independent Director		
Attendance fees	30.0	30.0
Other compensation	-	-
Total	30.0	30.0
Mary DUPONT-MADINIER, Independent Director		
Attendance fees	-	15.0
Other compensation	-	-
Total	-	15.0
Daniel CHÉRON, Director		
Attendance fees	-	-
Other compensation	173.0	303.1
Total	173.0	303.1
Jean-Christophe JUILLIARD, Director		
Attendance fees	-	-
Other compensation	-	65.5
Total	-	65.5

These provisions do not concern Vilmorin & Cie's other Directors, who exercise their mandate without any compensation.

It should be noted that the attendance fees of Miriam MAES, are equally allocated on the one hand for her mandate as Director, including her participation in Committees, and on the other hand as Chairwoman of the Audit and Risk Management Committee.

The composition of compensation paid out to Daniel CHÉRON and Jean-Christophe JUILLIARD is set out in detail in paragraph 2.4.2.2.

Information required by the appendix to the AFEP/MEDEF governance code (tables 4 through 9) concerning the allocation of subscription or purchase options and the allocation of performance shares is not applicable to Vilmorin & Cie's corporate officers.

TABLE 4
SUBSCRIPTION OR PURCHASE OPTIONS
FOR SHARES ALLOCATED TO EACH
CORPORATE OFFICER BY THE ISSUER
AND BY ANY COMPANY IN THE GROUP
DURING THE FISCAL YEAR

TABLE 5
SUBSCRIPTION AND PURCHASE OPTIONS
FOR SHARES EXERCISED BY EACH EXECUTIVE
CORPORATE OFFICER DURING THE FISCAL YEAR

TABLE 6
PERFORMANCE SHARES ALLOCATED TO
EACH CORPORATE OFFICER BY THE ISSUER
AND BY ANY COMPANY IN THE GROUP
DURING THE FISCAL YEAR

TABLE 7
PERFORMANCE SHARES ALLOCATED THAT
BECAME AVAILABLE FOR EACH CORPORATE
OFFICER DURING THE FISCAL YEAR

TABLE 8
HISTORY OF THE ALLOCATION OF
SUBSCRIPTION OR PURCHASE OPTIONS
FOR SHARES

TABLE 9
HISTORY OF THE ALLOCATION OF
PERFORMANCE SHARES

TABLE 10

Executive corporate representatives	Contract of employment		Supplementary pension scheme		Allowances or benefits due or liable to be due because of the termination or change of function		Allowances with regard to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Philippe AYMARD Chairman and CEO Commencement of term of office: 2006 Expiry of term of office: 2017		X		X		X		X
Emmanuel ROUGIER Delegate CEO Commencement of term of office: 2011 Expiry of term of office: 2017	X			X	X		X	

2.4.3. REMUNERATION OF MEMBERS OF THE MANAGEMENT BODIES

In 2015-2016, the sum of remunerations and benefits in kind made to members of the Executive Committee came to 1.7 million Euros. Moreover, the total amount funded to retirement benefits of members of the Executive Committee came to 1.1 million Euros on June 30, 2016.

2.4.4. CONFLICTS OF INTEREST

To the knowledge of the Company:

■ no member of the Board or the management has been convicted of fraud over the past five years,

■ no member of the Board or the management has been subject to bankruptcy, has gone into receivership or liquidation as a member of an administrative, management or supervisory body over the past five years,

■ no member of the Board or the management has received an official public penalty or sanction pronounced by the statutory or regulatory authorities (including designated professional bodies) over the past five years,

■ no member of the Board or the management has been prevented by a court of justice from acting as a member of an administrative, management or supervisory corporate body, or from intervening in a management or executive capacity over the past five years,

■ there is no current or potential conflict of interest between the duties held by the members of the Board or the management with regard to the Company and their private or personal interests.

2.5.

SUMMARY TABLE

OF THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE THAT ARE NOT ADOPTED

Vilmorin & Cie's Board of Directors has decided to adopt the AFEP-MEDEF corporate governance code as its reference. It has gradually implemented this code in recent years, while adapting it to specific aspects of Vilmorin & Cie in liaison with its reference shareholder, Limagrain.

Accordingly, the Board of Directors has fixed the objective of implementing all the recommendations formulated by this code, while adapting it to specific cases, owing to the particular structure

and organization of the governance of its reference shareholder. As a result, and in accordance with the suggestions of the AFEP-MEDEF governance code, and in application of the rule "Comply or Explain" laid down in article L.225-37 of the French Commercial Code and article 25.1 of the AFEP-MEDEF Code, the current points of divergence or the points that require further explanations are as follows:

Recommendations of the AFEP-MEDEF Code	Practices of Vilmorin & Cie and justifications
<p>EMPLOYEE REPRESENTATION</p> <p>§7.1. "The French Commercial Code stipulates that one or more directors should be appointed at the shareholders' meeting from the employee shareholders as soon as the shareholdings held by the employees of this group exceed 3% of the corporate capital."</p>	<p>No Director represents the group's employees, as the total shareholdings they hold in Vilmorin & Cie's corporate capital is not significant, being significantly below the 3% threshold mentioned in the code.</p>
<p>INDEPENDENT DIRECTORS</p> <p>§9.2 "In controlled companies⁽¹⁾, independent directors should account for at least a third."</p> <p>§16.1 "The proportion of independent directors on the audit committee should be at least equal to two-thirds."</p>	<p>In December 2007, Vilmorin & Cie opened its Board of Directors to an independent Director. Today it has two independent Directors on its Board of Directors. Taking into account specifically the Company's shareholding structure and dimension, and also the specific shareholding structure of its reference shareholder, Limagrain, Vilmorin & Cie's Board of Directors has not until now considered inviting other independent Directors as appropriate.</p> <p>Consequently the recommendations of the AFEP-MEDEF code of governance concerning the minimum proportion of independent Directors being present on the Board and its specialized committees are not applied.</p>
<p>EVALUATION OF THE BOARD OF DIRECTORS</p> <p>§10.3. "There should be a formal evaluation at least once every three years". "The shareholders should be informed each year in the annual report of the evaluations carried out and, if applicable, of any steps taken as a result."</p>	<p>Vilmorin & Cie's Board of Directors regularly evaluates its operating mode, the organization of its work and its composition. However, this evaluation has not yet been formally conducted with the assistance of external consultants.</p>
<p>THE COMMITTEE IN CHARGE OF APPOINTMENTS AND THE COMMITTEE IN CHARGE OF COMPENSATION</p> <p>§17 and § 18</p>	<p>Vilmorin & Cie's Board of Directors has not formally established a selection or appointments committee, nor a compensation committee, as it considers that the subjects can be dealt with directly in a plenary board meeting, bearing in mind the governance mode its reference shareholder applies on these subjects.</p> <p>With regard to fixing the compensation of the corporate representatives, Vilmorin & Cie is compliant with the recommendations of the code.</p>
<p>COMPOSITION OF THE BOARD OF DIRECTORS</p> <p>§6.4. "With regard to the representation of men and women, the objective is that each Board shall reach and maintain a percentage [...] at least 40% of women within a period of six years from the shareholders' meeting of 2010."</p>	<p>The resolutions approved by the Board of Directors and to be presented to the Annual General Meeting of December 9, 2016 will mean it will be possible to keep the percentage of women on the Board at 25%, with the objective of raising it to 40% in 2017.</p>
<p>DURATION OF DIRECTORS' TERMS OF OFFICE</p> <p>§14 "Terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of directors."</p>	<p>Vilmorin & Cie's Board of Directors and its reference shareholder support this objective; however the renewal of the Directors' terms in recent years has been such that it was not possible to implement it. Currently five terms expire at the same date.</p>

(1) In the sense of article L.233-3 of the French Commercial Code.

2.6. CHAIRMAN'S REPORT

ON THE FUNCTIONING OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL

Under the responsibility of the Board of Directors, it is the role of the General Management to define and implement adequate and efficient internal control procedures. In application of article L.225-37 of the French Commercial Code, it is my responsibility, as Chairman of the Board of Directors, to report on:

- the conditions for preparing and organizing the work of the Board of Directors,
- procedures for internal control and risk management implemented by the Company,
- and where relevant, the limitations that the Board of Directors applies to the powers granted to the Chairman and the Delegate CEO.

2.6.1. CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

Vilmorin & Cie directly holds the majority of the significant companies in the consolidation scope of its accounts.

The role of the Board of Directors consists primarily in ensuring optimization of the management of all the operating structures. For this purpose, it is more particularly required to define the global strategy of Vilmorin & Cie, check that the policies adopted are coherent, and ensure that the main risks have been identified and adequately dealt with.

In order to attain these objectives, the Directors of Vilmorin & Cie always have full responsibility in Board of Directors or any equivalent bodies in its main subsidiaries. Moreover, strategic decisions are regularly prepared and discussed by the members of the Board of Directors and the operational Vice-Presidents.

The Board of Directors comprised eight members on June 30, 2016.

Respecting the suggestions of the AFEP-MEDEF report of October 2003, and the recommendation of the European Commission of February 15, 2005, the Board of Directors of Vilmorin & Cie was extended in December 2007 to integrate an independent Director.

The Board adopted all the criteria defined in these recommendations to examine to what extent such a Director could truly be qualified as independent, and prevent any possible risks of conflict of interest.

Compliance of our analysis with criteria to qualify for independence and for the prevention of any risks of conflict of interest set out in the corporate governance code for listed companies, published by AFEP-MEDEF, was once again checked during the course of this fiscal year.

Your Board of Directors has decided to maintain its corporate governance code as its reference to define its own practices, adapting it progressively to specific cases, owing to the particular structure and organization of the governance of its reference shareholder. For example, in December 2008 it adopted the recommendations of AFEP-MEDEF concerning the remuneration of corporate officers.

Moreover, during the course of 2010, the Board of Directors formally set up an Audit and Risk Management Committee chaired by one of its independent Director, Miriam MAES. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the Statutory Auditors and other external auditors.

With regard to the other sections of the AFEP-MEDEF Code of corporate governance, the Board of Directors has fixed the objective of gradually implementing most of the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin & Cie. For this purpose, a Strategic Committee was established during fiscal year 2010-2011; a mixed gender Board of Directors was instigated in fiscal year 2013-2014 by the successive appointment of two female independent Directors.

As of fiscal year 2016-2017, the Board of Directors will refer to the MiddleNext Corporate Governance Code for Midcaps, revised in September 2016, replacing the AFEP-MEDEF code, considering that the points for vigilance and recommendations of this code are better suited to the Company when bearing in mind the structure of its capital stock and shareholding structure.

During the course of fiscal year 2015-2016 your Board of Directors met five times, following a work schedule that is established on an annual basis. The attendance rate of its members was 92.5%.

The duration laid down in the by-laws for the term of office of the Directors is three fiscal years, and this term of office is renewable.

Your Board of Directors closed the corporate accounts and the consolidated accounts of Vilmorin & Cie and the associated reports during its meeting of October 19, 2016.

2.6.2. PROCEDURES FOR INTERNAL CONTROL AND RISK MANAGEMENT SET UP BY THE COMPANY

2.6.2.1. GENERAL PROVISIONS FOR INTERNAL CONTROL

Vilmorin & Cie is in full agreement with the definition of internal control as proposed by the AMF, and has adopted an approach that aims to implement its framework reference. This reference defines internal control as a provision implemented to ensure:

- compliance with laws and regulations,
- application of the instructions and orientations fixed by the General Management,
- efficient functioning of internal corporate processes, particularly those that have been implemented to protect its assets,
- the reliability of financial information,
- and more generally, contribute to maintaining control of its activities, and ensure the efficiency of its operations and use of its resources.

As with any control system, it cannot provide absolute guarantee that these risks are totally eliminated and can only provide reasonable assurance with regard to the successful achievement of its objectives.

Internal control primarily concerns Vilmorin & Cie's different Business Units, and is applied as a central management function to the group and all its subsidiaries.

As a holding structure, the Company Vilmorin & Cie plays a central role in steering internal control. Besides ensuring the coherence of general policies, its role is to coordinate, advise and control its Business Units and subsidiaries. In order to do so, within its Corporate Finance Department it has an internal audit service, and a financial control service. This organization is completed by a risk management department, now forming part of the Progress Department, which groups legal affairs, insurance, CSR, quality management, and other departments.

An internal auditing charter was implemented a number of years ago, based on the definitions, the "Code of Ethics" and the "statements of professional practice of internal auditing" of the IIA (Institute of Internal Auditors). Moreover, reporting standards have been defined in accordance with a standard format integrating different levels of analysis and a summary of how to follow different recommendations.

During the course of fiscal year 2015-2016, audits were conducted in direct association with the group's global risks map, and included reviews of internal control. These missions resulted in regular and strict follow-up on recommendations.

The Business Units and subsidiaries define and implement operational procedures adapted to their specific situations.

Rules for managing and defining functions and procedures in the companies and the group constitute the reference for implementing and applying rules for internal control.

Furthermore, a system to delegate powers and signatures, initiated for Vilmorin & Cie, has been set up and adapted in each company.

2.6.2.2. DEVELOPMENT OF A RISK MANAGEMENT SYSTEM

GENERAL PRINCIPLES FOR THE MANAGEMENT OF RISKS

During fiscal year 2008-2009, Vilmorin & Cie set up a risk management committee, now comprising:

- a select steering committee for global risk management, responsible for determining orientations in risk management, validating methodologies, work plans and control schedules, and also reporting back to the Executive Committee and the specialized Audit and Risk Management Committee instigated by the Board of Directors,
- specific committees responsible for implementing the approach to risk management with controls, defining minimum standards to respect for each identified topic, and checking that they are properly applied.

Vilmorin & Cie entered a more operational phase of risk management three years ago, with the progressive adoption of around ten risk domains at the group level. These include all the major identified risks, i.e. those that might occur in the Company and therefore need dealing with.

These risk domains mainly concern safety, security of persons and property, intellectual property (IP), quality (including GMO* issues), the environment and the information systems security policy (ISSP).

This approach should be enriched during the course of fiscal year 2016-2017 by the gradual integration of the main specific topics resulting from the mapping of the risks identified in each Business Unit.

IDENTIFICATION OF THE MAIN RISKS

Risk identification implies that risks should be mapped. Risk mapping was initiated during the course of fiscal year 2008-2009 involving the Executive Committee and the main managers of each of the sectors of activity.

The risk mapping process is based on a formal methodology that can be used to define a shared language, and assessment criteria harmonized between the sectors of activity, leading to the creation of a sheet for each risk, using a single model with the same parameters whatever the sector of activity. The objective is to facilitate the assessment and comparison of risks, to highlight areas for progress and mobilize teams on a certain number of action plans. The risks mapped are regularly passed on to the Audit and Risk Management Committee.

This mapping is regularly reviewed by all those involved in the system, namely:

- those responsible for each risk domain: these people participate in the Risk Management Committee,
- the risk owners: each risk sheet has an owner responsible for analyzing and tracking it with a view to recommending preventive measures, and where possible eliminating the risk,
- the CFOs of each Business Unit or the Quality Managers who are responsible for implementing the system in each structure,
- the risk managers, those who work in the field and are confronted in situ with the ever-present possibility of a risk occurring.

As mentioned above, this risk mapping is naturally used to establish the internal audit program; this program is successively validated by the Executive Committee and then the Audit and Risk Management Committee. Summaries of the program are periodically presented to these two committees.

A CONTINUOUS PROGRESS APPROACH

The reference document

Preventive measures appearing in the risk sheets are converted into rules to be respected on all the group's sites throughout the world; these rules are standards and procedures grouped according to each risk domain in a Limagrain risk management reference document.

Audits

In order to check that all the standards defined above are applied efficiently, audit campaigns have been conducted per risk domain: these involve either field audits or self-assessments. Summarized audit reports analyze any non-conformities, measure gaps and include proposals for improvement.

Reporting

The audit results are examined in conjunction with the operational managers in order to analyze the causes of the non-conformities and, wherever possible, to adopt measures to eliminate them, or at least improve the situation. Furthermore, feedback from these experiences, together with the audit results, are used to develop and improve preventive measures, thus reducing risk criticality* and the number of non-conformities, and ultimately raising the standards.

Other rules will be progressively added to enrich the reference document.

Accordingly, this approach can be seen as a tool for permanent progress and continuous improvement.

2.6.3. PROCEDURES CONCERNING THE PRODUCTION OF FINANCIAL AND ACCOUNTING INFORMATION

Vilmorin & Cie's consolidated financial statements are set out in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union on June 30, 2016.

The scope of application for internal control concerning the production and processing of financial and accounting information includes the parent Company and all the subsidiaries integrated 100% in the consolidated financial statements.

2.6.3.1. FINANCIAL ORGANIZATION

The production of financial and accounting information comes within an overall process that involves several phases:

THE MID-TERM PLAN

A mid-term plan is the working reference that describes the main strategic orientations, and is set out in each Business Unit in conjunction with the management of its division. Every year it is updated and confirmed by the Board of Directors and the Executive Committee at the level of Vilmorin & Cie, and consolidated in accordance with a formal process.

THE SHORT-TERM FINANCIAL BUDGET

A short-term financial budget with detailed operations is set out every year by each Business Unit during the first semester. It is also validated by Vilmorin & Cie and consolidated in accordance with a formal process.

This budget is updated as a forecast at least once over the course of the fiscal year.

MONTHLY REPORTING

Each company produces monthly performance indicators adapted to its business activity. These are compared to the budget, and any differences are analyzed to detect any significant discrepancies or measures needed to get back on target. Data from reporting is also compared with the general accounts.

Such monitoring generally concerns business (sales and commercial margins) and results, evolution of the headcount, cash flow and funding, and the investment plan.

The main indicators of this reporting are also consolidated every month in accordance with a formalized process. Detailed, non-audited quarterly financial statements complete this organization.

THE HALF-YEARLY AND ANNUAL FINANCIAL STATEMENTS

Preparation of the half-yearly and annual financial statements comes under the responsibility of the financial departments and general management of each subsidiary.

Procedures are defined locally to match the business of the different companies, but must respect a general schedule defined by Vilmorin & Cie.

Any significant decisions that need to be taken when the financial statements are established are confirmed by the company before being definitively adopted by the respective Boards of Directors, and by Vilmorin & Cie's Board of Directors and Executive Committee. Consolidation operations are carried out using a set of tables filled in by each company in compliance with procedures and a specific schedule.

Information feedback is structured in such a way as to guarantee the permanence and homogeneity of the methods used to record transactions in accordance with Vilmorin & Cie's accounting principles:

- coherence of the accounting reference, methods and consolidation rules,
- standardization of presentation formats,
- use of a shared computing tool for information feedback and shared consolidation.

2.6.3.2. CONTROL

All the data intended to be disclosed is controlled and analyzed with reference to the information collected and reported.

Instructions are given and controls made in order to guarantee standard, homogeneous formalization processes. Information is prepared under the responsibility of the Business Units and the subsidiaries.

The Corporate Finance Department co-ordinates closely with the Statutory Auditors and other external auditors, who work with the subsidiaries and the Consolidation Department according to a schedule prepared together.

All the accounting and financial items prepared by the main consolidated subsidiaries are audited at least once by external auditors when the accounts are closed. At this audit, the General Manager and CFO of each subsidiary pledge together through a co-signed letter of confirmation that the financial information is of high quality, reliable and exhaustive.

Auditing missions in the different countries are entrusted in almost all cases to members of the network of the two Statutory Auditors who, after examining together all the financial statements and methods used to draw them up, certify Vilmorin & Cie's consolidated financial statements. They certify that the financial and corporate statements give a true and fair presentation of the assets, liabilities, financial position and results. They are given information prior to the elaboration of the financial statements and present a summary of their work to the financial and accounting managers of Business Units for the six-month and yearly positions.

The consolidated financial statements are reviewed by the Executive Committee and the Audit and Risk Management Committee before they are approved by the Board of Directors.

2.6.3.3. ASSESSMENT OF INTERNAL CONTROL

Within Vilmorin & Cie, and in accordance with the AMF model, the internal auditing service issued internal control questionnaires with regard to the accounting and financial information. These questionnaires were reviewed in conjunction with the Statutory Auditors, in order to adapt them more closely to Vilmorin & Cie's activities and the environment.

The questionnaires were deployed in the Business Units and subsidiaries in the form of self-assessment. Self-assessments were, in certain cases, confirmed through interviews conducted directly by the Statutory Auditors or internal auditors.

For fiscal year 2015-2016, no major anomaly was highlighted.

2.6.4. LIMITS TO THE POWERS GRANTED TO THE CEO AND THE DELEGATE CEO

The General Management of Vilmorin & Cie is the responsibility of the Chairman of the Board of Directors, Philippe AYMARD. During the course of fiscal year 2015-2016 he was assisted in his mission by a Delegate CEO, Emmanuel ROUGIER.

The CEO has the widest powers to act in all circumstances on behalf of the Company. He exercises these powers within the scope of the object of the Company, and within the limits of the powers granted by the French law governing shareholders' meetings and Boards of Directors.

The Delegate CEO has the same powers as those of the CEO with regard to third parties.

For purposes of the Company's internal organization, the powers of the CEO and the Delegate CEO have been partially limited by the Board of Directors, but these limits are not available against third parties.

2.6.5. COMPENSATIONS AND BENEFITS PAID TO CORPORATE OFFICERS

As in previous fiscal years, bearing in mind the presence of independent, external Directors on the Board, it is proposed to the Annual General Meeting deliberating on the financial statements closed on June 30, 2016 to set the attendance fees for fiscal year 2015-2016 at 45,000 Euros.

The remuneration of corporate representatives that have a work contract comprises:

- a fixed salary that is reviewed every year,
- a variable part defined in relation to the financial performance of each fiscal year and based on the consolidated net income,
- and the benefit of a company car.

2.6.6. PARTICIPATION OF THE SHAREHOLDERS IN GENERAL MEETINGS

All provisions concerning notices to attend, and the holding of shareholders' General Meetings are defined in Heading V of Vilmorin & Cie's by-laws, with clauses concerning the attendance and representation of shareholders appearing in articles 29 and 30.

2.6.7. INFORMATION LIABLE TO HAVE AN IMPACT IN THE CASE OF A TAKE-OVER BID

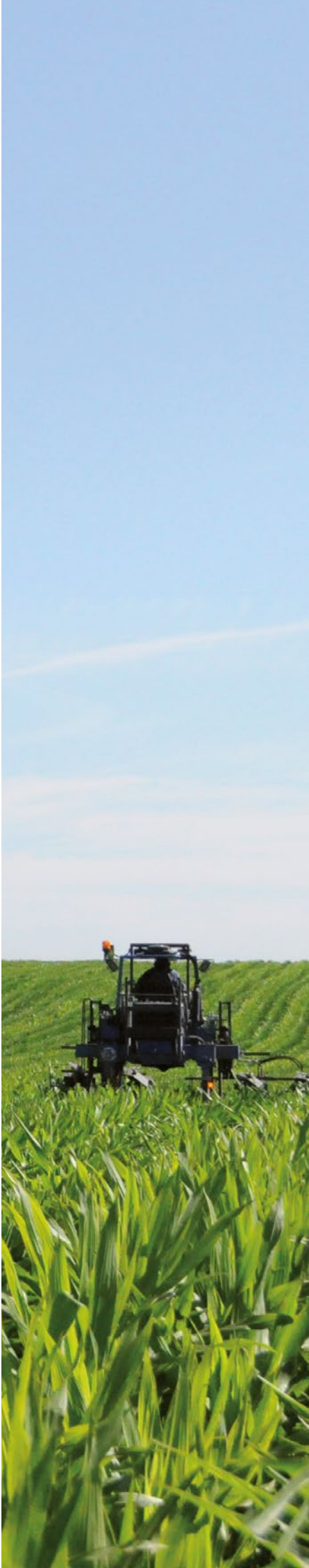
In compliance with the law, any information concerned by article L.225-100-3 of the French Commercial Code is provided as required in the report of the Board of Directors.

This full report was discussed and approved by the Board of Directors at their meeting held on October 19, 2016.

3

MANAGEMENT REPORT

REPORT OF THE BOARD OF DIRECTORS TO THE JOINT ANNUAL MEETING (ORDINARY AND EXTRAORDINARY) OF DECEMBER 9, 2016	84
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REPORT OF THE BOARD OF DIRECTORS

TO THE JOINT ANNUAL MEETING (ORDINARY AND EXTRAORDINARY) OF DECEMBER 9, 2016

To the shareholders,

The present Joint Annual Meeting (Ordinary and Extraordinary) was convened in accordance with the law and the by-laws of your Company:

- to submit for your approval the annual financial statements for the fiscal year closing on June 30, 2016,
- to propose that you do not approve the nomination of a new Director,
- to proceed with the approval of the nomination of a new Director and of the renewal of the mandate of certain Directors,
- to delegate to your Board of Directors the necessary powers to proceed with the purchase of your Company's own shares and the issue of securities through a public issue with or without pre-emptive rights, according to the best possible market conditions,
- and to proceed with the adaptation of certain provisions in the by-laws concerning the obligation in the by-laws to hold qualifying shares.

Notice to attend has been sent to all of you and all the documents and relevant information have been made available under the conditions and deadlines stipulated according to the law.

ACTIVITY FOR THE FISCAL YEAR

CORPORATE FINANCIAL STATEMENTS

The corporate financial statements of Vilmorin & Cie have been set out in accordance with French regulations.

Within the framework of its development strategy, over fiscal year 2015-2016 Vilmorin & Cie pursued its policy of external growth internationally, and furthered its partnerships in research and the development of new technologies.

Vilmorin & Cie's sales reached 80.8 million Euros in 2015-2016 as opposed to 62.3 million Euros the previous fiscal year.

These sales mainly correspond to services rendered by Vilmorin & Cie to its subsidiaries in the areas of general administration, human resource management, information systems and pooled upstream research programs.

These services are invoiced as management fees according to real expenditure and shared out proportionately between the subsidiaries of Vilmorin & Cie according to keys based on objective economic criteria.

Total operating charges came to 96.9 million Euros, an increase of 12.4 million Euros in relation to 2014-2015.

The operating income showed a loss of 7.8 million Euros, an increase of 0.9 million Euros compared to the previous fiscal year.

The financial result showed a net income of 27.4 million Euros compared to 15.7 million Euros in 2014-2015.

This figure takes into account the dividends received from the subsidiaries, with the total amount this year standing at 57.2 million Euros, compared with 40.1 million Euros the previous fiscal year.

It also includes net provisions on shares of 19 million Euros and a net currency exchange gain of 2.1 million Euros.

Finally, this financial result also includes 12.7 million Euros of net interest charges as opposed to 17 million Euros the previous fiscal year.

The extraordinary result showed a net charge of 1.4 million Euros, as opposed to 6 million Euros in 2014-2015.

Income tax takes into account the impact of the fiscal integration system adopted by the group on July 1, 2000. This fiscal group comprises Vilmorin & Cie, Vilmorin SA, HM.CLAUSE SA, Vilmorin Jardin SA and, since fiscal year 2012-2013, Limagrain Europe SA and Limagrain Central Europe SE; for fiscal year 2015-2016 a net income of 19.5 million Euros was posted for this line, including tax relief for research of 3.7 million Euros.

As a result of the above-mentioned considerations, the net corporate income came to 32.7 million Euros on June 30, 2016.

The capital stock stood at 317,717,005.50 Euros on June 30, 2016, corresponding to 20,833,902 shares each with a nominal value of 15.25 Euros.

On June 30, 2016 loans and financial debts showed a gross value of 765.4 million Euros.

Net of cash and investment securities, and also current accounts granted to subsidiaries as part of the group's cash flow management system, financial debts stood at 299.6 million Euros.

We remind our shareholders that during fiscal year 2013-2014, Vilmorin & Cie set up syndicated credit for an initial sum of 300 million Euros, structured in the form of a revolving credit facility with maturity after five years, the due date being in May 2019, and involving two extension options, each for one year; a first option was exercised in May 2015 and a second in April 2016.

On June 30, 2016, 67.6 million Euros of this credit facility were used. It is accompanied with the commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial charges); on June 30, 2016, Vilmorin & Cie complied fully with this commitment.

CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING STANDARDS, PRINCIPLES AND METHODS

At the close of fiscal year 2015-2016, Vilmorin & Cie's consolidated financial statements were set out in accordance with the IFRS (International Financial Reporting Standards) reference as applied by the European Union on June 30, 2016.

The international accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), along with their SIC (Standing Interpretation Committee) and IFRIC (International Financial Reporting Interpretations Committee). The accounting principles and methods used to prepare the consolidated financial statements for the year ended on June 30, 2016 are identical to those used to prepare the consolidated financial statements for the year ended on June 30, 2015.

No change in accounting method or estimate was applied by Vilmorin & Cie during fiscal year 2015-2016 that might have an impact on the consolidated annual statements of Vilmorin & Cie.

COMPARABILITY OF DATA

The evolution of data for fiscal year 2015-2016 is analyzed in current data and like-for-like data, in comparison with restated data.

Like-for-like data concern the data restated for the impact of changes to scope and currency fluctuation; accordingly the financial data for fiscal year 2014-2015 take into account:

- the impact of currency translation, by applying the average rates of fiscal year 2015-2016 to the income statement of fiscal year 2014-2015,
- the main change in consolidation scope coming from the acquisition of the company Genica Research (United States. Vegetable Seeds) in February 2016.

ACTIVITY AND RESULTS FOR THE FISCAL YEAR

Consolidated sales for fiscal year 2015-2016, and corresponding to revenue from ordinary activities, stood at 1,325.1 million Euros, up 4.4% with current data.

Restated on a like-for-like basis (currency translations and changes in scope), sales progressed by 4.7% compared with the previous fiscal year.

Restated for inventory write-off and depreciation, gross margin on cost of sales stood at 47.7%, slightly up by 0.2 percentage points compared with 2014-2015.

Net operating charges stood at 531.9 million Euros, as opposed to 503.1 million Euros on June 30, 2015.

Respecting its strategic orientations, in 2015-2016 Vilmorin & Cie continued to intensify its research programs both in conventional plant breeding* and biotechnology. Total research investment stood at 225.2 million Euros as opposed to 211.1 million Euros in 2014-2015 and now represents 15.2% of sales of seeds intended for professional markets, including the activities of the North America company AgReliant, held 50%.

Thus the consolidated operating income stood at 100.3 million Euros, the same level as the previous year showing an operating margin of 7.6%. This operating margin was significantly affected by exceptional charges due in particular to the reorganization of the Garden products activity and to additional procurement costs for Field seeds for Western Europe.

The share of profits from associated companies came to 30.8 million Euros, in particular taking into account AgReliant and the African company, Seed Co.

The financial result showed a net charge of 36.5 million Euros as opposed to 39.2 million Euros in 2014-2015 and this fiscal year integrated currency exchange losses 5.4 million Euros compared with 3 million Euros on June 30, 2015.

Cost of funding came to 23.8 million Euros compared to 27.2 million Euros for the previous fiscal year.

The net charge of income taxes came to 33.8 million Euros as opposed to 14.5 million Euros in 2014-2015. This includes a net charge of deferred taxes of 6.8 million Euros whereas the previous fiscal year recorded a net deferred tax income of 8.7 million Euros.

Finally, the total net income came to 60.8 million Euros, significantly lower (by 15.1 million Euros), compared with the previous fiscal year; the group share ("attributable to the controlling company") came to 59.3 million Euros.

In comparison with the previous fiscal year, the balance sheet structure on June 30, 2016 remained solid, but was once again marked by an increase of the gearing ratio, essentially due to the external growth operations and technological partnerships achieved during the course of the fiscal year, in spite of a drop in working capital needs for the Field seeds business.

Net of cash and bank in hand (206.5 million Euros), total book indebtedness on June 30, 2016 came to 742.3 million Euros as opposed to 660.2 million Euros on June 30, 2015. The proportion of non-current indebtedness came to 778.5 million Euros.

The group's share of equity ("attributable to the controlling company") came to 1,151.6 million Euros while that of minority interests ("attributable to non-controlling minorities") came to 112.4 million Euros.

Vegetable seeds

Sales for the Vegetable seeds division for the year ending June 30, 2016 came to 688.7 million Euros, up 12.1% with current data compared with the previous fiscal year. Restated on a like-for-like basis they rose by 9.6%.

Following on from previous fiscal years, during which the Vegetable seeds business recorded an average annual growth rate of 7.5%, Vilmorin & Cie achieved another high quality fiscal year. All its Business Units achieved business growth, particularly in their key areas (United States, Mexico, India, Mediterranean basin, Near and Middle East, etc.).

With regard to species, increases were particularly sustained in major strategic crops: tomato, carrot, pepper and cauliflower, but also in specialty crops such as fennel and witloof, for which Vilmorin & Cie has managed to develop top rate positions.

This truly fine performance is confirmation of the pertinence of Vilmorin & Cie's strategy to invest sustainably in research, working in close proximity with extremely fragmented markets in terms both of products and areas.

Thanks to this progression, which is greater than estimated market growth, Vilmorin & Cie continues to win market shares.

Overall, the Vegetable seeds division increased its operating margin, reaching 15.9%, with a net contribution to the consolidated income of 71.6 million Euros compared with 63.9 million Euros for 2014-2015.

Field seeds

Sales for the year for the Field seeds division on June 30, 2016 came to 581.7 million Euros, down 2.3% compared with fiscal year 2014-2015; on a like-for-like basis there was an increase of 0.6%.

In Europe, sales (523.6 million Euros, a decrease of 1.4% on a like-for-like basis) were hit hard by a disturbed market environment, characterized by the particularly low level of prices for agricultural production, reduced acreages of corn in most countries, and by strong pressure on purchasing prices. However royalties from straw cereals were at a good level, enabling Vilmorin & Cie to record, throughout the fiscal year, fairly stable revenue from royalties.

In this context, commercial volumes for corn were lower, in spite of the upturn in business on the Russian and Ukrainian markets. The marked decrease in the acreage of corn in Western Europe was reflected in sales; Vilmorin & Cie nevertheless managed to hold up its prices well overall.

Vilmorin & Cie made significant progress in sunflower, driven by the return to a good level of business in Ukraine and Russia, confirming that Vilmorin & Cie's genetic material is well adapted to these key markets for growing sunflower.

In its other development zones (South America, Asia and Africa), Vilmorin & Cie achieved sales of 58 million Euros in 2015-2016, up by more than 22% on a like-for-like basis compared with 2014-2015. With the exception of business in South Africa, struck hard by drought, all of Vilmorin & Cie's new development zones enjoyed excellent growth, rewarding the progressive international deployment of its corn and wheat seeds businesses. In this respect, growth was very strong in South America (+31.5% on a like-for-like basis), in particular as a result of the second part of the commercial campaign for corn (Safrinha).

Consequently, the Field seeds activity posted an operating margin of 1.8%, a marked decrease, and a positive contribution to the consolidated income of 17.3 million Euros, down 3.4 million Euros compared to the previous fiscal year.

Garden products and holdings

Sales for the Garden products and holding activities came to 54.7 million Euros on June 30, 2016. The operating contribution of these activities showed a total loss of 19.6 million Euros, mainly due to costs in the holding structures; they made a negative contribution to the consolidated net income of 28.1 million Euros.

Vilmorin & Cie's activity in fiscal year 2015-2016 once again covered different sectors of activity both on the professional and consumer markets, which means that there are various risks caused by the highly seasonal nature of its business, a relative sensitivity to the whims of the weather, and the importance of the high-tech products and processes used. All the main risks involved in these activities, and the potential financial risks, are specifically analyzed in the Chairman's report with regard to the functioning of the Board and internal control, and in the notes appended to the consolidated financial statements.

INVESTMENTS AND REAL ESTATE POLICY

Each fiscal year, as part of its budgetary procedures and mid-term plan, Vilmorin & Cie approves investments shared out between the Business Units. For fiscal year 2015-2016, tangible investments came to 33.5 million Euros. For the investments managed, and depending on each case and each Business Unit concerned, funding is set up through a bank loan or by internal resources. More generally,

Vilmorin & Cie's investment policy gives priority to assets directly linked to the business; consequently the Company does not own much real estate which is not directly linked to operations. Finally it should be emphasized that Vilmorin & Cie has not adopted a pluri-annual investment program of a significant sum in proportion to investments made in recent fiscal years.

INFORMATION ON PAYMENT TERMS

In application of the provisions of article L.441-6-1 of the French Commercial Code, a breakdown of outstanding debts by due dates with regard to suppliers at the end of the fiscal year is as follows (in Euros):

In Euros Suppliers and other accounts payable	Debts not yet due	Debts due for between 1 and 30 days	Debts due for between 31 and 60 days	Debts due for between 61 and 90 days	Debts due for more than 90 days	Total
On June 30, 2015	16,578,337	-	1,896,411	1,327,478	480,678	20,282,904
On June 30, 2016	8,743,300	5,378,672	681,710	478,938	911,892	16,194,512

SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

Article 225 of the French Grenelle II law and its implementing decree of April 24, 2012 have generated obligations with regard to Vilmorin & Cie's disclosure and verification of social, environmental and societal information. This information is presented by your Board of Directors in a separate report.

EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTS

In July 2016, Vilmorin & Cie initiated the operational and legal reorganization of the activities of Genica Research. These were integrated into the Business Unit HM.CLAUSE through a merger with HM.CLAUSE Inc, with part of the assets concerned being transferred at the same time to Vilmorin SA.

OUTLOOK FOR THE FUTURE

Fiscal year 2015-2016 was characterized by a globally slump market environment, mainly due to the persistent price volatility of agricultural raw materials. Nevertheless, in spite of this context, Vilmorin & Cie demonstrated its potential for development and confirmed its strategic orientations, particularly in terms of investment in research and innovation and global development on the professional markets of agriculture and vegetable production.

Fiscal year 2016-2017 should confirm Vilmorin & Cie's potential for organic growth in market conditions that still lack visibility, particularly for field seeds in Europe; moreover, Vilmorin & Cie will continue to increase its measured investment in research and development, in particular in upstream technologies.

Vilmorin & Cie's vocation is to build its development based on a certain number of fundamental strategic principles defined several years ago:

- intensification of research investment in upstream technologies and conventional plant breeding*,

- permanent international development of activities in the context of market globalization and consolidation,
- strengthening positions, or taking up new competitive positions, through perfectly targeted external growth operations,
- accepting or seeking partnerships in sectors where technical expertise or a critical size can boost development in our companies,
- maintaining an original organization and management model that encourages delegated management in each Business Unit and the fulfillment of synergy between them.

By adhering to this policy, Vilmorin & Cie will be able to reinforce its position as the fourth largest Seed company in the world, and offer sustainable perspectives for regular growth.

ACQUISITIONS AND SALES OF SHARES

Vilmorin & Cie did not conduct any significant acquisition or disposal operations during fiscal year 2015-2016.

However it did conduct a number of internal participation reclassification operations in order to optimize its legal and financial organization.

SHAREHOLDERS

Further to the capital stock increase through the incorporation of reserves for the purpose of allocating free shares in January 2015, Vilmorin & Cie's capital stock now stands at 317,717,005.50 Euros and comprises 20,833,902 shares, each with a nominal unit value of 15.25 Euros.

On June 30, 2016, the majority of the capital stock, 62.57%, was held by Groupe Limagrain Holding, 6.01% by the company Coopérative Agricole Limagrain and 5.19% by Selia, all three of these companies belonging to Limagrain.

Vilmorin & Cie's by-laws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30, 2016, 15,147,881 shares benefitted from this right. Groupe Limagrain Holding, Coopérative Agricole Limagrain and Selia were the main shareholders concerned, giving Limagrain voting rights control of 84.67%.

On June 30, 2016, Vilmorin & Cie held 9,314 treasury shares corresponding to less than 0.1% of its capital stock.

In compliance with the provisions of article L.225-102 of the French Commercial Code, we inform you that on June 30, 2016 no employee held a stake in the capital stock.

APPROPRIATION OF THE PROFITS

We propose that the profits of Vilmorin & Cie should be applied in the following manner:

■ Net profits on June 30, 2016	32,699,597.24 Euros
■ Application to legal reserve	1,634,979.86 Euros
■ Profits available on June 30, 2016	31,064,617.38 Euros
■ Initial carry forward	6,758.85 Euros
■ Dividends to distribute	22,917,292.20 Euros
■ Final carry forward	8,154,084.03 Euros

The net dividend is set at 1.10 Euros per share. As a proportion to the net profits for the group, the sums distributed amount to 38.6%. The total amount of dividends do not take into account any possible treasury shares held for control on the date the dividends are paid. Any dividends corresponding to these shares will be carried forward.

Moreover we wish to inform you that for the last three financial years, dividends were distributed as follows:

	2012-2013	2013-2014	2014-2015
Number of shares	18,939,911	18,939,911	20,833,902
Nominal	€15.25	€15.25	€15.25
Net dividend per share	€1.65	€1.65	€1.57

EXPENSES THAT ARE NOT TAX DEDUCTIBLE

In compliance with the provisions of article 223 quater of the French Tax Code, we ask you to approve the expenses and charges concerned by article 39-4 of the same code, which came to a total of 100,006 Euros.

In compliance with the provisions of article 223 quinquies of the French Tax Code, we present the global figures concerning the expenses concerned by article 39-5 of the same code.

TABLE OF RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

In compliance with the provisions of article R.225-102 of the French Commercial Code, the following table shows the results of our Company over the past five years.

In thousands of Euros	11-12	12-13	13-14	14-15	15-16
Stock at the end of the fiscal year					
Capital stock	262,576	288,833	288,833	317,717	317,717
Number of ordinary shares	17,218,101	18,939,911	18,939,911	20,833,902	20,833,902
Operations and results					
Total sales before tax	40,795	50,308	56,476	62,250	80,819
Profit before tax, profit sharing, amortization, depreciation and provisions	24,430	29,594	29,205	10,059	36,306
Income taxes	-11,119	-12,630	-13,926	-17,214	-19,494
Profit-sharing for the year	-	-	-	-	-
Profit after tax, profit sharing, amortization, depreciation and provisions	35,190	22,300	39,372	14,581	32,700
Profits distributed	28,410	31,246	31,251	32,709	22,917
Profit per share (in Euros)					
Profit after tax and profit sharing, but before amortization, depreciation and provisions	2.06	2.23	2.81	1.31	2.68
Profit after tax, profit sharing, amortization, depreciation and provisions	2.04	1.17	2.07	0.70	1.57
Dividend per share	1.65	1.65	1.65	1.57	1.10
Headcount					
Average staff ⁽¹⁾	133	183	209	236	257
Total payroll	8,602	10,725	12,701	13,906	16,735
Benefits paid out for the fiscal year	4,518	6,381	6,790	7,707	8,421

(1) Number of people.

INFORMATION TO THE WORKS COUNCIL

We inform you that, in compliance with the provisions of article L.2323-8 of the French Labor Code, the results of your Company have been sent to, and presented to, the Works Council before the Annual General Meeting.

REGULATORY AGREEMENTS

We inform you that a new agreement subject to the procedure for regulatory agreements governed by article L.225-38 of the French Commercial Code were presented to the Board of Directors during the course of the fiscal year from July 1, 2015 to June 30, 2016.

The conventions agreed on and approved over previous fiscal years, and which continued to apply for the past fiscal year, were re-examined by your Company's Board of Directors.

These agreements have been conveyed on the Statutory Auditors for them to draw up their report on regulated agreements and commitments.

CORPORATE MANAGEMENT SYSTEM

On June 30, 2016, Administration of your Company is currently entrusted to a Board of Directors comprising eight members.

On June 30, 2016, the Board of Directors was composed of the following members:

- Chairman and CEO: Philippe AYMARD
- Members of the Board of Directors:
 - Joël ARNAUD
 - Mary DUPONT-MADINIER, independent Director
 - Jean-Yves FOUCAULT
 - Jean-Christophe JUILLIARD
 - Miriam MAES, independent Director
 - Sébastien VIDAL
 - Pascal VIGUIER.

Jean-Christophe JUILLIARD, was provisionally appointed by the Board of Directors at its meeting of February 16, 2016 pending approval by the Annual General Meeting. Following his resignation, we propose not to approve the appointment of Jean-Christophe JUILLIARD as Director. In compliance with article L225-24 of the French Commercial Code, all deliberations and acts accomplished since the provisional appointment nevertheless remain valid. Considering the number of Directors holding office, we propose that he should not be replaced.

Since their terms of office will be expiring, your Board of Directors proposes that you renew, for a duration of three years, the terms of office of Miriam MAES, Jean-Yves FOUCAULT and Pascal VIGUIER.

Furthermore, it is proposed to the annual General Meeting to approve the appointment, as Director of the Company, of Sébastien VIDAL, co-opted by the Board of Directors at its meeting of February 16, 2016, to replace François HEYRAUD for the duration of his unfinished term, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2017.

Over the course of fiscal year 2015-2016, Philippe AYMARD was assisted in his mission by a Delegate CEO, Emmanuel ROUGIER.

During fiscal year 2015-2016, your Board of Directors met five times. Vilmorin & Cie's Board Members remain committed to their responsibilities in the Boards or other equivalent bodies of governance in the main subsidiaries.

With reference to the recommendations of the AFEP-MEDEF report of October 2003 and the recommendation of the European Commission of February 15, 2005, the Board of Directors was enlarged in December 2007 to integrate an independent Director.

Your Board of Directors has decided to maintain its corporate governance code as its reference, adapting it to specific cases to define its own practices, owing to the particular structure and organization of the governance of its reference shareholder.

In 2010, the Board of Directors formally set up an Audit and Risk Management Committee currently chaired by, Miriam MAES independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the Statutory Auditors and other external auditors.

With regard to the other sections of the AFEP-MEDEF corporate governance code, the Board of Directors is gradually implementing the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin & Cie. For this purpose, a Strategic Committee was established during fiscal year 2010-2011. Moreover mixed gender of the Board of Directors was applied as of 2013-2014 by the successive appointment of two female Directors.

COMPENSATION AND BENEFITS OF ANY NATURE PAID TO CORPORATE OFFICERS

With the exception of the two independent Directors, the Chairman and CEO and all the other Directors exercise their mandate without any compensation.

It is therefore proposed to the Annual General Meeting deliberating on the annual financial statements closed on June 30, 2016 to fix the Directors' fees for fiscal year 2015-2016 at 45,000 Euros.

Each of the Directors holds three Vilmorin & Cie shares and no other operation or regulatory agreement has been reached by your Company with its corporate representatives.

On the occasion of the retirement of Daniel CHÉRON, member of the Board until February 2016 and also a salaried member of Limagrain, 183,200 Euros were paid to him in end of career allowances, in accordance with commitments made. Prior provisions for this sum had been made. Consequently on June 30, 2016, the Company had no further commitment to Daniel CHÉRON concerning his end of career allowances. It should also be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin & Cie in 2015-2016, until the date of his departure, was 119,900 Euros, including a variable part of 44,800 Euros.

Jean-Christophe JUILLIARD, being a member of the Board and also a salaried member of Limagrain, the reference shareholder of Vilmorin & Cie, it should be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin & Cie in

2015-2016 amounted to 65,500 Euros, including a variable part of 15,100 Euros. The total commitments concerning his end of career allowances on June 30, 2016 came to 151,500 Euros.

Emmanuel ROUGIER, Delegate CEO, receives compensation for this function involving a fixed part and also a variable part defined, for each fiscal year, solely in relation to the group's financial performance each fiscal year, expressed "per thousand" of Vilmorin & Cie's net consolidated income. This quota calculation is reformulated at the beginning of each fiscal year and is then applied at the end of the fiscal year after final approval of the consolidated financial statements. The sum is not capped.

For fiscal year 2015-2016, this compensation came to a total of 332,000 Euros, including a variable sum of 75,900 Euros. Total commitments concerning end of career benefits for Emmanuel ROUGIER on June 30, 2016 came to 343,000 Euros

CONTROL BODIES

Vilmorin & Cie's Statutory Auditors are KPMG Audit, Département de KPMG SA, and Visas 4 Commissariat.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties, mainly with Limagrain, are described in note 32 in the notes to the consolidated financial statements on June 30, 2016, and they were pursued during this fiscal year on the same basis as in fiscal 2014-2015.

PROGRAM TO BUY BACK SHARES IN ACCORDANCE WITH ARTICLE L.225-209 OF THE FRENCH COMMERCIAL CODE

In compliance with the provisions of article L.225-211 of the French Commercial Code, we inform you that in order to stabilize our share value, and as part of the buy-back program approved by the Joint Annual General and Extraordinary Meeting of December 11, 2015, we carried out the following operations over the fiscal year:

■ Number of shares purchased	110,776
■ Average purchasing price	65.39 Euros
■ Number of shares sold	109,582
■ Average selling price	65.72 Euros

On June 30, 2016, our Company held 9,314 shares, corresponding to less than 0.1% of the capital stock, at a purchasing value of 541,000 Euros, an average unit price of 58.12 Euros.

On September 30, 2016, our Company held 11,062 treasury shares, corresponding to less than 0.1% of the capital stock.

In order to encourage the liquidity of transactions and a regular quotation for our shares, your Board of Directors proposes that once again you grant authorization, for a maximum duration of 18 months, to buy or sell the Company's own shares in compliance with the provisions of article L.225-209 et seq. of the French Commercial Code, in order to:

- ensure liquidity and manage the market for shares through a fully independent investment service provider, within the framework of a liquidity contract that complies with regulations as recognized by the Autorité des Marchés Financiers (authority governing French markets),
- hand over shares when an investor exercises his or her rights with regard to securities that provide access by whatever means, immediately or when due, to company shares,
- maintain or hand over shares for purposes of exchange or payment within the context of external growth operations, in compliance with recognized market practices and regulations in force,
- apply any other measures that might be authorized or recognized by law or by the Autorité des marchés financiers, or set any other objective that complies with regulations in force.

These operations will be conducted in accordance with regulations in force and the following conditions:

- the maximum purchasing price is fixed at 90 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at 1 million shares representing a maximum potential commitment of 90 million Euros.

AUTHORIZATION TO MAKE A PUBLIC ISSUE

During the Joint Annual General Meeting (Ordinary and Extraordinary) of December 11, 2015, a number of resolutions were passed authorizing the Board, if appropriate, to issue bonds or other assimilated debt securities, and also to increase the capital stock by issuing shares, various securities and/or stock purchase warrants with or without pre-emptive rights.

In application of article L.225-100 of the French Commercial Code, we append to this report a summary table of delegations of authority and powers granted by the Annual General Meeting to the Board of Directors.

In order to remain attentive and reactive to the market and any opportunities that may come up with regard to Vilmorin & Cie's development projects, we propose to renew all these authorizations in accordance with the provisions set out below.

ISSUE OF BONDS OR OTHER ASSIMILATED DEBT SECURITIES

We request that you grant full powers to your Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 400 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the capital stock and/or the interest accrued for these securities.

The Board of Directors may proceed with these issues in the limits fixed above, in compliance with legal provisions and with the bylaws, and may also:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium, and according to market conditions, fix the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any

formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/ or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

CAPITAL STOCK INCREASE THROUGH THE ISSUE OF SHARES, VARIOUS SECURITIES AND/OR STOCK PURCHASE WARRANTS WITH OR WITHOUT PRE-EMPTIVE RIGHTS

We request that you grant all powers to your Board of Directors to deliberate and then to proceed, in one or several operations, with the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights, with any such issue being subject, in particular, to the following conditions and provisions:

- each share issue for the Company will bear a maximum nominal value of 300 million Euros, to which will be added, as relevant, the nominal amount of the shares for issue, in order to preserve the rights of the bearers of securities that open up rights to shares, in compliance with the law,
- each issue of securities, other than shares, that provides access to the capital stock, cannot be greater than 300 million Euros, or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies,
- in the event of the cancellation of the stock purchase rights, the Board of Directors may grant shareholders, for the duration and according to the conditions that it will fix, a priority duration to subscribe for securities without creating negotiable and transferable rights,
- the issue price for warrants issued alone must, for each share to be created, be such that the sum of this price and the exercise price of each warrant is at least equal to the weighted average of the rate of former shares recorded over the previous three Paris stock market trading sessions before the price is fixed, in certain cases reduced by a maximum discount of 5%.

Moreover, in cases where one of the companies in which your Company holds, whether directly or indirectly, more than half the capital stock, issues securities providing access to your Company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

ISSUE OF SHARES AND OTHER SECURITIES PROVIDING ACCESS IMMEDIATELY AND/OR WHEN DUE TO THE CAPITAL STOCK BY PRIVATE PLACEMENT UNDER ARTICLE L. 411-2, II OF THE FRENCH MONETARY AND FINANCIAL CODE

We also request that full powers be granted to your Board of Directors to proceed, at its discretion, in one or several operations, with the issue of ordinary shares or securities providing access immediately and/or when due to the Company's capital stock as governed by articles L. 228-91 and the French Commercial Code, without preemptive subscription rights, by private placement under article L. 411-2, II of the French Monetary and Financial Code. Such issues are subject, in particular, to the following modalities and conditions:

- the maximum nominal amount for the capital stock increases that may be effected immediately, or when due, is 20% of the capital stock on the day of the decision by the Board of Directors. The amount will be deducted from the total ceiling submitted to your Annual General Meeting in its eighteenth resolution or, where relevant, from the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock. In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.
- the price for the subscription of shares and/or securities issued will be determined in compliance with the provisions of articles L 225-136 and R 225-119 of the French Commercial Code.

Moreover, in cases where one of the companies in which your Company holds, whether directly or indirectly, more than half the capital stock, issues securities providing access to your Company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

All the procedures for these delegations are set out in the ordinary and extraordinary draft resolutions (twelfth resolution and fifteenth thru nineteenth resolutions) submitted for your approval, and also in the Statutory Auditors' special report.

CAPITAL STOCK INCREASE RESERVED FOR EMPLOYEES

We wish to inform you, in compliance with article L.225-129-6 of the French Commercial Code, that when any decision is made to

increase the capital stock, we are obliged to present you with a draft resolution to proceed with a capital stock increase reserved for employees as part of a company or group savings scheme.

This is the subject of the nineteenth resolution as submitted for your vote.

Since the provisions laid down by this legislation do not, in our opinion, appear to be suited to the specific situation of our Company and our group, on this particular occasion your Board of Directors will not be making any voting recommendations, and each shareholder will freely assess its relevance.

CANCELLATION OF THE OBLIGATION STIPULATED IN THE BY-LAWS TO HOLD QUALIFYING SHARES AND CORRELATIVE MODIFICATION OF THE BY-LAWS

The French law for the modernization of the economy passed in 2008 removed the legal obligation for Directors to hold qualifying shares, while it left the possibility for companies to keep this obligation in their by-laws. This was the option chosen for the Company Vilmorin & Cie.

Today, with the aim of securing share ownership and simplifying administrative formalities, we propose to cancel the obligation stipulated in the by-laws for Directors to hold qualifying shares. Consequently the corresponding shares need to be transferred and redeemed. It will also be necessary to remove article 18 from the by-laws and to renumber the following articles, with article 19 becoming article 18, article 20 becoming article 19, and so forth.

GENERAL PROVISIONS

The rules adopted to establish these documents respect legislation in force, and take into account the provisions resulting from the IFRS accounting and evaluation principles for consolidated financial statements as they were applied by the European Union on June 30, 2016.

In their reports your Statutory Auditors confirm that they have accomplished their mission.

With the exception of the nineteenth resolution, your Board of Directors invites you to adopt the ordinary and extraordinary resolutions which it is submitting for your approval.

SUMMARY TABLE OF THE DELEGATIONS OF AUTHORITY AND POWERS GRANTED BY THE ANNUAL GENERAL MEETING OF DECEMBER 10, 2014 AND DECEMBER 11, 2015 TO THE BOARD OF DIRECTORS WITH REGARD TO CAPITAL STOCK INCREASES

Object of the delegation	Period of validity	Maximum nominal amount	Date and application by the Board of Directors
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights maintained	24 months	300 million Euros	Not applied
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights cancelled	24 months	300 million Euros	Not applied
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares, and/or securities providing access to the capital stock by private placement as regulated by article L.411-2.II of the French Monetary and Financial Code	26 months	-	20% of the capital stock on the date of the decision by the Board of Directors
Delegation of authority with a view to increasing the capital stock through the incorporation of premiums, reserves, profits or in the form of free allotment to shareholders	26 months	90 million Euros	Not applied
Global ceiling for all the authorizations above	-	500 million Euros	Not applied

4

SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

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4.1.

REPORT OF THE BOARD OF DIRECTORS

CONCERNING SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

4.1.1. VILMORIN & CIE'S APPROACH TO SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

4.1.1.1. THE APPROACH

Vilmorin & Cie's strategy remains true to its responsible and long-term vision of its development. In 2012, Vilmorin & Cie initiated an approach to Corporate Social Responsibility (CSR), in conjunction with its reference shareholder, Limagrain.

In order to obtain a structured, operational approach to CSR, the agri-food version of the international standard ISO 26000 was adopted. Diagnoses involving the feedback from almost 200 internal and external stakeholders were conducted in different entities, chosen for the representative character of their activities and responsibilities with regard to markets and society. This has made it possible to provide the Group with the means to identify and transform its environmental, economic and societal issues into opportunities for development, for the benefit of as many as possible and limiting its recourse to resources.

Risk management is also closely linked to the CSR strategy, which includes issues such as the environment, subcontracting, respect for human rights, safety, innovation, reputation and human resource management.

The CSR policy takes its impetus from dialogue, a spirit of collaboration and the sharing of experience, both internal and external. It sets out both to reduce differences in maturity on environmental, social and societal subjects between stakeholders and to create a shared vision so that each person involved can be accountable and act consequently to make a more positive contribution to the world. It encourages the emergence of disruptive innovations and continuous progress, fed by the experience and synergies between the different players, the different business lines, and the different stakeholders.

In order to steer the CSR policy and its continuous improvement, structured and standardized extra-financial reporting with a glossary of CSR indicators, shared by the whole Group, has been set up. The results must provide proof not only of the Group's commitment, but also of the relevance and efficiency of the actions undertaken.

Very careful attention is paid to how the specificities of Vilmorin & Cie's value chain are taken into account. Indeed, Vilmorin & Cie's business concerns varied activities: research and development, agronomic production, industrial production and distribution. They involve the participation of several stakeholders in very different parts of the world bearing in mind the Group's internationalization and strategy of

proximity to markets. Moreover, they specifically address two types of customer: professional and consumer. Accordingly, the impacts of Vilmorin & Cie are both direct and indirect.

A FIRST MATERIALITY MATRIX TO FIX PRIORITIES FOR ACTION

In order to identify and set priorities for its most relevant CSR stakes, in 2016 Vilmorin & Cie chose to conduct its first materiality analysis, in collaboration with the consultancy Utopies. This analysis provides precious support in incorporating the CSR approach in a method of continuous improvement. The results of this analysis, conducted at the end of August 2016, have not yet been included in the priorities set for the CSR stakes as presented in this CSR report. They will assist in the improved structuring of extra-financial reporting and the measures to take with regard to the CSR challenges materialized for fiscal year 2016-2017. It has already been agreed to publish these results for the sake of continuous improvement, dialogue and transparency.

The methodology adopted was defined so as to be robust and opposable, in order to be disseminated to Vilmorin & Cie's different stakeholders. It is demonstrated through the formalization of the materiality matrix presented below, which crosses the importance of the CSR stakes for Vilmorin & Cie's activities with their importance for its external stakeholders. The approach adopted was deployed in three stages:

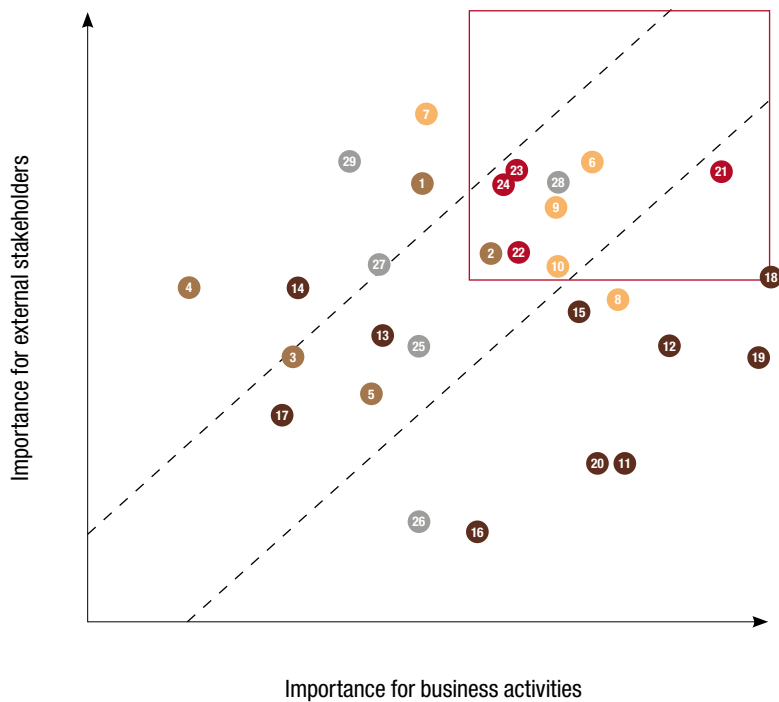
1. Mapping of Vilmorin & Cie's CSR stakes

A list of the CSR stakes was defined through information from the CSR diagnoses conducted in Vilmorin & Cie's different Business Units and completed by the latest developments in the major international reference documents (Global Reporting Food processing supplement sector, SASB Agricultural Products and Processed Food supplement sector, etc.).

2. Evaluation of the materiality criteria

- Importance for business activities: it is the result of aggregate evaluations on the importance of the stakes for each type of activity; the results are weighted according to the sales in each division.
- Importance to internal and external stakeholders: on the basis of 200 interviews run for ISO 26 000 diagnoses, it has been consolidated (equally weighted) from the evaluation of three criteria that reflect the expectations of the main typologies of Vilmorin & Cie's stakeholders, namely investors, mainly through an evaluation of the level of expectations of extra-financial scoring agencies, the market through an evaluation of the extent to which the different stakes are acknowledged by competitors, and consumers and civil society, through an evaluation of media exposure of the different stakes in the general and economic press, both French and international.

3. Formalization of the materiality matrix and sharing the results internally



Environment

- 1 Emission of greenhouse gases and air pollution
- 2 Management and quality of water and effluents
- 3 Management and waste recycling
- 4 Preservation of biodiversity
- 5 Quality of soils

Governance

- 6 Business ethics and transparency
- 7 Governance mode
- 8 Responsible purchasing policy
- 9 Relations with stakeholders and participation in public debate
- 10 Respect for human rights

Products and Services

- 11 Access to progress (intellectual property)
- 12 Adaptation to climate conditions and local product conditions
- 13 Efficiency of farms (consumption of resources)
- 14 Marketing and responsible communication (including information to customers)
- 15 Partnerships and innovation with customers
- 16 Acknowledgement of the diversity of tastes and cultures
- 17 Nutritional quality of products
- 18 Sanitary quality of products
- 19 Tracking of and response to market evolutions (needs, acceptability of technologies, digital transformation, etc.)
- 20 Traceability

Human Resources

- 21 Attractiveness and talent management throughout the world
- 22 Social dialogue and participative management
- 23 Diversity and equal opportunities
- 24 Employee health, safety and well-being

Societal

- 25 Regional development programs
- 26 Acknowledgement of different types of agriculture
- 27 Food security
- 28 Economic performance of farms and development of integrated chains
- 29 Support to communities and corporate patronage

Through the use of a materiality matrix, the most important stakes for Vilmorin & Cie can be clearly identified, even if certain results such as the preservation of biodiversity and the quality of soils, or in another domain, diversity and equal opportunities, may seem surprising at this stage of the analysis. The main stakes concerned are those of governance (business ethics, human rights, relations with stakeholders and participation in public debate) and human resources (attractiveness and talent management, health, safety and well-being, diversity and equal opportunities, social dialogue and

participative management). Three other stakes also appear in the top ten most important stakes: the economic situation of farmers and the development of integrated chains, the sanitary quality of products and the management and quality of water and effluents.

In the coming months, Vilmorin & Cie will set out to integrate the results of this materiality analysis. This work should lead to a reformulation of the CSR strategy and the evolution of its CSR roadmaps.

Vilmorin & Cie's CSR approach, which is run in close cooperation with Limagrain, thus includes the specific aspects of the Group's different business lines and activities. It can be adapted to the constraints of the different markets. It unites teams around a common, structuring project, raises interest and gives meaningful direction.

At the same time, and in order to reinforce its CSR commitment, since December 2013 Limagrain has adhered to the principles of Global Compact.

4.1.1.2. OPERATIONAL ORGANIZATION

CSR is managed through a continuous progress approach deployed at the level of Limagrain, Vilmorin & Cie's reference shareholder. Dedicated organization has been established for this purpose; since March 1, 2016 CSR assignments have been coordinated by the CSR department of the Group's Progress Department. This department reports to the General Management and comprises the following departments: risk management and cyber risks, GMO* quality, insurance, legal affairs and CSR. The CSR department comprises a permanent staff of two people who have been supported, for the past three years, by the expertise of a CSR team made up of CSR correspondents from different subsidiaries and business lines.

Initiated in 2012, this cross-cutting approach has gradually been integrated further into each department. For example the Risk Management department has taken charge of the deployment of the Health and Safety file. Similarly, the Human Resources and Legal Affairs teams also participate actively in reporting extra-financial data and have a role to play in the implementation of measures for the CSR program, such as the deployment of the Code of Conduct.

At the same time, the network of voluntary CSR correspondents from each Business Unit has regularly expanded. This past fiscal year was marked by the appointment of a correspondent based in the business Unit Limagrain South America, in charge of CSR in particular, and a privileged contact for the topics dealt with by the Progress Department.

4.1.1.3. THE CODE OF CONDUCT

The Code of Conduct structures the ethical principles and fundamental commitments that Vilmorin & Cie and its reference shareholder Limagrain wish to see respected by all their employees, in all circumstances, for all business lines and in all countries.

This Code of Conduct comprises:

- Five principles to guide all the Group's employees, by providing useful ethical references for the exercise of their profession in order to cope with the risks linked to the image and reputation of the Company, the Company's assets, conflicts of interest, non-disclosed financial information and intellectual property rights;

- Seven commitments with regard to internal and external stakeholders covering the respect of shareholders, employees, preservation of the environment, loyal behavior with regard to competitors, customer/user and consumer satisfaction, balance and long-term approach to relations with suppliers and partners, responsible conduct towards countries and regions where the Group has locations;
- A handbook which formulates the questions which all employees should be asking to assess their level of compliance with the Code, and makes it easier to understand and implement the Code of Conduct.

The Code of Conduct was officially launched in March 2015 with all the Business Units through the HR Network, an internal network linking all the Group's Human Resources managers. It is currently available in ten languages: five more languages than the previous fiscal year: French, English, Spanish, Portuguese, Chinese, Dutch, Italian, Ukrainian, Hebrew and Turkish. Eventually it will be translated into the language of each region in the world where Vilmorin & Cie has locations, in order to develop internal awareness as widely as possible.

In order to facilitate the adoption and use by everybody of the Code of Conduct, when it was disseminated it was accompanied by an extensive communication kit including a 30-minute dedicated e-learning module available in eight languages, four more than the previous fiscal year (French, English, Spanish, Portuguese, Dutch, Ukrainian, Hebrew and Turkish) and sent out to all employees through the Group Intranet.

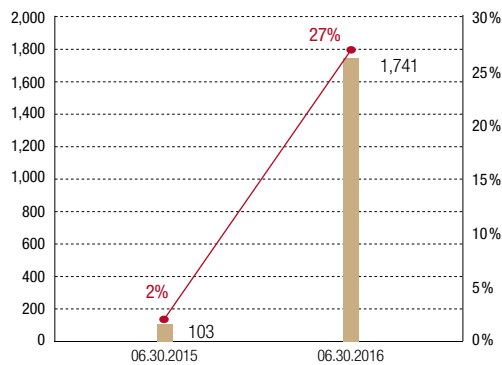
The e-learning program is presented as a game. Each user is placed in situations involving four operational scenarios (gifts, safety, confidentiality of data and anti-trust) and must resolve cases of business ethics in order to acquire the reflex of questioning himself. Employees must strive to act with common sense and judgment; throughout the program they meet virtual and interactive colleagues, evoking together all the ethical questions involved in the exercise of their profession.

The deployment process is progressive. After consultation with employee representative bodies and checking the national practices and legislation in force on this topic, each Business Unit adapts its schedule with support from its Human Resources and Legal Affairs departments and from its managers, while respecting the objectives fixed by the Group.

The objective is to ensure that 100% of the Group's managers are trained in business ethics as soon as possible - since this objective had only been partially attained on June 30, 2016 - and that 80% of employees should be made aware by the end of 2017. Already on June 30, 2015, 100% of the top executives had received training on the Code of Conduct through real-work situations involving operational scenarios. On June 30, 2016, 1,741 permanent employees of Vilmorin & Cie had completed the e-learning module and the quiz to check the level of knowledge. 97.4% of the top executives also received one-day's awareness training in the spring of 2016 on the risks of corruption, delivered by a specialized external consultancy.

Number of permanent employees at Vilmorin & Cie trained on the Code of Conduct through the e-learning module

(and as a percentage of permanent staff)



At the same time, four times per year, a Code of Conduct Operating Committee works on real operational scenarios to assess the risks and comes up with answers to present to all the employees. During the next fiscal year, the Group will be organizing reflection on the implementation of a global, thorough action plan to improve deployment of the Code of Conduct, business ethics and the management of alerts.

Judging ethical actions and avoiding mistakes are concerns that form part of the quest for excellence. For Vilmorin & Cie, which is present in several countries with sometimes very different cultures and legislation, marking its identity with clear benchmarks is a pre-condition for consolidating its reputation and its legitimacy.

4.1.1.4. EMPLOYEE AWARENESS AND INVOLVEMENT IN THE APPROACH

Several types of measures are now in place today to provide employees with the means necessary to adopt CSR subjects, and a wide transmission of the commitments of Vilmorin & Cie.

Whatever the continent, all new executives attend an awareness and information session on CSR and its current program as part of their induction program. During this past fiscal year, 74 people followed this program. Of these 74 people, 32.5% were from the following countries: Israel, Turkey, Japan, Thailand, Netherlands, Spain, United States, Argentina, Brazil and Chile.

In the Business Units, all the employees that participate in the working groups to deploy the ISO 26000 method follow awareness sessions on CSR basics and sustainable development run by CSR consultancies specialized in accompaniment.

Starting in January 2015, the Group's CSR department has proposed a half-day training module, delivered upon request. The team also offers Executive Committees in the different Business Units a face-to-face analysis of extra-financial reporting and discussions around progress that can be made by sharing best internal practices in particular.

Furthermore, the Group's CSR department has run several programs in awareness and sharing experiences with different external stakeholders such as schools and local universities, the IFACI (French Institute for Auditors and Internal Controllers) and the Truffaut garden centers.

4.1.2. SOCIAL INFORMATION

The men and women working at Vilmorin & Cie are its most precious asset. It is this human capital that Vilmorin & Cie intends to develop so that all employees can contribute to the development of the Company and achieve personal fulfillment in their jobs. Vilmorin & Cie materializes its social commitments by pursuing its policies in terms of employment, working environment, career development, compensation and benefits, social dialog and diversity.

During the course of fiscal year 2015-2016, the Human Resources teams continued to deploy the Group's employer brand and optimal visibility of job offers to potential applicants including students, young graduates and employees.

The objective is to make the Group as attractive as possible as an employer to the different communities, while strengthening Vilmorin & Cie's employees' sense of belonging.

The Human Resources teams also devoted a lot of energy to deploying the shared human resources information systems internationally, in order to manage recruitment, follow annual appraisals and career development, so there is automatic consolidation of information and optimization of the human resources processes.

International extension of the health and providence scheme programs and deployment of the knowledge-sharing center, Limagrain Academy, beyond the frontiers of Europe also marked this fiscal year.

4.1.2.1. A COMMITTED EMPLOYMENT POLICY

HEADCOUNT

With a permanent headcount of more than 6,400 up 2.71% compared with the previous fiscal year, Vilmorin & Cie enjoys a wealth of 60 different nationalities.

Evolution of the permanent headcount: Key figures

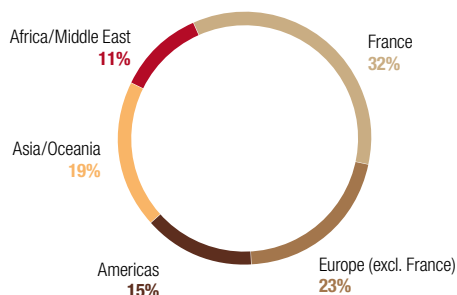
Number of employees	2014-2015	2015-2016
DIVISION		
> Vegetable seeds	3,403	3,561
> Field seeds	2,317	2,328
> Garden products	305	292
> Holding	244	258
GEOGRAPHICAL AREA		
> France	2,040	2,062
> Non-France	4,229	4,377
GENDER		
> Men	3,972	4,014
> Women	2,297	2,425
CATEGORY		
> Managers ⁽¹⁾	1,819	1,938
> Non-managers	4,450	4,501
Total	6,269	6,439

(1) In 2015-2016, managers represented 30% of Vilmorin & Cie's permanent headcount, an increase of almost 6.54% compared with 2014-2015. According to the definition adopted by Vilmorin & Cie, a manager is a supervisor or expert with further education of five years or the equivalent acquired by experience.

The number of interns increased by 24.71% compared with 2014-2015.

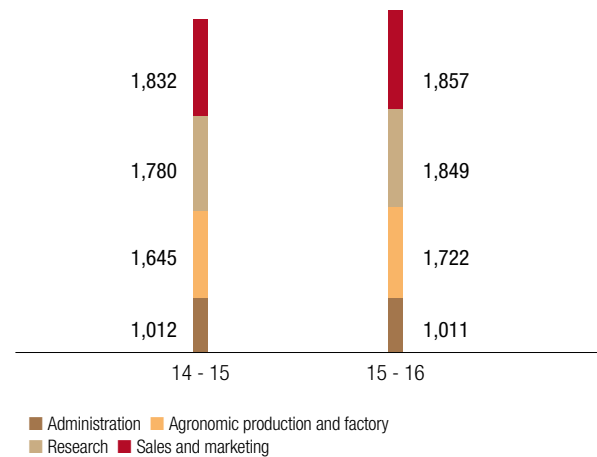
In number of persons	2014-2015	2015-2016
> Interns	259	323

Geographical distribution of the permanent headcount



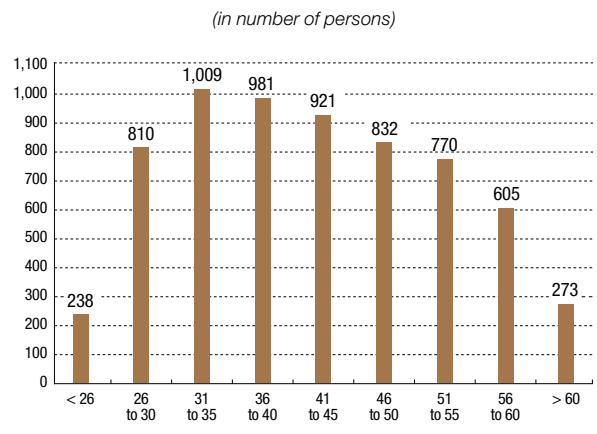
Evolution of the headcount per professional profile

Evolution of the permanent headcount per professional profile in relation to 2014-2015 was relatively moderate: +3.88% for research, +4.68% for logistics and production, and +1.36% for sales and marketing. Support functions were virtually at the same level, with a 0.10% drop in headcount.



Age pyramid

In 2015-2016, the average age of employees at Vilmorin & Cie was 41.4.⁽²⁾ The age pyramid is balanced and shows that all age Group's are represented, illustrating the stability of the organization model.



(2) The calculation method used was changed with regard to the previous year. This year the calculation was made by taking the average age in each company on June 30, then weighted by the headcounts.

COMPENSATION POLICY

Vilmorin & Cie is concerned to develop a fair and motivating compensation system for all its employees, which is seen as attractive and competitive.

Compensation

In 2015-2016, the total amount of gross compensation paid by Vilmorin & Cie stood at 273 million Euros, an increase of 5.86% compared with the previous fiscal year, mainly due to changes in scope and headcount. This compensation includes benefits packages, as well as profit-sharing, and an attractive system for employee savings.

Benefits

As in previous years, fiscal year 2015-2016 was mainly devoted to promoting the tools the Group makes available to its Business Units: profit-sharing, Group Savings Plan, Collective Pensions Savings Plan (PERCO), Health and Providence Schemes, particularly through the organization of several informative meetings set up for employees.

→ Profit-sharing

Originally set up in France, profit-sharing is extended to non-French companies and offered at all employee levels.

The Group's profit-sharing agreement thus involves all of Vilmorin & Cie's subsidiaries, including those that have recently joined the scope, and for which Vilmorin & Cie holds more than 50% of their capital stock. It is composed of a company proportion calculated on the basis of the subsidiary's performance and a Group proportion. The calculation is mainly based on a redistribution of the economic income. In 2015-2016, almost 2.35% of the payroll was dedicated to this program.

Evolution of collective profit-sharing

(in thousands of Euros)

	Profit-sharing
2014-2015	8,051
2015-2016	8,670

→ Employee savings

A Group Savings Plan (GSP), the operating costs of which are fully borne by Vilmorin & Cie, is available to French employees. It is made up of three funds – two of which are exclusively reserved for them – that involve investment profiles that combine security and performance, with the common goal of offering a return higher than that of the market. Among these funds is a solidarity fund, labeled socially responsible by specialized reference organizations (Finansol and CIES). This fund is partly invested in solidarity-based companies that act in the areas of social and vocational integration (ADIE, Initiative France, Groupe La Varappe), mobility (Wimoov) and access to accommodation (SNL-Prologues, Foncière Habitat & Humanisme).

A Collective Pensions Savings Plan (PERCO), involving an employer's contribution to accompany employees in their efforts to save for retirement, was implemented in 2011-2012. In France, the entry rights and management fees for this plan, which is interesting from a tax standpoint, are also covered by Vilmorin & Cie.

Internationalization of the Group Health and Providence plan

Social protection of its employees is a major objective for Vilmorin & Cie. It plays a high-profile role in attracting and retaining employees, and must also facilitate mobility between the Business Units.

Vilmorin & Cie aims to cover all its employees in Health and Providence within two years. The objective is to benefit from homogeneous cover in each country and for all employees, whatever Business Unit they belong to.

In 2014-2015, an audit was carried out in all non-French companies in order to assess the level of cover in each company. This enquiry was not conducted in France since all employees already have good quality cover.

Results of the audit show that 67% of non-French employees have Health cover and 72% Providence Scheme cover. The study also set a target for standards in each country.

Consequently, at the end of the two coming fiscal years, each employee at Vilmorin & Cie will benefit from:

- A Health program at the level of market standards,
- A Providence program proposing at least one year's compensation in the event of death.

Since this study was carried out, cover has already been extended to 13 companies for the benefit of 215 employees. Discussions are in progress for other regions.

ATTRACTING AND RETAINING TALENTS

The Human Resources teams working in the Business Units and at corporate level have defined and elaborated the Group's employer brand, with the objectives of attracting and retaining talents. This brand communication has led to the formulation of "7 good reasons" for working for the Group:

- Reason No. 1 - "Working in a committed and responsible company"
- Reason No. 2 - "Experiencing a human adventure that is enriching and unique"
- Reason No. 3 - "Combining international ambitions with local development"
- Reason No. 4 - "Evolving in diverse professions and cultures"
- Reason No. 5 - "Associating progress and performance in a cooperative approach"
- Reason No. 6 - "Innovating for modern, visionary and responsible agriculture"
- Reason No. 7 - "Taking action to meet food challenges"

This employer brand is intended for potential applicants, but also for the Group's employees, and will be underpinned by the practical examples, taken from the employee experiences, throughout fiscal year 2016 - 2017.

Staff Movements

668 employees, including 197 managers (29.49% of those hired) were hired by Vilmorin & Cie during the course of fiscal year 2015-2016, which represents 10.37% of the global permanent headcount, an increase compared with fiscal year 2014-2015.

Among these recruitments, 13.92% involved young people under the age of 26, and 3.89% involved persons with no previous professional experience.

In order to accompany its development, Vilmorin & Cie needs young talents. This is why the Company has implemented an action plan in order to disseminate its career opportunities for students from targeted higher education establishments throughout the world. The Group's Human Resources teams work together to form privileged partnerships with certain establishments to provide greater visibility for Vilmorin & Cie and the great diversity of the different professions involved.

For example, in France, Vilmorin & Cie helps fund education fees for the International Master's program in Plant Breeding of UniLaSalle (formerly La Salle Beauvais) in Beauvais.

In China, the Human Resources teams, in partnership with Beijing University of Agriculture, are developing, an incubator of internees by receiving them every summer in Vilmorin & Cie's research centers.

In the United States, HM.CLAUSE contributes to the development of the "Challenge 2050" program of the University of Florida, in terms of funding and providing expertise. The objective is to get the students working on possible solutions to deal with the major challenges of strong population growth expected by 2050.

At the same time, 569 employees left Vilmorin & Cie during fiscal year 2015-2016, representing a departure rate of 8.84%, slightly lower than in 2014-2015:

Number of employees	2014-2015	2015-2016
> Retired	58	73
> Resigned	269	313
> Discharged (individual and collective)	162	108
> Other	56	75
Total	545	569

A comparison of the arrivals and departures results in a turnover rate⁽¹⁾ of 9.61% and a net permanent job creation of 99.

Mobility

Vilmorin & Cie has made internal mobility, whether in terms of geography or function, one of the structuring orientations of its human resources policy. Vilmorin & Cie offers a particularly favorable framework for career development: the diversity of business sectors and professions, along with geographical presence in 46 countries, means that staff can follow individual professional pathways and Business Units can benefit from a wealth of new skills, experiences and know-how.

There is a platform for the consultation of internal job offers on the Intranet available to all the Group's employees, so that they can play an active role in their own mobility/evolution. 331 offers with permanent contract were published this past fiscal year. This platform is also accessible to all trainees, apprentices and employees on fixed-term contracts, giving them the possibility to take up opportunities for permanent contracts, but also for internships, sandwich courses or fixed term contracts to supplement their training. 185 offers of internships and sandwich courses were disseminated, along with 80 offers of fixed term contracts for young graduates.

(1) The calculation formula is provided in paragraph 4.1.5.3, page 102

In terms of results, 254 employees experienced internal mobility within Vilmorin & Cie in 2015-2016 (an increase of 36.56% compared with 2014-2015). Vilmorin & Cie also fosters internal promotion by encouraging employees to acquire new skills through training leading to new qualifications or diplomas.

Moreover, as a result of Vilmorin & Cie's increasing international dimension, international mobility is of major importance.

To encourage mobility, conditions for expatriation take into account the specific needs of expatriates and include, in particular, measures to encourage integration and the return of colleagues to their home country.

The different measures of accompaniment include intercultural and language training for the employee and his or her family, payment of removal expenses, schooling for the children, return trips and rent, tax assistance, a commitment to reintegrate the employee in the sending country at the end of the expatriation period, and a mobility bonus.

A new mobility policy is being deployed, aiming to take new mobility practices into account. In 2015-2016, in total the Company had 86 expatriate employees, an increase of 19.44% compared with 2014-2015, and 11 VIE (International Business Volunteers).

In order to complete business opportunities abroad and allow a greater number of employees to enjoy this experience, short foreign assignments (less than six months) are also proposed.

Organization and quality of life at work

Management of the quality of life at work is built up on several pillars: a secure working environment that favors self-fulfillment, developing constructive social dialogue and continuous exchanges between employee and employer, reconciling professional life and private life, and the organization of working times.

→ Working environment

Vilmorin & Cie has made significant investments over the past five years in the premises where employees work. Several major research sites (particularly in France, the United States, Israel and Chile) have been built. Employees at several head offices (Vilmorin & Cie and Limagrain Europe in France, Mikado Kyowa Seed in Japan, Limagrain South America in Brazil, HM.CLAUSE in the United States and in India) have also benefitted from new premises. In all, more than 1,100 employees are working in new or recent premises with facilities that encourage exchanges and a happy atmosphere.

→ Reconciling professional and private life: organization of working times

In 2012 in France, the Group signed a Professional Equality agreement including a specific section on creating a good balance between professional life and private life. In order to accompany the employee better when family-related leave is taken, pre- and post-leave interviews have been set up. Different measures have also been adopted to reorganize working times, with a particular effort made concerning working times and to take into account employees who are going through a difficult family situation.

On account of the different geographical locations of Vilmorin & Cie, the effective working times in its subsidiaries can vary, depending on the country, making it difficult to calculate overall working times.

On June 30, 2016, out of a total headcount of 6,439, there were 326 employees working part-time, which is 5.06%.

Flexible organization of working times and in certain Business Units, services on offer (day-nursery, canteen, sports activities) make it easier to reconcile professional life and personal life, thus meeting the growing expectations of employees in terms of physical well-being, balanced times and management of their family responsibilities.

In France, teleworking is continuing to develop. Today 19 agreements have been set up to deal with the organization of working times involving several of Vilmorin & Cie's companies. They allow employees to do their jobs – if compatible with their function – outside the premises of their employer, and using information and communication technologies. Teleworking can contribute to creating a good balance between private life and professional life. Teleworking is now an integral part of the provisions implemented through the Group's Professional Equality agreement renewed in 2016.

4.1.2.2. ENCOURAGING SOCIAL DIALOGUE AND INTERNAL COMMUNICATION

THE ORGANIZATION OF SOCIAL DIALOGUE AND REPORT ON COLLECTIVE AGREEMENTS

Vilmorin & Cie encourages constructive Social Dialogue with its social partners and gives priority to collective negotiation in implementation processes. Group agreements encourage a common policy between the Business Units. Three Group agreements were adopted in France in 2015-2016; they dealt with the renewal of the Professional Equality agreement, Group profit-sharing and the Health and Providence scheme.

Company agreements can deal with the particularities and needs in each company with partners directly involved in implementation.

In Europe

→ The European Works Council (EWC)

The European Works Council (EWC), representing the different companies in the Group, meets twice per year with the objective of providing information to the employees and establishing constructive dialogue with the employee representatives of the European companies. It deals with economic, financial and social questions which are of global interest, going beyond the context of a particular country.

It comprises 29 employee representatives from nine European countries.

In 2014-2015, negotiations had resulted in an update of the Agreement of the European Works Council, providing extra prerogatives:

- a new definition of consultation with more involvement from employee representatives in the decision-making process on certain subjects, particularly employment.
- the creation of a Select Committee dedicated to the implementation of this consultation.
- the possibility of organizing exchange meetings between the representatives.

In order to assume their role more efficiently on this council, training in finance was proposed and delivered to the EWC members who were interested.

At national level

24 countries out of the 46 where the Group is present, i.e. 52%, have staff representation bodies of different types (works council, employee forums, staff representatives).

→ Collective agreements

29 collective agreements were negotiated and 23 signed in the different companies, over the course of 2015-2016. They mainly concerned salaries, employee profit-sharing and working conditions. They complete and strengthen the deployment of the social contract within the Group.

For example, the collective agreements mainly deal with:

- in France: salaries, working conditions and profit-sharing,
- in the Netherlands: employability,
- in Brazil: salaries, social benefits, overtime,
- in Vietnam: the collective bargaining agreement and labor rights,
- in Spain: working times, retirement, profit-sharing and risk prevention.

SOCIAL CLIMATE

Surveys on the quality of life at work are conducted within the scope of Vilmorin & Cie. During this past fiscal year, one fifth of the total permanent staff were asked to participate in these surveys, a 50% increase compared with fiscal year 2014-2015.

4.1.2.3. HEALTH AND SAFETY: EVERYBODY'S BUSINESS

THE SAFETY AT WORK POLICY

Vilmorin & Cie is convinced that there can be no sustainable successful performance without safety. On top of the prevention policy deployed for a number of years, Vilmorin & Cie therefore launched a safety at work policy during fiscal year 2014-2015. Based on strong involvement from the management, its objective is to act both on organizational and behavioral shortcomings, the main causes of accidents, in order to prevent them efficiently. Beyond the fact everyone is responsible for their own safety and that of their colleagues, strong involvement from the management chain is also expected.

During the course of fiscal year 2015-2016, following on from the previous year, the training plan for Executive Committees was run in nine other Business Units. Today all the Executive Committees in the Business Units have been trained to run managerial safety visits in their facilities, and were able to gauge the efficiency of this approach. Above all it aims to prevent exposure to professional risks; but it also serves to strengthen the managerial model which Vilmorin & Cie promotes, marked by interest in, and consideration for, all the persons working for and with Vilmorin & Cie, whether they are employees, temporary workers, trainees, subcontractors or visitors.

A Security Committee manages this policy, which is relayed by a Security coordinator.

The Business Units are also responsible for running this policy internally, involving closely all heads of departments and safety experts, passing on information through internal communication, stimulating managerial involvement and motivating all levels of line management, training all the employees, assessing risks and defining the norms and standards that reduce them, following the indicators used to steer the Safety policy, analyzing accidents whatever their severity, and to draw all conclusions from each failure in this matter.

In 2015-2016, the frequency rate for lost-time workplace accidents came to 9.21 (representing 136 lost-time workplace accidents), and the severity rate to 0.20 (excluding HM.CLAUSE Vietnam).

The objectives of the safety policy are ambitious: to reduce by 50% lost-time accidents in 3 years, i.e. by June 30, 2019.

Occupational diseases

In order to fight against the risks of occupational diseases, in a certain number of countries Vilmorin & Cie requires that when its employees are recruited, they should have a medical examination. In France, employees who are exposed to particular risks such as noise, shift work, handling heavy loads, exposure to dangerous chemical products, etc. have a compulsory annual medical. Other employees also have a medical every two years. The aim of the medical examination is to insure that employees are apt for their job health-wise.

In fiscal year 2015-2016, 11 employees were recognized as suffering from an occupational disease in France. The Group is working to improve on this subject following the recent publication of regulations on tracking arduous working conditions in positions presenting risks.

Report on agreements signed with union organizations or staff representatives on the topic of workplace health and safety

During fiscal year 2015-2016, 23 company agreements out of 29, representing 80%, concerning health, safety and working conditions, and based on the Group's policies in terms of social protection and the safety of its employees, are validated and are in application.

There was greater emphasis on training devoted to health and safety during the year since this represented 20.55% of total training hours organized at Vilmorin & Cie, as opposed to 17.7% the previous year.

ABSENTEEISM

Absenteeism is defined as being all the working days where staff are absent for reasons other than paid holidays, time in lieu, training courses, and union representation.

In 2015-2016, the global absenteeism rate was 4.92%. It was 3.96% for managers and 5.33% for non-managers.

4.1.2.4. THE PROFESSIONAL DEVELOPMENT OF EMPLOYEES

Employee development is a strong component of the Group's human resources policy. Given the Group's specific organization in Business Units, Corporate Human Resources has a mission to promote the sharing of knowledge through a cross-cutting approach to development, and to identify talents in order to prepare for the future.

An annual talents review is organized at Group level under the responsibility of Corporate Human Resources. This review mobilizes all Vilmorin & Cie's Business Units with the aim of detecting internal talents, encouraging internal mobility and promotion, and identifying pools of potential managers for key positions. Each Business Unit runs its own careers committee. As a result, more than 80 people are mobilized on these subjects. Information from the careers committees in the Business Units are then consolidated and shared during a careers committee meeting of all the Group's Human Resources Managers and Corporate Human Resources (GHRC). An annual review of Human Resources talents by this body is also organized. Finally, the Group careers committee focuses on top executives, executive managers and high potential managers.

Preparing for the future also means accompanying colleagues who have been identified as future top executives for the Group. From the work carried out throughout fiscal year 2015-2016, a new leadership model was defined and implemented - in partnership with one of the most prestigious business schools, INSEAD, ranked No. 1 in the world for MBAs - a program devoted to the high potential employees at Vilmorin & Cie.

Moreover, employability at Vilmorin & Cie's is based on several levers:

- Appraisals throughout employee careers.
- Internal dissemination of job offers, which has been extended. In 2016, 331 job offers were published (cf. paragraph concerning mobility in section 4.1.2.1).
- An extended catalog of training programs at Limagrain Academy.
- Career paths.

APPRAISAL THROUGHOUT ONE'S CAREER

■ **The annual appraisal** (the campaign runs every year from June to September; the interview is conducted by the manager). The interview consists in assessing the activities achieved and skills mobilized over the past year. It is also an opportunity to assess the employee's training needs and wishes, and to review his or her professional evolution.

Training in the form of e-learning, webinars and information organized on the Group Intranet have been deployed to allow those involved to prepare their appraisals in the best possible conditions. The information provided allows Human Resources to build up the training plan, to implement development plans and to prepare career committees to review promising employees and decide on promotions, mobility opportunities and accompaniments.

During fiscal year 2015-2016, 77.45% of employees benefitted from a development appraisal, and 73.14% of executive managers.

■ **Bi-annual professional interviews:** these interviews are initiated by Human Resources every two years. They are conducted by the manager, and are an opportunity to analyze perspectives for professional evolution in terms of qualification and employment.

■ **Career interviews:** initiated in 2015, these interviews are organized every six years before the age of 45, then every five years after the age of 45. They are set up and run by Human Resources, and prepared with the manager. Their objective is to prepare a summary of the employee's professional career.

■ **Interviews to prepare the end of a career (as of the age of 57):** these interviews are part of the Group's Generation Contract and are organized and run by Human Resources; they are set up to prepare the final career period, to initiate the procedures necessary to prepare pension files and to organize succession plans. In 2015-2016, 181 interviews to prepare the end of career were organized.

■ **Return-to-work interviews** after a long absence (maternity or adoption leave, childcare leave, etc.): they are initiated by Human Resources. They are set up for successful transitions before and after these absences, to prepare the return to work, to keep in contact, and to avoid any breakdown in the relationship.

CAREER PATHS

After the construction of a pilot scheme, in 2014-2015, on career paths for employees working in information systems, organized by Vilmorin & Cie's Human Resources and Information Systems Department teams, the approach was initiated for other departments in 2015-2016. The starting point of this project was an initial definition of a new directory of positions held in certain Business Units and at corporate level for executive managers. The construction of an approach to forward management of jobs and skills, an important project for fiscal year 2016-2017, will be based on the work achieved this past year.

TRAINING, A TOOL TO DEVELOP SKILLS AND PRESERVE KNOW-HOW

Vilmorin & Cie is actively committed to training in order, through the transmission of know-how, to preserve the technical and scientific heritage generated by generations of agronomists and other experts. This is why Limagrain Academy, over and beyond programs run to disseminate the Group's culture, has set up a "production academy" and a "breeding* academy" to retain know-how in the Group. With the same objective, Vilmorin & Cie encourages apprenticeship and sandwich courses, so that young people can obtain diplomas more easily and test their interest of the different functions involved in plant breeding*.

Evolution of the total number of training hours

	Training hours
2014-2015	82,434
2015-2016	109,865

In 2015-2016, 109,865 hours of training were run in the group, for 4,186 employees, representing 65% of Vilmorin & Cie's total headcount.

Breakdown of staff trained by gender and status

	2014-2015	2015-2016
GENDER		
> Men (%)	60.0	59.7
> Women (%)	40.0	40.3
CATEGORY		
> Managers (%)	35.1	37.2
> Non-managers (%)	64.9	62.8

During the course of the fiscal year, Vilmorin & Cie devoted 3.5 million Euros on training for its employees, including the budget for Limagrain Academy.

	2015-2016
% Payroll	1.27
Average training cost for each employee trained (in Euros)	828
% of employees trained	65.01
Total number of hours training	109,865
Average number of training days per colleague trained ⁽¹⁾	3.75

(1) On the basis of 7 hours per training day.

Training mainly involves the development of professional skills, adaptation to the workstation, health and safety, and for managers, dealing with change and management.

LIMAGRAIN ACADEMY: A CENTER FOR SHARING KNOWLEDGE

Limagrain Academy was founded in 2013, with the aim of developing and preparing the communities of the Group, in order to acquire the skills, aptitudes and capacities necessary for working successfully, in coherence with the Group's fundamentals.

Limagrain Academy is not a substitute for the training activities and specific development in each Business Unit. The complementarity of the training programs in the Business Units and those organized by the Group will help to prepare the Company and its employees for tomorrow's challenges.

With this in mind, Limagrain Academy's aim is to exploit the full wealth of knowledge that the Group possesses and to create learning opportunities for the employees from the different Business Units, countries and cultures, while encouraging the feeling of belonging to the Group, especially through the use of collective learning methods.

In 2015-2016, the number of employees participating in Limagrain Academy training programs increased considerably. The training will be organized throughout the world so that as many employees as possible in the Group can benefit from it. The international scope of Limagrain Academy has considerably accelerated with a growing number of non-French employees being trained, and almost half the training sessions run in English (compared with 24% the previous year).

More and more these sessions make use of motivating new learning techniques, in the form of games or virtual tools. In 2015-2016, the proportion of virtual training sessions in comparison to face-to-face training rose from 30% to 50%, for example with the "Limagrain Game" in which the participants play on a tablet in teams in a virtual game about the history and the characteristics of the Group. This game was deployed for the Agora 2016 meeting, bringing together about one hundred sales employees from all the different countries and Business Units. Next year the «Limagrain Game» will be deployed in several Business Units, as a complement to their induction programs.

Management training has also been proposed, with the first session of the program "Advanced Leadership" in collaboration with INSEAD, enabling 25 managers and executive managers to develop their leadership in particular through coaching, virtual sessions and face-to-face sessions.

INDUCTION PROGRAMS

Further induction programs were run over the course of the fiscal year, concerning a total of 556 employees.

In order to facilitate the integration of new managers from all over the world, Group induction programs have been run since fiscal year 2010-2011. Intended for managers who recently joined the Group, they are run for confirmed employees in their position and with up to five years of seniority in the Company, with further education of five years, or with equivalent experience. They involve a meeting with members from the Executive Committee and the Board of Directors, exchanges with employees who have benefitted from mobility opportunities, and visits to sites with meetings with farmer-members of the Limagrain Cooperative.

The objective is to facilitate the integration of new managers in the

Group, in terms of how they understand its activities and its strategy, and familiarity with the resources available in each Business Unit (human resources development policy, communication tools, etc.). During the integration program, the Group's CSR commitments and its Code of Conduct are also explained.

Over the course of this fiscal year, 74 employees followed this program. Of these 74 employees, 32.5% came from the following countries: Israel, Turkey, Japan, Thailand, the Netherlands, Spain, the United States, Argentina, Brazil and Chile.

Furthermore, several events were organized throughout the year, in order to strengthen the link between the employees and the farmer members of the Limagrain Cooperative, and encourage moments of proximity and exchanges. The following communities met up during the year:

- around 300 researchers in January 2016,
- about one hundred members of the sales and marketing teams in June 2016,
- 240 executive managers in June 2016,
- and also different departments that held meetings this year (quarterly meetings of Human Resources, the Legal Affairs network, Finance, Quality Safety Environment, Purchasing, Communication, etc.).

All these initiatives contribute to bringing Vilmorin & Cie's communities together for a shared project, that of developing the Group.

4.1.2.5. COMMITTING TO DIVERSITY

The diversity of populations within Vilmorin & Cie is an integral part of the Company's ambition.

"The Group is committed to treating its employees fairly and with an open mind, respecting their dignity and their physical and moral integrity. The Group's employees are therefore recruited without discrimination in terms of gender, age, religion, sexual orientation, physical appearance, health condition, handicap, trade union membership or political opinions."

This commitment on respecting persons and their private life is an extract from the Code of Conduct.

The Code of Conduct is part of the scope of several international texts of which the Group shares the principles, in particular the core conventions of the International Labor Organization concerning combating child labor and forced labor, health and safety of workers, combating discrimination, freedom of association, the right to organize and the right to collective bargaining. Similarly, collective agreements were negotiated in favor of gender equality and intergenerational balance. Other measures have been taken towards employing and integrating the disabled in several of Vilmorin & Cie's Business Units.

Moreover commitments have been made for the recruitment process to integrate non-discriminatory practices.

MEASURES TAKEN TO SUPPORT GENDER EQUALITY

Women represent 37.66% of Vilmorin & Cie's headcount. This proportion varies depending on activity sectors and professions.

Professional equality represents a primary focus in human resources management in the Company. In this context, an agreement was signed in 2012-2013, which was also in response to a new legal obligation in France. Resulting from constructive dialogue with social partners, this agreement, which involves French companies, concerns objectives and measures in favor of equality between women and men throughout their professional careers.

Recruitment, professional promotion, compensation, balance between professional and personal life: these four areas for action have been adopted, with concrete commitments and measures to promote diversity and professional equality.

These objectives and measures are accompanied by indicators calculated in each subsidiary, and then consolidated and tracked at Group level.

This agreement was prolonged in 2016 pending a new agreement which is still under discussion.

As an example, 24 entities from the overall scope have implemented an action plan on compensation.

Breakdown by gender of the Group's executives

2015-2016	Total	Men (%)	Women (%)
Top Executives	20	85	15
Executive Managers	170	80	20
Group's global headcount	6,439	62.34	37.66

MEASURES TAKEN TO SUPPORT INTERGENERATIONAL BALANCE

In order to encourage the sharing of values, communication between organizations and generations, and also creativity, a mentoring program has been set up to enable young employees in the Group to be accompanied for 6 months by a different Business Unit and a different function from their own. This mentoring program highlights and takes advantage of the experience of "senior" employees.

It was reviewed during fiscal year 2015-2016 and will be deployed as of 2016-2017.

38.5% of Vilmorin & Cie employees are over 45 years old. In order to guarantee better employability for employees in the second half of their career, and taking into account the fact that careers are getting longer, Vilmorin & Cie has for several years applied a specific agreement regarding employees working in the Group's French companies. The object is to accompany all employees more actively in the second half of their professional lives, and encourage the transmission of their know-how and experience to the following generation as they approach retirement.

The rate of keeping "seniors" (those 57 years old and above in France) in their jobs has been at 95% since 2012, for an objective of 90%. Also, tutoring has become a general practice to ensure that skills are transmitted when «junior» employees are hired or move into a new position.

The agreement, which is in place in France, has also been communicated to non-French subsidiaries, at Vilmorin & Cie's initiative, with the aim of encouraging them to adopt a certain number of these measures.

This agreement, renegotiated in 2012-2013, was extended in 2014, by a generation contract, and pursued in 2016.

MEASURES TAKEN TOWARDS EMPLOYING AND INTEGRATING DISABLED PERSONS

Different measures have been taken to encourage the employment and integration of disabled workers in order to advance our low rate of disabled workers (2.5% of employees) in the French scope.

To this end, during fiscal year 2012-2013, a partnership was formed in France with an ESAT (a center providing care through employment, enabling disabled persons to work in a protected environment) and with the AGEFIPH (an association that manages funds for the professional integration of the disabled) for the dissemination of job offers on a dedicated platform. Disabled persons receive regular temporary assignments to assist Vilmorin & Cie's support services in several operational and administrative functions.

Following the annual negotiation of 2015, a handicap policy was launched, with the first results being the implementation of a partnership with Handischool. Through this partnership, several awareness actions on handicaps have been conducted at a number of Vilmorin & Cie's sites in France.

Outside France, at HM.CLAUSE Peru, new internal regulations have been adopted including non-discrimination measures and practices. Moreover, the Group's Code of Conduct has been widely deployed and applied internationally.

4.1.3. ENVIRONMENTAL INFORMATION

Vilmorin & Cie is at the heart of environmental issues by the very nature of its business. The Company is constantly developing new varieties to meet the needs of farmers and growers all around the world. Accounting for environmental issues is an integral part of the work done by breeders.

In the interests of protecting its environment, Vilmorin & Cie has fully integrated environmental risk prevention into its risk management policies, and has applied coherent standards to all of its sites worldwide.

This level of commitment involves controlling (by measuring, optimizing and innovating) the use of natural resources, paying particular attention to improving quantities of waste created and recycled.

4.1.3.1. OVERALL ENVIRONMENTAL POLICY

Most of the products created and developed by Vilmorin & Cie originate in the natural world. As a priority, they are ultimately intended to be used for nutritional purposes or for amateur gardening activities. This means that they cannot, and must not, cause serious and repeated damage to the environment. Thus, Vilmorin & Cie has adopted a determined, responsible policy, particularly in relation to the following:

- strict compliance with regulations relating to biotechnologies* and genetically modified organisms*,
- the implementation of dedicated resources for environmental risk monitoring and prevention (technical and regulatory checks, alert and crisis management procedures, certifications, internal communications based on an inter-company network, etc.),
- control and treatment of effluents and restrictions on industrial pollutants.

ORGANIZING THE COMPANY IN A WAY THAT ADDRESSES ENVIRONMENTAL CONCERNS

Vilmorin & Cie ensures it complies with local, EEC and international regulations in relation to the environment on all of its industrial sites, both in France and all other countries.

No further ISO 26000 diagnoses were conducted this past year. However, a materiality analysis (presented in the form of a matrix in section 4.1.1.1) was conducted with the help of an external expert, in order to revise the mapping of CSR stakes, particularly those that are environmental.

Moreover, 32 companies, representing 75% of Vilmorin & Cie's sales, have set up a Quality Management System, a rise of 2%, which demonstrates the Group's firm intention to move forward in terms of operational excellence. 16 companies, representing 46% of Vilmorin & Cie's sales, are certified ISO 9001, ETS, GSPP or NAL, etc. for quality.

Six companies, representing 31% of Vilmorin & Cie's sales, have set up an Environmental Management System. At the same time, 7 companies representing 27.6% of Vilmorin & Cie's sales, an increase of 17% compared with the previous fiscal year, have obtained environmental certification in ISO 14001, organic farming, or various other certificates on the quality of the air or water. For example, the HM.CLAUSE site in Chile has obtained certification for a system that optimizes the sampling and analysis of wastewater processes. Limagrain Europe, in France, offers its clients organic seeds certified BIO in order to respect diversity in agriculture.

STEPS TO TRAIN AND INFORM EMPLOYEES ABOUT ENVIRONMENTAL PROTECTION

Every two years, each Business Unit receives an analytical and comparative report of its extra-financial data, particularly environmental, sent by the Group's CSR department. This document includes a list of all the best practices identified in the Group and a panel of the companies benchmarked.

This year, 1,481 training hours were devoted to the protection of the environment.

Furthermore, several companies in the Group regularly organize information campaigns to develop employee awareness of environmental aspects.

In Turkey, Limagrain Europe began issuing an internal weekly letter for all employees in 2015-2016. Its objective is to develop awareness of the importance of environmental, social and societal stakes in everyday activities. 11 issues were published over the fiscal year.

Bisco Bio Sciences, in India, organized an awareness day on water with a tree-planting activity for its employees.

In France, at HM.CLAUSE, all the technicians and suppliers passed the Certiphyto certificate, along with all employees using plant chemical products in their jobs. This certificate is based on training on the use of phytopharmaceutical products with the aim of protecting human health and the environment.

More globally, all of Vilmorin & Cie's companies, wherever they are in the world, pay great attention to any harmful consequences of pesticides, whether through the manipulation by employees or their use in the environment. In order to prevent this professional risk, specific training is regularly delivered to employees in order to work particularly on risk awareness and the implementation of strict, appropriate rules for hygiene. The use of pesticides is limited to the strict minimum and best practices are shared between companies. Adequate individual protection equipment (protective suit, gloves, boots, mask) is provided to all employees concerned to avoid any contact or inhalation of harmful substances.

PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

Vilmorin & Cie did not register any provisions or guarantees for environmental risks for fiscal year 2015-2016.

4.1.3.2. CIRCULAR ECONOMY, POLLUTION, PREVENTION AND WASTE MANAGEMENT

Most production sites are owned by Vilmorin & Cie and are subject to constant monitoring and upkeep.

MEASURES TO PREVENT, REDUCE OR REMEDY ANY DISCHARGES INTO THE AIR, WATER OR SOIL THAT HAVE AN IMPACT ON THE ENVIRONMENT

Vilmorin & Cie develops numerous protected seeds. Seed protection is vital in the fight against diseases and the protection of crops, particularly in their early stages. It means input* can be used more sparingly, and by targeting needs, more efficiently.

This technique minimizes environmental impacts. Protected seeds have very limited contact with the soil. The risk of dispersion in the environment is therefore reduced – particularly the risk towards non-targeted insects, including pollinators such as bees. And any reduction in the number of tractor passes in the field means a better carbon footprint.

■ **Air:** Dust generated during seed processing is the main source of any possible pollution. To limit such releases into the air, some of Vilmorin & Cie's companies have deployed means to prevent this environmental risk and have installed systems to filter and capture this dust of plant origin. As an illustration, during the fiscal year, Bisco Bio Sciences in India commissioned a global quality system for the extraction of dust, air quality, light quality and noise pollution. In Australia, HM.CLAUSE detects wind direction to prevent the odors of chemical products heading towards neighboring communities.

■ **Water:** Research activities are organized to limit as much as possible any discharge into water. The Group's Risk Management manual stipulates that rainwater and wastewater (used for manufacturing, sanitation or to extinguish fires) must be collected and transported separately. It also states that before any discharges are made, water that could be polluted must be analyzed and treated as necessary. The most recent research centers recycle their wastewater using recovery stations.

■ **Soil:** The spreading of fertilizers on commercial seed crops, and the agrochemical treatments used, can be a source of soil pollution. Different preventive and corrective actions are taken, including the strict respect of certified products and recommended dosages. First of all, Vilmorin & Cie recommends the adoption of biocontrol* methods in greenhouses in order to reduce the level of treatments required.

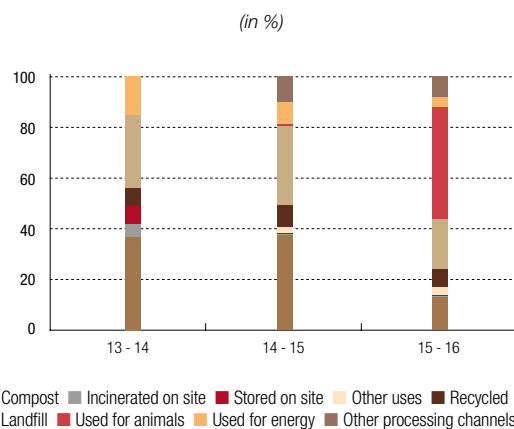
Secondly, Vilmorin & Cie develops seed varieties that are resistant to insects and viruses, require fewer chemical products and have fewer fertilizer needs for growing. Finally, by pelleting commercial seeds, agrochemical treatments can be minimized throughout the life of each plant.

MEASURES TO PREVENT, RECYCLE AND ELIMINATE WASTE

The quantity of waste generated by Vilmorin & Cie is estimated to be 32,300 tonnes (including co-products) in 2015-2016 including 639 tonnes of dangerous waste, 13,785 tonnes of ordinary waste and 16,863 tonnes of organic waste.

71.3% of this waste is valorized through different sectors: animal litter and feed (43.7%), compost (13.4%), recycling (7.4%) and energy (3.7%). However, it should be noted that the performance of the different companies in the group remains variable on this topic.

Evolution and breakdown of waste by treatment method



Organic waste is used for animal feed (39.4%) or compost (25.7%). Other forms of waste (packing materials, paper, cardboard, plastics) are selectively sorted in most cases. As an illustration, in France, Vilmorin SA is tracking new opportunities for recycling as possible sources for the creation of value.

On several of Vilmorin & Cie's sites, this sorting is accompanied by specific communication (sorting instructions, notices in display areas, etc.). At certain sites such as Limagrain Europe and Vilmorin SA in France, monthly monitoring is used to track the evolution of the tonnage of ultimate waste and the quantity of re-usable waste.

Finally, a number of investments have been made to reduce the production of waste and to make sure it is recycled and eliminated. More than 45,000 Euros have been invested over the past 2 years in projects such as a shredder for organic waste, the purchase of selective sorting bins and the establishment of a partnership with a foundation to recycle batteries.

FOOD WASTAGE

Vilmorin & Cie is a seed company and does not as such market food products. Therefore the Company is not directly concerned by the stakes involved in food wastage and has therefore not implemented any specific action plans on this subject.

ACCOUNTING FOR NOISE POLLUTION AND ANY OTHER FORM OF BUSINESS-SPECIFIC POLLUTION

Most of Vilmorin & Cie’s sites do not present particularly high noise levels, and in any case are not located in urban areas. Nonetheless, noise levels are regularly monitored at the sites. Vilmorin & Cie recommends to all of its subsidiaries that where noise levels exceed 85 decibels, even if it is not required by national legislation, they should adjust their machinery to ensure a reduction and make it mandatory for individuals to wear individual protective equipment.

Vilmorin & Cie is concerned not to disturb its neighbors because of its industrial activities. For example in fiscal year 2015-2016, Limagrain Europe in Turkey removed a generator from a research center because its noise was disturbing those who lived nearby.

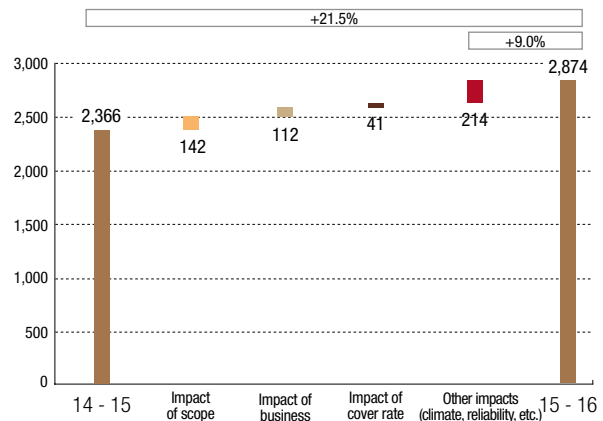
4.1.3.3. SUSTAINABLE USE OF RESOURCES

WATER CONSUMPTION

Vilmorin & Cie’s consumption of water is estimated at 2,874,126 m³ in 2015-2016, an increase of 21.5% compared with the previous fiscal year. This increase was mainly due to the acquisition of new companies (142 km³), the integration of more companies in the reporting scope (41 km³), and the growth in business (112 km³). The rest of the increase can be explained by improvements in the reporting process and variations in weather.

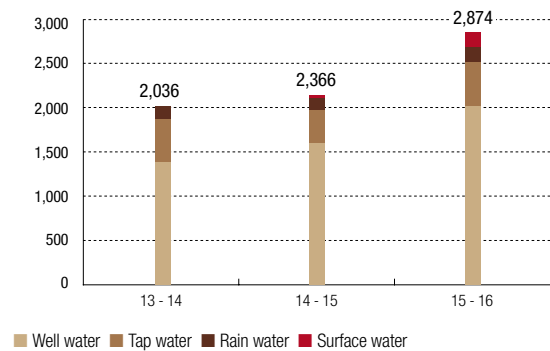
Evolution in water consumption

(in thousands of m³)



Evolution and breakdown of water consumption by type

(in thousands of m³)



Water is primarily used to irrigate greenhouses and for domestic purposes (sanitation). Given the specific nature of their activities, the group’s companies use water from the urban distribution network, but also well water and rainwater, in order to reduce consumption levels.

Drip irrigation systems are widely deployed on the areas used by the Group for cultivation. They are used to transport the water directly to the plant's root system and is the most economical technique used for water today.

Drip irrigation also facilitates fertilizer input directly to the plant. Therefore this technique also limits the consumption of input* to a strict minimum.

Furthermore, most companies have set up specific, more economical irrigation systems in order to control and limit quantities of water used:

- soilless crops,
- open field mulching,
- a layer of sand for greenhouse crops to avoid evaporation.

For example, in Brazil, Limagrain South America has implemented a complete drip irrigation system at the research centers of Sorriso and Londrina. At Londrina, during the fiscal year the company built an artificial lake, raising its water storage capacity to 3,000 m³.

Vilmorin & Cie is committed to developing varieties that help reduce the impact of agricultural production on the environment and facilitate a reduction in water consumption levels, as in the case of corn for which varieties are developed with improved tolerance of drought.

Vilmorin & Cie also pays great attention to the needs of producers, farmers and growers. Besides the products themselves, the Group provides them with agronomic expertise and tailor-made accompaniment to get the best value from all the genetic potential of the seed. The accompaniment and training of producers is a key factor in the reduction of water consumption.

As an illustration, at the end of 2015, in France Limagrain Europe published an online dashboard under the brand LG. It included all the decision support tools (DST) of the LG brand, intended for producers. These tools are free and can be accessed on the Internet. The LG dashboard was awarded a "Sommet d'Or 2016", at the innovation competition for all the exhibitors at the Sommet de l'Élevage for livestock breeders.

Among these tools, there is one devoted to managing irrigation, "LG Vision Irrigation", created in 2013. It allows farmers to manage their water input depending on rainfall and the needs of the crops. This tool is of great interest for the environment: it provides the right quantity of water at the right time. But it is also interesting from an economic point of view, since water stress at a key period for corn can lead to considerable yield losses. Internal trials have demonstrated that using "LG Vision Irrigation" for irrigation, economic gains on average reach 59 Euros per hectare.

Finally in 2015-2016, for the first time, all the group's sites located in risk zones with regard to water (drought, flooding, impact of climate change, etc.) were identified and listed. 15 have been identified, including 6 research sites and a production site.

CONSUMPTION OF RAW MATERIALS

Dependence on raw materials is limited by the very nature of the business. Vilmorin & Cie, as a seed producer, is primarily involved in creating renewable raw materials.

This year, Vilmorin & Cie initiated global tracking of its raw materials at the phase of research and development: packaging for seeds and plant healthcare. In 2015-2016, Vilmorin & Cie used 142,669 tonnes of raw materials, including 97% of packaging at a total cost of more than 7 million Euros.

Where technology is available (oxygen and water barrier properties primarily used to guarantee seed quality), the Group's companies strive to optimize their packaging, in particular by reducing the thickness of protective films and by using recycled, biodegradable or renewable materials.

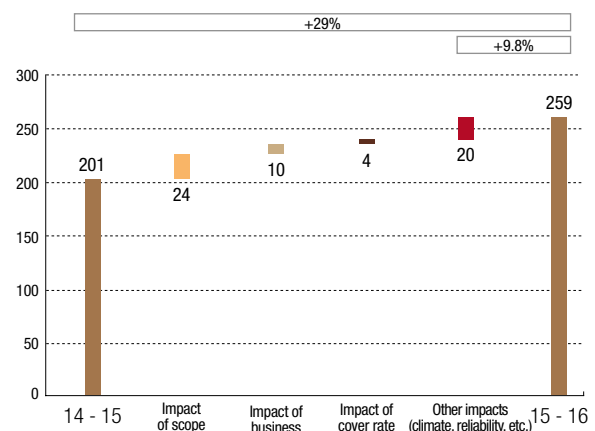
For example, Limagrain Europe is a partner of ADIVALOR (Farmers, Distributors and Industrialists for the recycling of agricultural waste). The aim of this partnership is to establish a network for the collection and recycling of seed bags sold on the market, especially paper bags.

ENERGY CONSUMPTION

Vilmorin & Cie's global energy consumption in fiscal year 2015-2016 was 258,759,416 kWh (i.e. 0.72 GJ per 1,000 Euros of sales), including 200,509,689 kWh of fixed energy sources (including biomass), electricity and heating, cooling and steam.

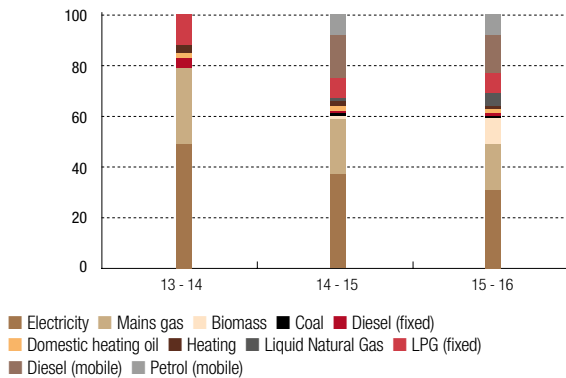
Evolution of energy consumption

(in millions of kWh)



Evolution and analysis of energy consumption by type

(in %)



Vilmorin & Cie's companies regularly invest in measures to optimize their energy efficiency. In particular, several of them consider energy performance and energy economy criteria when replacing or purchasing equipment for use in greenhouses (lighting, heating, etc.). In total, more than a million Euros have been invested over the past two years on almost 60 measures to reduce energy consumption at Vilmorin & Cie.

As an illustration, the new field seeds production factory built for Limagrain South America in Goianésia (Brazil) was fully designed to optimize energy consumption throughout the full process.

For constructions already built, a number of solutions have been adopted:

- 4 companies use shelled corncobs from the seed production process to produce almost 10% of the Group's energy consumption.
- The Group's companies benefitted from the recommendations of the energy audits conducted in 2015, particularly by developing the exchange of best internal practices.
- An energy committee involving the production and operations managers from the different industrial sites in France, works to optimize Vilmorin & Cie's energy consumption.
- At several of its sites, Limagrain Europe has begun work to optimize its energy consumption: insulation of the buildings, installation of heat pumps, installation of LED lamps in the growth chambers and corridors, accompanied by the installation of movement detectors and a smart meter to optimize the consumption of electricity, replacement of the cooling units in the air-conditioned chambers. And in France, an Excel program was put on line on the Intranet this past fiscal year for employees who often travel for business to

share their travel arrangements to encourage carpooling between employees. A program is being developed so that this tool can be made accessible to all the Business Units in Europe.

- Bisco Bio Sciences in India continued to set up its global energy optimization program: maintenance work to reduce time cycles on the driers, finalization of a more efficient, less energy-consuming generator in the cold room.
- HM.CLAUSE, in France, replaced its sodium steam lamps by LED lighting in order to optimize electricity and heat consumption.

SOIL USAGE

Soil represents Vilmorin & Cie's primary production resource and efforts to respect and preserve the soil are central to all of the Company's actions. Over the past 3 years, the scope of companies acting to preserve the soil has regularly increased from 40% in 2013-2014 to 57% this past fiscal year. The examples below demonstrate this commitment:

- As part of their agronomic strategy, Vilmorin SA (France) and HM.CLAUSE SA (France), representing 7.9% of Vilmorin & Cie's sales, are conducting extensive research into the improvement of agronomic soil management. Projects involve preserving soil quality and ensuring healthy crops by optimizing the use of inputs*, particularly through the improved management of organic matter. In order to preserve macrofauna and micro-organisms in the soil, they systematically rotate crops with the introduction of a cereal cycle every two or three years in order to break up disease cycles, and they sow a vegetation cover during the winter period. This avoids leaving the soil bare, which encourages its leaching. This rotation practice is a long-term process to guarantee optimal agronomic efficiency. Moreover, Vilmorin SA has adopted novel techniques to work the soil: no more ploughing, investment in superficial soil working tools which break up the surface without upsetting the different layers, and so maintain the balance of ecosystems, the removal of tools that restructure the soil, thermic weeding, etc. At the site of La Costière (France), Vilmorin SA analyzes the soil before using amendments and fertilizers so the right amounts are applied. Finally, Vilmorin SA strives to work closely with its seed multiplication farmers* to experiment on any new technique for sustainable production. For example, for several years in Anjou (France), a great deal of work has been carried out to assess the agronomic, economic, environmental and societal benefits when growing lettuce, endive, bean, etc. of integrated biological protection, particularly against aphids, thrips or bugs. The use of green fertilizers such as forage sorghum is also used. This demanding work requires technical and empirical know-how, and is carried out in conjunction with companies specialized in biological control* and local agronomy schools. Best practices are exchanged during the regularly organized meetings with producers in the region.

4.1.3.4. CLIMATE CHANGE

GREENHOUSE GAS EMISSIONS

Vilmorin & Cie believes that the mechanism of photosynthesis should be recognized as an essential parameter when calculating greenhouse gas emissions. By capturing carbon dioxide and releasing oxygen, plants make a natural contribution to efforts to reduce the greenhouse effect. For example, one hectare of corn absorbs twenty to thirty tons of carbon dioxide and provides two to four times as much oxygen as one hectare of forest (*source: http://www.agpm.com/en/mais_poumon_vert.php*). This means that by creating innovative seeds that are both more economical and more productive, Vilmorin & Cie helps reduce the greenhouse gas emissions produced by its activities.

As part of its drive for continuous progress, since fiscal year 2013-2014 Vilmorin & Cie has been calculating greenhouse gas emissions linked to the activity of its sites, based on a scope representing 99.8% of its sales.

Methane (CH₄) and nitrous oxide (N₂O) are also greenhouse gases emitted by Vilmorin & Cie. However this fiscal year, the Group is not in a position to include them reliably in its greenhouse gas emission evaluations, nor emissions from the use of refrigerant gases.

The Company estimates its greenhouse gas emissions using the ADEME (Agency for the Environment and Energy Control) reference document. Its direct emissions (Scope 1) are mainly linked to:

- the combustion of fossil fuels on its sites,
- the use of fuel for its vehicle fleet and own agricultural machinery.

Emission category	N°	Origin of the emissions	Source	Emissions (kgCO ₂ e)
Direct emissions of greenhouse gases (Scope 1)	1	Direct emissions from fixed combustion sources	Mains gas	11,219,902
			Coal	408,625
			Diesel	1,161,354
			Domestic heating oil	1,672,880
			Petrol	110,326
			Liquid natural gas	3,542,408
			Heavy fuel oil	15,206
			Liquefied petroleum gas	5,409,496
	2	Direct emissions from mobile engine sources	Diesel	12,381,082
			Petrol	6,283,002
Liquefied petroleum gas			59,124	
3	Direct emissions from non energy processes	Not concerned		
4	Direct fugitive emissions	Data missing		
5	Emissions from the biomass	Data missing		
TOTAL SCOPE 1				42,263,405
Indirect emissions of greenhouse gases (Scope 2)	6	Indirect emissions from electricity consumption	Electricity	25,035,420
	7	Indirect emissions from steam, heat or cold consumption	Heat, cold, steam	570,088
TOTAL SCOPE 2				25,605,508
TOTAL (SCOPE 1 + SCOPE 2)				67,868,913

ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Some twenty production basins located all over the world, in both the northern and southern hemispheres, are used for the production of seeds; research is being carried out in more than 100 sites in close proximity to the world's markets. The international locations of its production and research facilities allow the Company to spread out and limit the risks associated with climate change and meteorological uncertainty.

At the same time, the Group has made the commitment, for its long-term rental vehicles, not to select vehicles that emit more than 130 gCO₂/km, and with the average not exceeding 120 gCO₂/km. The Company also encourages sound stewardship of traveling through the promotion of video-conferencing when this is possible. Moreover, Limagrain Europe has set up a tool, tested in September 2015, to facilitate internal carpooling for business trips. Accessible to about 150 users in 2015-2016, this program will evolve towards a more user-friendly tool, accessible to 100% of employees at Limagrain Europe SA, and to employees in other companies in the Group.

In the Business Units, several other concrete, well-adapted measures have been initiated to fight against climate change. Hazera in the United Kingdom uses so-called progressive technologies: use of LEDs instead of fluorescent bulbs, use of water instead of conventional air-conditioners to cool greenhouses, optimization of natural light. HM.CLAUSE in Vietnam uses specific film to reduce the absorption of heat in the greenhouses and develop seed production on lands at higher altitudes.

Finally, every year, Limagrain Europe collects numerous climate data using digital technologies in order to accompany farmers better in the practice of sustainable, responsible agriculture. At the end of 2015, the concept Hydraneo was launched. Hydraneo is the result of collaboration spanning several years between research and marketing teams, with the objective of accompanying farmers in the management of water stress in a global fashion, by associating tolerant corn varieties and suitable agronomic practices. This technology was rewarded internally, obtaining the prize for the year's best product at the ACL Innovation Challenges for 2016, leading to the launch of a remarkable, unprecedented corn variety, resistant to water stress in Ukraine and Russia.

4.1.3.5. PROTECTING AND ENRICHING BIODIVERSITY

Protecting, maintaining and developing genetic heritage is one of the cornerstones of the seed business generally, and of Vilmorin & Cie's long-term success.

319 varieties were launched for the first time in 2015-2016, including 208 vegetable varieties and 111 field crop varieties. In this way Vilmorin & Cie participates actively in the preservation and development of biodiversity of a great number of plant species. In total, Vilmorin & Cie distributes more than 3,600 varieties, covering almost 60 plant species throughout the world.

In France, just like its competitors, in order to register a new variety, Limagrain Europe must prove that it provides new performances compared with varieties that already exist on the market. Official studies must demonstrate satisfactory results in DHS tests (Distinct, Homogeneous, Stable), and in terms of its value for cultivation and use.

Moreover, the Group strives to maintain as many varieties as possible. For example, the conservation of germplasm for corn in Europe represents more than 30,000 varieties (lines and populations) preserved in collections.

At the same time, through its tree seed activity, Vilmorin SA contributes to enriching biodiversity both through the species it creates and the habitats it helps to develop. In France, one in two trees planted comes from a Vilmorin tree seed. Most of the agronomic work carried out by Vilmorin SA also contributes to the protection and development of biodiversity. For example, several hedges were planted this past fiscal year on the sites of La Ménitric and La Costière (France) for their intrinsic diversity and the major role they play in how ecosystems can function correctly. On the site of La Costière, a Natura 2000 zone, no building or construction is undertaken during the nesting period of little bustards; special equipment has also been purchased in order to capture protected reptiles on the sites without killing them.

In El Salvador, Vilmorin contributes to the preservation of the flora on the riverbanks in the region of Flor Amarilla, by planting bamboos and local tree species. Meanwhile, HM.CLAUSE has made a commitment to preserving wildlife, particularly through its measures to protect the natural habitat of bank swallows in Davis (United States) and the woodlands of Wisconsin.

In order to set priorities for useful measures required for the preservation of biodiversity and ecosystems in regions where the group has its locations, 14 sites near protected zones were identified (*Source: protectedplanet.net*) through the extra-financial reporting tool in 2015-2016. Particular attention will be paid to them in future action plans.

As an illustration, the teams at one of the sites, located in Kenya, are actively involved in the protection of biodiversity as they work with local NGOs which work to preserve forests, the biodiversity and ecosystems of Mount Kenya and to preserve black rhinoceroses hunted for their ivory horn.

Furthermore, having access to as wide a genetic variability as possible is a pre-requisite to ensuring overall progress in the development of new varieties.

In order to protect their plant innovations and ensure a fair return on investment, seed producers use the following tools to protect their plant breeding:

THE PROPRIETARY VARIETY PROTECTION CERTIFICATE (PVPC)

The most advanced right in this domain is the PVPC, a title of intellectual property created at the convention of the International Union for the Protection of New Varieties of Plants (UPOV). Created specifically for plant breeding*, its objective is to encourage breeders to create new varieties while leaving access to genetic variability open. In particular it protects the ownership, production and sale of the commercial variety for 25 years. However it integrates two fundamental elements:

- The breeder's exemption: a commercial variety protected by a PVPC can be used without financial compensation by another seed company in order to create a new variety with characteristics that are original and distinct from the original variety used.
- The farmer's exemption: in certain conditions (payment of royalties to compensate the breeder's research investment, etc.) and for certain crops (wheat, barley, oats, rye, rapeseed, etc.), the PVPC authorizes the farmer to use a part of his harvest to re-sow in his own plots the following year.

PATENTS

Unlike the PVPC, which is dedicated to the protection of plant varieties, the scope of patents is much broader, covering numerous fields of activity, and often for industrial purposes. They grant its holder authorization for exclusive use of the invention for a limited number of years and on a defined geographical territory. In return, all information concerning this invention is made available to the general public.

Depending on different countries and their respective legislation, patents can cover different aspects of plant breeding*: breeding* processes, varieties themselves (in a very limited number of countries), elements (genes, etc.) of the plant, or even the plant itself. Consequently, all seed companies that wish to use a variety that comes under a patent are required to ask for authorization and pay rights.

Today, the United States, Japan and Australia allow for the dual protection of plant varieties, by patent and PVPC. In Europe, only the PVPC is authorized to protect a plant variety. At the same time, patents are used to protect other inventions in the area of plant innovation, excluding essentially biological processes.

Vilmorin & Cie believes that these two systems of intellectual protection must co-exist, provided that intellectual property systems allow the widest possible access to existing genetic resources*. In this context, the principle of breeding* exemption must be a fundamental part of any intellectual property system applied to plant innovation.

4.1.4. SOCIETAL INFORMATION

Vilmorin & Cie's primary vocation is to help improve how the world's nutritional needs are met. This is a significant challenge: by 2050, in order to feed more almost 10 billion people, food production will have to increase by 70% according to the Food and Agriculture Organization of the United Nations. In order to meet these ever-increasing needs, Vilmorin & Cie is developing vegetable and field seeds with high added value, as its business is at the heart of the challenges facing society.

4.1.4.1. THE REGIONAL, ECONOMIC AND SOCIAL IMPACT OF BUSINESS

Vilmorin & Cie has chosen local management structures based on an organizational model so it can work in close proximity with its markets and is consequently very much involved in the regions in which it operates. A structure divided into ten Business Units⁽¹⁾ is a way of combining respect for the strategic choices made by Vilmorin & Cie and the ability to account for the culture and specific features of each local area.

This very specific structure, which underpins Vilmorin & Cie's performance, allows it to work very closely with the relevant people and markets and to listen carefully to its clients regardless of their geographic location, thereby ensuring an excellent understanding and knowledge of these markets.

By building on its capacity for innovation and its ability to listen to its clients on an ongoing basis, Vilmorin & Cie is in a position to provide the farmers and growers all around the world that make up its client base with seeds that are adapted to the different regions and changes in soil and climate.

(1) Following the joining of the Business Units Vilmorin and Mikado Kyowa Seed in July 2016

ON EMPLOYMENT AND REGIONAL DEVELOPMENT

At the same time, throughout its development and operations aimed at external growth, Vilmorin & Cie has provided impetus to local employment in the regions where it has locations, and has deployed a progressive integration model that respects existing cultures, and understands the importance of preserving the identity of companies acquired and building on the know-how of staff teams already in place.

Furthermore, the human and cultural references associated with the farming world, based within its reference shareholder, Limagrain, an international agricultural cooperative group, form part of Vilmorin & Cie's values and allow it to develop close ties within the various regions in which it operates. This results in an active policy of nurturing research partnerships which have provided many exciting scientific collaborative projects over the years. Vilmorin & Cie continues to set up numerous industrial and commercial cooperation agreements throughout the world.

Vilmorin & Cie's business is highly seasonal, requiring the use of temporary workers at peak periods, particularly at harvest time. Most of this seasonal workforce is recruited locally at Vilmorin & Cie's sites in France and other countries. Accordingly, more than 7,500 seasonal workers were employed by Vilmorin & Cie in 2015-2016.

Production contracts with local farmers are also an important component of the Company's territorial impact. Vilmorin & Cie strives to propose production contracts with high added value to farmers throughout the world.

ON NEIGHBORING AND LOCAL COMMUNITIES

The group participates in different types of campaigns in the areas where it has locations, and in very different domains. In 2015-2016, more than 31 companies representing 42% of Vilmorin & Cie's sales entertained relations with local partners on varied subjects such as education, employment, help to local communities, site visits, etc.

4.1.4.2. RELATIONS WITH INDIVIDUALS AND ORGANIZATIONS WITH AN INTEREST IN THE COMPANY'S ACTIVITIES

MOMAGRI, MOVEMENT FOR A WORLD ORGANIZATION OF AGRICULTURE

As agricultural markets become more and more global, ever-greater economic and social pressure is being put on farmers. This pressure is being exacerbated today by the excessive volatility of the prices of agricultural raw materials which penalizes farmers, destabilizes the agri-food chains and poses a serious threat to the planet's food security. In order to guarantee food security for a world population that will grow by around two billion inhabitants by the year 2050, more than ever, true regulation of this strategic

sector is indispensable. It is within this context that for several years Vilmorin & Cie has been actively supporting the initiatives of momagri, movement for a world organization of agriculture.

Founded in 2005 at the initiative of the French agricultural world, momagri is a think tank* whose mission is to promote a regulated liberalization of agricultural markets by creating new evaluation tools and by drawing up proposals for an international agricultural and food policy. Bringing together figures from agriculture, humanitarian bodies, health, defense and business, momagri cooperates with a variety of international bodies, think tanks* and agricultural organizations in different countries. It is a lobbying group that determines its actions and proposals mainly on the basis of a novel economic model. This model, for the first time, describes the specific nature of the agricultural sector and the close correlation between the unregulated liberalization of agricultural exchanges and the increased volatility of prices.

It is now fully recognized by academics internationally, by politicians, for example by the European Parliament, and within international organizations such as the IMF and the FAO.

INVOLVEMENT AT AN INTERPROFESSIONAL LEVEL AND WITH PROFESSIONAL REPRESENTATIVE BODIES

Vilmorin & Cie is involved interprofessionally and with professional representative bodies at national level – with the GNIS (national interprofessional group on seeds and seedlings) and the UFS (French seed association for seed companies and plant breeders) – and at European level – through the ESA (European Seed Association) – as well as internationally through the ISF (International Seed Federation). In this capacity, it actively participates in agricultural debates generally, and particularly in relation to seed production: protecting living organisms, access to genetic resources* and the use of plant biotechnologies* in the field of scientific research in particular.

PARTNERSHIPS AND CORPORATE PATRONAGE

The Group has always developed numerous partnerships, with both public and private players, mainly in the fields of research, agriculture and innovation.

■ As an illustration, at the beginning of July 2016 Limagrain Europe SA signed a research agreement on sunflower with the University Pierre et Marie Curie, in Paris, the largest scientific and medical complex in France, and ranked among the top ten universities in Europe. This 3-year commitment has been signed as part of the CIFRE conventions (Industrial Training Conventions through Research), privileged partnerships between a company and a laboratory that enable young researchers to take their PhD alternating between the company and the laboratory. Limagrain Europe SA has promised almost 30,000 Euros per calendar year for this partnership.

- In January 2015, Biogemma (a European specialist in biotechnology*, of which Vilmorin & Cie holds 55%) launched a six-year partnership with the company BioSilicium to develop software to monitor the exposure of employees to chemical products, in order to anticipate and prevent risks.
- Hazera and HM.CLAUSE have set up numerous national partnerships with public players on topics such as phenotyping*, plant breeding*, precision farming and data management. For example, members of the HM.CLAUSE executive committee regularly give classes at the University of Davis in the United States.

Vilmorin & Cie aims to contribute to the development of its environment, and to this end, through its subsidiaries, is actively involved in various social and humanitarian projects. In June 2016, the Group adopted the framework for a societal commitment to encourage access for as many people as possible to high quality agriculture and food, through the development of sustainable, efficient chains that respect the environment and human rights. The rules associated to this commitment will make it possible, to objectively validate, or not, the different actions undertaken through the Group's societal commitment. Vilmorin & Cie's commitment towards communities is based on an approach that favors awareness, dialog, cooperation and shared progress. The ambition is to build up new ways of working together and creating value with local stakeholders involved in the Group's activities. This framework for societal commitment is planned to be coherent with the business lines and their stakes, as shared by all the Business Units, and a way of uniting employees around progress and innovation.

As in past years, several remarkable projects were run. In 2015-2016, the group devoted 1,021 of its employees' hours (including 536 hours for philanthropic initiatives) to non-profit associations to help them with their charitable or solidarity actions. The global sponsoring budget came to 232,229 Euros – mainly for sport and partnerships with schools – and corporate patronage (without consideration) came to 36,953 Euros; finally the value of in-kind donations came to 41,769 Euros. In all, nine different actions were supported during the past fiscal year.

- To illustrate these initiatives, in Brazil, thanks to the mobilization of its employees, the group provided school supplies and hygiene products to adolescent orphans in the region of Curitiba (state of Paraná). In the region of Goianésia (state of Goiás), Christmas hampers were distributed to a charity named "Movimento jovem de libertação" which helps victims of abuse and drugs.
- In China, the Group sponsors every year the association "Couleurs de Chine" whose objective is to provide schooling for infant and adolescent girls from ethnic minorities in the south of China and support the Miao and Dong cultural heritage. A new operation was also launched this past year, called "Jardins d'Enfants" in the form of a competition for school gardens in Beijing and in the province of Gansu (field seed production zone) with the support of the GNIS and the French embassy. 22,000 children participated in this first edition. Using vegetables as the starting point, the educational dimension was extended to mathematics, science, geography, plastic arts and cookery.

- In Italy, Vilmorin & Cie chose not to send Christmas gifts to its key account customers, but instead to donate 4,000 Euros to the charity "SOS Villaggi dei Babini Onlus".
- In Japan, for the past 2 years, between 5 and 10 employees from Mikado Kyowa Seed have been visiting a local primary school to develop the awareness of pupils to nutrition and to the origins of what we eat (sowing of Kabocha squash, visits to production sites).
- Hazera actively supports several nearby communities to its site on agricultural and educational topics. This is the case, for example, of the community of Gedera in Ethiopia: a donation of seeds and plants, plus a greenhouse, homework help for children, support for the "Future" football team and that of Kiryat Malachi in Israel.
- In France, Vilmorin Jardin pursued the partnership initiated in January 2014 with the French charity "Les Restos du Cœur" (Restaurants of the Heart), in order to create social links in the garden for the underprivileged, isolated, disabled, etc. through an annual donation of seeds to all the charity's 42 workshops.

DIALOGUE WITH STAKEHOLDERS

Dialogue with stakeholders is a fundamental component of the Group's CSR approach. It moves the Company forward in its understanding of the stakes and motivations of others. The topics – sometimes difficult – can be approached directly with transparency. The objective is manifold: to encourage innovation and creativity, to mobilize the staff, to strengthen the positive image and reputation of the Company, and to prevent and manage risks.

In order to pursue dialogue with stakeholders as begun with the ISO 26000 diagnoses, several exemplary initiatives were taken by the Business Units during the course of fiscal year 2015-2016. Most of the Business Units held constructive dialogues with the stakeholders of their catchment basin on the subject of water management, for example. They also organize visits and meetings, particularly with the seed multiplication farmers*, to find mutual opportunities for improvement.

- As an illustration, in France, Limagrain Europe and its brand LG disseminate 115,000 copies of its twice-yearly magazine "Fil Rouge" to its dealer and farmer customers. In October 2015, an article was devoted to the Group's CSR approach. At the end of 2015, the LG dashboard was also published online. It includes all the decision support tools (DST) of the LG brand, intended for producers. These tools are free and can be accessed on the Internet. Among these tools, there is one devoted to managing irrigation, "LG Vision Irrigation", and there are also tools to help farmers determine their sowing and harvesting dates.

- HM.CLAUSE is involved in several associations and has its own representatives: French seed association for seed companies and plant breeders (UFS), Good Seed and Plant Practices (GSP), Anti-Infringement Bureau (AIB), European Seed Association (ESA), etc.
- Finally, every year Vilmorin Jardin has been elected by distributors (a panel of customer-distributors in France) "the best supplier of amenity grass seeds" since 2005 for the JardinPlus awards. For consumers, Vilmorin Jardin proposes its on-line fidelity club, with free participation in product tests and comments and opinions directly on the forum (<http://www.club-vilmorinjardin.fr/forum/testez-nos-produits-1/>).

4.1.4.3. RELATIONS WITH SUB-CONTRACTORS AND SUPPLIERS

Following the ISO 26000 audit carried out at Group level, relations with sub-contractors and suppliers were identified as a priority for the coming years. A broad process of reflection on optimizing the supply chain and making it more reliable is ongoing, with a view to developing a responsible purchasing policy.

For this purpose, Vilmorin Jardin has drawn up a questionnaire in order to better understand the CSR practices of suppliers and produce a map of key suppliers.

And in November 2012, Vilmorin & Cie also signed the mediation charter of the CMAP (Center for Mediation and Arbitration in Paris), thereby committing to the prevention of litigation and the amicable resolution of legal disputes through the use of mediation wherever appropriate.

Vilmorin & Cie aims to privilege the amicable resolution of disputes whenever possible in a way that serves the long-term interests of all parties.

In January 2014, AIGLE (Achats InterEntreprises Groupe Limagrain Europe) has committed to a sustainable purchasing policy using the Responsible Procurement reference in France.

During the first semester of 2016, all the AIGLE buyers signed the charter "Responsible Supplier Relations". At the same time, opportunities for progress have been identified for each purchase family in terms of social, societal, environmental and economic factors. Moreover, training on Responsible, Sustainable Purchases, run by AFNOR, was organized by AIGLE in May 2016. 25 people were trained, including the permanent AIGLE team and the members of the Orientation Committee.

In order to get to know its suppliers better, and control any inherent risks, AIGLE has introduced a Request For Information (RFI) process for all its active suppliers. RFI provides information on the organization and strategy of suppliers, on their financial data, their quality policy, risk management and CSR, their progress plans, the organization of their supply chain and on their motivation to develop partnerships together.

Through the RFI it is also possible to identify innovations and changes in the production capacity of suppliers which might make it possible to reduce costs. A contract is signed through which the supplier commits to presenting a progress plan within six months of the contract's application. An annual progress plan report is presented to AIGLE's Orientation Committee.

The results for fiscal year 2015-2016 have shown that of 160 active suppliers, 65% have engaged in a CSR process and 56% have ISO certification (14001, 9001, etc.). In fiscal year 2015-2016, six supplier audits were carried out to confirm best practices for the supply chain.

In order to evaluate the relevance of supply in terms of sustainable development, initial analyses of the suppliers' CSR policies show that they can be classified into five levels of commitment (no quality system / quality system / ISO certification / CSR approach / has signed the Global Compact). For fiscal year 2016-2017 weighting criteria will be set up.

In order to insure that suppliers respect legislation on employment, part of the procurement process involves requesting certificates from welfare organizations.

Likewise, certain companies have set up specific action plans:

- In India, Bisco Bio Sciences and HM.CLAUSE have inserted clauses in purchasing contracts to prevent child labor and to respect a decent minimum wage for subcontractors.
- In Israel, Hazera periodically audits its suppliers and subcontractors. Each contract is thus evaluated including respect for Human Rights.
- In Japan, Mikado Kyowa Seed has inserted an "Anti-Social Forces" exclusion clause (Groups or individuals who seek economic advantages through the use of violence, force or fraud) in its contracts with certain customers.

4.1.4.4. MEASURES TAKEN IN FAVOR OF CONSUMER HEALTH AND SAFETY

Vilmorin & Cie's core business of seed production ensures that the Company is permanently aware of the many and diverse nutritional needs of consumers worldwide. Food safety and security are fundamental aspects of Vilmorin & Cie's activities, and the products of these activities provide a source of benefit in terms of health and nutrition.

Internal management systems and external certifications guarantee the quality of the seeds sold by Vilmorin & Cie. Also 32 companies representing 75% Vilmorin & Cie's sales have set up a quality management system. Furthermore, 6 companies (31% of Vilmorin & Cie's sales) have set up an Environmental Management System.

4.1.4.5. LOYAL PRACTICES AND OTHER COMMITMENTS IN FAVOR OF HUMAN RIGHTS

Further to the completion of the ISO 26000 diagnosis, the continuing development of a framework for the implementation of business ethics was the main project of the fiscal year. The Code of Conduct was officially launched in March 2015 in all the Business Units. Deployment is ongoing. The Code of Conduct is accompanied by an e-learning module to develop awareness on the Group's principles for all its employees. It is presented in paragraph 4.1.1.3.

The Code of Conduct is part of the scope of several international texts of which the Group shares the principles:

- the Universal Declaration of Human Rights,
- the core conventions of the International Labor Organization, in particular conventions 29, 105, 138 and 182 (combating child labor and forced labor), 155 (health and safety of workers), 111 (combating discrimination), 100 (remuneration), 87 and 98 (freedom of association, the right to organize and the right to collective bargaining),
- United Nations Convention on the Rights of the Child,
- the OECD guidelines for the intention of multinational companies.

Bisco Bio Sciences, in India, adapted the principles and commitments of the Group's Code of Conduct to its cultural specificities, for example adding a paragraph on the right to benefit from public holidays, whatever one's religion, and another on the supply of purified water to all the production personnel.

Moreover, Vilmorin & Cie signed the United Nations Global Compact in December 2013, and has committed to promoting and respecting its principles governing human rights in its teams and sphere of influence, and not to be part in any way of their violation.

FAIR TRADE PRACTICES

Vilmorin & Cie focuses on the use of responsible products and services, and to be respectful in its purchases and partnerships. Particular attention is paid to respecting the principles of fair trade and to the promotion of corporate responsibility in the value chain.

For example, the Group supports the practice (only possible for autogamous species) of farmers using the seed from their harvest as seed for the following sowing campaigns – seed known as "farm seed" – on condition they pay royalties to the breeders* for their research work from which they benefit.

Furthermore, Vilmorin SA has defined strict procedures on the commercial management of free seeds and customer credit. Internal audits run with the finance department by a team of 25 trained in continuous improvement have also been set up particularly regarding respect for the pricing policy. In Italy, Vilmorin is a member of the Italian associations "Assosementi" and "Road to Quality" whose objective is to fight against the illegal multiplication of seeds, and which certify their members on fair trade practices.

HM.CLAUSE manages best commercial practices through a contractual and balanced approach with its partners and customers. This approach is established with the assistance of specialized external attorneys to make sure the contracts always comply with different legislations.

FIGHTING CORRUPTION

The Group strives to enforce the statutory and legal provisions in fighting corruption and money laundering (notably the OECD convention of 1997), and, in the conduct of its commercial and financial relations, to take account of the significant recommendations of national and international organizations such as OFAC concerning economic sanctions. In this framework, the Group acts to prevent any form of corruption or money laundering. This rule is especially important in the framework of negotiations with representatives of government bodies and public institutions.

To prevent any employees conducting themselves in a complacent manner with regards to active corruption (offering bribes) or passive corruption (accepting bribes), a dedicated e-learning module was made available online in March 2015 with the Code of Conduct, on the Group's Intranet, integrating a specific awareness scenario on this subject.

In the spring of 2016, all the Group's top executives followed face-to-face training on the prevention of corruption in the Company.

Moreover, the Group authorizes only gifts, services and entertainment that are suitable and legal, offered within the framework of its commercial relations. Any offering from an employee on behalf of the Group, of gifts, entertainment or free services, can be made only if it is within reason, and does not infringe any legislation in force or general practices.

COMPLYING WITH THE RULES OF COMPETITION LAW (ANTI-TRUST)

The Code of Conduct is a reminder that the Group is committed to complying with the legal and regulatory, national and international provisions related to the rules of competitive law. These rules fight against the prevention, restriction or distortion of competition in the marketplace.

For this purpose, an “anti-trust” training program was pursued during fiscal year 2015-2016. Thirteen sessions were organized, overall representing 82 staff.

RESPECT FOR THE RIGHTS OF THE CHILD

The Group is fully aware of the reality of child labor. Several measures have been taken by the Business Units to deal with this issue. There is a clear reminder in the Code of Conduct that child labor is prohibited: *“The Group ensures that it works with suppliers who do not make use of illegal child labor or forced labor. The Group is careful to ensure its suppliers and its customers respect the core conventions of the International Labor Organization on fundamental social rights.”*

On this subject, at Bisco Bio Sciences in India, regular audits are conducted by the Human Resources department to ensure that the prohibition of child labor is respected. Accommodation with access to drinking water has been built nearby, outside the perimeter of the factory, to provide employees and their children with decent living conditions. Furthermore, strict social clauses are included in all the contracts with suppliers that particularly concern child labor.

At HM.CLAUSE, in India, a CSR committee will be set up by the end of 2016, to comply with the Company Act. Indeed, since 2013, the Company Act (articles 134, sections 3 and 135) includes the obligation of corporate responsibility in Indian law, imposing that companies should participate, at their scale, in the development and modernization of the country through an obligation of CSR governance, reporting and action plans. In this context, 2 people based in the Karnataka (the company’s main production region) will be hired to carry out internal audits with the network of farmers and seed multiplication companies on the subjects of child labor and minimum wages, particularly during the periods of pollination. At the sale time, with the support of the Group, HM.CLAUSE India actively participated in the drafting of the position of APSA (Asia & Pacific Seed Association) on the subject. Similarly, the “employment policy” of HM.CLAUSE in the United States follows the guidelines of national policies in force against discrimination and child labor, and satisfies all recruitment and employment requirements.

At Mikado Kyowa Seed in Japan, article 16 of the “working rules” manual stipulates restrictions for the employment of workers under the age of 18, in compliance with national and international laws.

Vilmorin SA includes a specific “Code of Conduct” in its production of sub-contracting contracts outside France forbidding child labor under the age of 16.

Finally, each contract with a supplier for Hazera in Israel is assessed internally and includes clauses to ensure compliance with laws and regulations on Human Rights.

4.1.5. NOTE ON METHODOLOGY FOR SOCIAL, ENVIRONMENTAL AND SOCIETAL REPORTING

Vilmorin & Cie’s social, societal and environmental reporting approach is based on:

- regulatory provisions resulting from article R. 225-105-1 of the French Commercial Code,
- the principles and recommendations of the standard ISO 26000 which have enabled the Group to define its main issues with regard to corporate responsibility in order to meet all its economic, environmental, social and societal objectives, and the expectations of its stakeholders,
- the G4 sustainability Reporting Guidelines of the Global Reporting Initiative,
- the ten principles of the United Nations Global Compact.

The reporting period coincides with the fiscal year (from July 1 to June 30).

4.1.5.1. SCOPE

The objective of the reporting scope is to be representative of Vilmorin & Cie’s business activities. For fiscal year 2015-2016:

- the social, societal and environmental reporting covers all the consolidated sales in 2015-2016 for Vilmorin & Cie;
- however, the lack of follow-up in certain subsidiaries means Vilmorin & Cie has to calculate the environmental data from a reduced scope:
 - For energy, answers cover⁽¹⁾ is of 99.7% of sales for 2015-2016. This represents 100% of the sales for companies with an industrial site⁽²⁾.
 - For water, answers cover is of 93.5% of sales for 2015-2016. This represents 96.45% of the sales for companies with an industrial site⁽²⁾.
 - For waste, answers cover is of 90.6% of sales for 2015-2016 of the companies questioned. This represents 100% of the sales for companies with an industrial site⁽²⁾.

(1) The cover rate is calculated on the basis of at least one answer on the topic.

(2) A list of the companies concerned is available from the Group’s CSR department.

For each indicator disclosed for a restricted scope, this scope is given in accordance with the disclosed data. For these scopes, extra financial consolidation rules are the same as the financial consolidation rules.

VARIATIONS IN SCOPE

In order to calculate variations in data between 2014-2015 and 2015-2016, calculations have been made to measure the impact of scope.

4.1.5.2. METHODOLOGICAL PROCEDURES

Group procedures comprise:

- a written procedure sent out to all the Business Unit coordinators, including a reverse schedule, definition of the scope, help in the use of the Excel spreadsheets and procedures for control and validation,
- an Excel spreadsheet for societal and environmental reporting for each company including consistency tests on data entry,
- an Excel spreadsheet for social reporting for each company including consistency tests on data entry.

4.1.5.3. PERTINENCE AND CHOICE OF INDICATORS

The methodologies used for certain social and environmental indicators may be limited, because of:

- differences between definitions used in France and internationally. The harmonization process launched in 2013-2014 was continued in fiscal year 2015-2016,
- the specificities of social laws in certain countries,
- changes in definitions that might affect their comparability,
- variation in the scope of activity from one year to the next,
- the difficulty in obtaining information from subcontractors and/or from companies involved with external partners,
- the modalities of information collection and input.

Moreover certain indicators are subject to a specific calculation.

- Staff turnover has been calculated using the formula: $((\text{Number of entries} + \text{Number of departures})/2)/\text{Total headcount}$
- Absenteeism has been calculated using the formula: $\text{Number of days of absenteeism} / (220 * \text{Total headcount})$

4.1.5.4. CONSOLIDATION AND INTERNAL VERIFICATION

Each organization and each Business Unit is responsible for the data they provide, as is the Management responsible for consolidating the indicator disclosed.

Organization of the extra-financial reporting is based on:

- Corporate CSR which coordinates the Business Units, consolidates all the extra-financial data and makes sure the societal and environmental data are coherent;
- Corporate Human Resources which ensures the social data are coherent;
- Corporate Finance for the consolidation of data on headcounts;
- A network of "Business Units coordinators" who coordinate and remind subsidiaries and validate their data;
- "Company contact points", designated by the Business Units coordinators, who key in the data for their company and provide the supporting documents.

The verification and consolidation of this data is carried out in two stages:

- First stage: each entity (Vilmorin & Cie and its subsidiaries) consolidates the data within its scope. During consolidation, data consistency verifications are carried out. Consolidated and verified data at the entity level are then made available to Corporate CSR which sends the social data to Corporate Human Resources.
- Second stage: the Human Resources and Corporate CSR consolidate the data for the entire scope and verify its consistency, especially through cross-checks with the financial consolidation reporting system.

EXTERNAL VERIFICATIONS

For fiscal year 2015-2016, reporting procedures for extra-financial indicators were audited externally by SGS. At the same time, site audits were carried out, based on a selection of social, environmental and societal indicators, at eight companies from five Business Units that are representative of the group's activities, in order to validate the quality and global credibility of the reporting system:

- Hazera Seeds Ltd (Israel, Vegetable seeds division)
- HM.CLAUSE SA (France, Vegetable seeds division)

- HM.CLAUSE Inc. (United States, Vegetable seeds division)
- Limagrain Brasil (Brazil, Field seeds division)
- Limagrain Europe SA (France, Field seeds division)
- Limagrain Tohumculuk (Turkey, Field seeds division)
- Vilmorin Iberica SA (Spain, Vegetable seeds division)
- Vilmorin SA (France, Vegetable seeds division)

The nature of the work accomplished and the related conclusions are presented in a specific declaration (in French). The glossary of indicators is available upon demand.

4.2.

CONCORDANCE TABLES

FOR SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

	P.	Concordance table articles R.225-104 and R.225-105 of the French Commercial Code	GRI G4 ⁽¹⁾	ISO 26000 fields of action	Global Compact principle
4.1.1. VILMORIN & CIE'S APPROACH TO SOCIAL, ENVIRONMENTAL AND SOCIETAL ISSUES					
4.1.1.1. The approach	96			6.6.4 Responsible political involvement	
4.1.1.2. Operational organization	98; 109	■ Organization of the company in a way that addresses environmental concerns, and where appropriate, assessment or certification processes for the environment		6.2 Organizational governance 7.4.3 Building social responsibility into an organization's governance, systems and procedures	
4.1.1.3. The Code of Conduct	98		G4-56	6.6.5 Fair competition	
4.1.1.4. Employee awareness and involvement in the approach	99; 109	■ Steps to train and inform employees about environmental protection	G4-43		
4.1.2. SOCIAL INFORMATION					
4.1.2.1. A committed employment policy	100 102 101 103	■ Total headcount and breakdown of employees by gender, age and geographical area ■ Recruitments and discharges ■ Compensation and its evolution ■ Organization of working times	G4-9 G4-10 G4-52 G4-LA1 G4-LA12	6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.8.5 Employment creation and skills development	
4.1.2.2. Encouraging social dialogue and internal communication	103-104 103-104 103-104	■ Organization of social dialogue, particularly procedures for informing and consulting the personnel and negotiating with the personnel ■ Report on collective agreements ■ Promotion and respect of the stipulations in the conventions of the ILO ⁽²⁾ concerning respect of the freedom of association and the right to collective bargaining		6.4.5 Social dialogue	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4.1.2.3. Health and safety: everybody's business	105 104 105 104-105	■ Absenteeism ■ Workplace health and safety conditions ■ Report on agreements signed with union organizations or staff representatives on the issue of workplace health and safety ■ Workplace accidents, in particular their frequency and severity, and also occupational diseases	G4-LA2 (partial) G4-LA6 G4-LA7 G4-LA8	6.4.6 Health and safety at work	
4.1.2.4. The professional development of employees	106-107 106	■ Policies implemented for training ■ Total number of hours of training	G4-LA10 G4-LA11	6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	
4.1.2.5. Committing to diversity	107-108 108 107-108 107-108	■ Policy implemented and measures taken to support gender equality ■ Policy implemented and measures taken towards employing and integrating disabled persons ■ Policy to fight discrimination ■ Promotion and respect of the stipulations in the conventions of the ILO ⁽²⁾ concerning the elimination of discrimination in employment and occupation	G4-LA12	6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable Groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	6. Elimination of discrimination in employment and occupation

(1) dealt with totally or partially

(2) International Labour Organization

	P.	Concordance table articles R.225-104 and R.225-105 of the French Commercial Code	GRI G4 ⁽¹⁾	ISO 26000 fields of action	Global Compact principle
4.1.3. ENVIRONMENTAL INFORMATION					
4.1.3.1. Overall environmental policy	98; 109 99; 109-110 110	<ul style="list-style-type: none"> ■ Organization of the company in a way that addresses environmental concerns, and where appropriate, assessment or certification processes for the environment ■ Steps to train and inform employees about environmental protection ■ The total amount of provisions and guarantees for environmental risks, unless this information is liable to cause serious prejudice to the company in an ongoing litigation 	G4-1 G4-43 G4-EC2 (partial)		7. Businesses should support a precautionary approach to environmental challenges 8. Businesses should undertake initiatives to promote greater environmental responsibility
4.1.3.2. Circular economy, pollution prevention and waste management	109-111 110 110-111 111 111	<ul style="list-style-type: none"> ■ Means devoted to the prevention of environmental risks and pollution ■ Measures to prevent, reduce or remedy any discharges into the air, water or soil that have a strong impact on the environment ■ Measures to prevent, recycle and eliminate waste ■ Food wastage ■ Accounting for noise pollution and any other form of business-specific pollution 	G4-EN23 G4-EN25 G4-EN27 G4-SO2	6.5.3 Prevention of pollution	7. Businesses should support a precautionary approach to environmental challenges 9. Businesses should encourage the development and diffusion of environmentally friendly technologies
4.1.3.3. Sustainable use of resources	111-112 112 112-113 113	<ul style="list-style-type: none"> ■ Water consumption and the supply of water depending on local constraints ■ Consumption of raw materials and the measures taken to improve the efficiency of their use ■ Energy consumption and the measures taken to improve energy efficiency and the adoption of renewable energies ■ Soil usage 	G4-EN3 G4-EN8	6.5.4 Sustainable resource use	7. Businesses should support a precautionary approach to environmental challenges 9. Businesses should encourage the development and diffusion of environmentally friendly technologies
4.1.3.4. Climate change	114 115	<ul style="list-style-type: none"> ■ Greenhouse gas emissions ■ Adapting to the consequences of climate change 	G4-EN15 (partial) G4-EN16 G4-EN19 G4-EC2 (partial) G4-EN11	6.5.5 Climate change mitigation and adaptation	
4.1.3.5. Protecting and enriching biodiversity	115-116	<ul style="list-style-type: none"> ■ Measures taken to preserve biodiversity 	G4-EN12	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats 6.6.7 Respect for property rights	

(1) dealt with totally or partially

	P.	Concordance table articles R.225-104 and R.225-105 of the French Commercial Code	GRI G4 ⁽¹⁾	ISO 26000 fields of action	Global Compact principle
4.1.4. SOCIETAL INFORMATION					
4.1.4.1. The regional, economic and social impact of business	116-117 117	<ul style="list-style-type: none"> ■ The regional, economic and social impact of the business on employment and regional development; ■ On neighboring and local communities 	G4-S02 G4-EC1 (partial) G4-EC8	6.8.3 Community involvement 6.8.4 Education and culture 6.8.5 Employment creation and skills development	
4.1.4.2. Relations with individuals and organizations with an interest in the company's activities	117-119 117-118	<ul style="list-style-type: none"> ■ Conditions of dialogue with the individuals or organizations ■ Partnerships and corporate patronage 	G4-24 G4-26 G4-27 G4-LA14	6.8.9 Social investment	
4.1.4.3. Relations with sub-contractors and suppliers	119 119	<ul style="list-style-type: none"> ■ Taking account, in the purchasing policy, of social and environmental issues ■ The extent of sub-contracting, and taking into account in relations with suppliers and sub-contractors their social and environmental responsibility 	G4-LA14 G4-LA15 (partial) G4-EN32 (partial) G4-EN33 (partial) G4-HR10 G4-S09 G4-S010	6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.10 Fundamental principles and rights at work 6.6.6 Promoting societal responsibility in the value chain	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights 2. Businesses should make sure they are not complicit in human rights abuses
4.1.4.4. Measures taken in favor of consumer health and safety	120	<ul style="list-style-type: none"> ■ Measures taken in favor of consumer health and safety 	G4-PR1	6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption 6.8.8 Health	
4.1.4.5. Loyal practices and other commitments in favor of human rights	120 120-121	<ul style="list-style-type: none"> ■ Actions committed to prevent corruption ■ Other actions committed in favor of human rights 	G4-56 G4-57 G4-58 (partial) G4-S04 G4-HR10	6.3.5 Avoidance of complicity 6.3.6 Resolving grievances 6.6.3 Anti-corruption 6.6.5 Fair competition	<ol style="list-style-type: none"> 1. Businesses should support and respect the protection of internationally proclaimed human rights 2. Businesses should make sure they are not complicit in human rights abuses 4. Businesses should uphold the elimination of all forms of forced and compulsory labor 5. Businesses should uphold the effective abolition of child labor 10. Businesses should work against corruption in all its forms, including extortion and bribery

(1) dealt with totally or partially



5

FINANCIAL INFORMATION

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5.1. CONSOLIDATED FINANCIAL STATEMENTS

5.1.1. CONSOLIDATED INCOME STATEMENT

In millions of Euros	Note	15-16	14-15
REVENUE FROM ORDINARY ACTIVITIES	5	1,325.1	1,269.4
Cost of goods sold		-692.9	-666.1
Marketing and sales costs		-186.1	-179.9
Research and development costs	8	-177.5	-162.8
Administrative and general costs		-169.4	-159.5
Other operating income and charges	9	1.1	- 0.9
OPERATING INCOME		100.3	100.2
Profit from associated companies	18	30.8	29.4
Interest costs	10	-23.8	-27.2
Other financial income and charges	11	-12.7	-12.0
Income taxes	12	-33.8	-14.5
PROFIT FROM CONTINUING OPERATIONS		60.8	75.9
PROFIT FROM DISCONTINUED OPERATIONS		-	-
NET INCOME FOR THE PERIOD		60.8	75.9
> Attributable to controlling company		59.3	72.9
> Attributable to non-controlling minority		1.5	3.0
Earnings from continuing operations per share – attributable to controlling company	13	2.85	3.50
Earnings from discontinued operations per share – attributable to controlling company	13	-	-
Earnings for the period per share – attributable to controlling company	13	2.85	3.50
Diluted earnings from continuing operations per share – attributable to controlling company	13	2.86	3.48
Diluted earnings from discontinued operations per share – attributable to controlling company	13	-	-
Diluted earnings for the period per share – attributable to controlling company	13	2.86	3.48

DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR

In millions of Euros	15-16	14-15
INCOME FOR THE PERIOD	60.8	75.9
Variation in currency translations	-16.7	81.8
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	0.2	0.2
Change in method	-	-
Impact of taxes	-0.1	-0.1
Items that might be reclassified to profit or loss	-16.6	81.9
Actuarial losses and gains	-22.5	-6.6
Impact of taxes	5.9	2.6
Items not to be reclassified to profit or loss	-16.6	-4.0
OTHER ITEMS IN THE TOTAL GAINS AND LOSSES FOR THE PERIOD NET OF TAXES	-33.2	77.9
Total gains and losses for the period	27.6	153.8
> of which attributable to controlling company	27.6	152.0
> of which attributable to non-controlling minority	-	1.8

5.1.2. FINANCIAL PROGRESS REPORT

ASSETS

In millions of Euros	Note	06.30.16	06.30.15
Goodwill	14	385.5	344.9
Other intangible fixed assets	15	682.4	613.4
Tangible fixed assets	16	295.4	289.3
Financial fixed assets	17	22.6	22.0
Equity shares	18	305.4	293.0
Deferred taxes	25	56.6	51.9
Total non-current assets		1,747.9	1,614.5
Inventories	19	444.4	462.0
Trade receivables and other receivables	20	492.7	490.0
Cash and cash equivalents	21	206.5	373.4
Total current assets		1,143.6	1,325.4
Total assets		2,891.5	2,939.9

LIABILITIES

In millions of Euros	Note	06.30.16	06.30.15
Share capital	22	317.7	317.7
Reserves and income	22	833.9	840.7
Equity – controlling company	22	1,151.6	1,158.4
Equity – non-controlling minority	23	112.4	113.6
Consolidated equity		1,264.0	1,272.0
Provisions for employee benefits	24	77.0	57.7
Non-current financial debts	27	778.5	708.8
Deferred income taxes	25	120.1	114.6
Total non-current liabilities		975.6	881.1
Other provisions	26	12.4	11.2
Accounts payable	28	437.8	419.4
Deferred income	29	31.4	31.4
Current financial debts	27	170.3	324.8
Total current liabilities		651.9	786.8
Total liabilities		2,891.5	2,939.9

5.1.3. CONSOLIDATED CASH FLOW STATEMENT

In millions of Euros	06.30.16	06.30.15
1 - TRADING OPERATIONS		
Income for the year	60.8	75.9
Results of companies consolidated under equity method after dividends	-6.1	-18.9
Depreciation, amortization and impairments	177.8	163.3
Net non-current provisions	-7.0	-8.0
Variation in deferred taxes	6.8	-8.7
Income from capital operations	15.5	9.3
Surplus of the share in interest of the acquirer in the fair value of the assets and liabilities acquired on the cost, directly recorded in the income (negative goodwill)	-	-
Non-cash financial charges	1.0	-1.4
Fair value losses and gains for financial fixed assets available for sale	-	-
Cash flow	248.8	211.5
Dividends received on equity securities	-0.1	-0.4
Variation in working capital needs with comparable scope		
> Inventories	23.9	-81.8
> Trade debts	-11.7	12.6
> Short-term debts	15.7	22.1
Cash from operating activities	276.6	164.0
2 - INVESTMENT OPERATIONS		
Disposal of fixed assets	3.6	0.7
Acquisition of fixed assets		
> Intangible fixed assets	-196.9	-167.0
> Tangible fixed assets	-33.5	-45.5
Variation in other financial fixed assets	-6.5	-26.0
Cash flow acquired through scope entries	-78.0	-21.2
Cash flow conceded through cash exits	-0.2	-1.0
Net impact of the disposal of assets and liabilities	-	-
Net increase/decrease in cash and cash equivalents	4.9	-7.0
Cash flows from investing activities	-306.6	-267.0
3 - CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/decrease in equity	-	-
Transactions with non-controlling interests ⁽¹⁾	-0.2	-9.5
Increase/decrease in financial liabilities ⁽²⁾	-99.2	159.5
Dividends received on unconsolidated participations	0.1	0.4
Dividends paid out	-35.3	-31.6
Cash flows from financing operations	-134.6	118.8
4 - NET EFFECT OF CURRENCY TRANSLATION	-2.3	6.1
5 - NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	-166.9	21.9
6 - CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	373.4	351.5
7 - CASH AND CASH EQUIVALENTS AT END OF PERIOD	206.5	373.4

(1) Application of the amended standard IAS 27: restatement of "Transactions with non-controlling interests." This line includes acquisition of the following securities:

	06.30.16	06.30.15
Gemstar	-0.2	-
Limagrain Brasil	-	-9.5
Transactions with non-controlling participations	-0.2	-9.5

(2) Increase/decrease in financial liabilities:

	06.30.16	06.30.15
Increase in non-current financial debts	102.2	175.1
Repayment of non-current financial debts	-15.5	-0.2
Net increase/decrease on derivatives	-	6.8
Net increase/decrease in current financial debts	-185.9	-22.2
Variation in financial liabilities	-99.2	159.5

5.1.4. VARIATION IN CONSOLIDATED EQUITY

In millions of Euros	Attributable to controlling company					Attributable to non-controlling minorities	Total
	Capital	Premiums	Income and other reserves	Currency translation reserves	Total		
07.01.14	288.8	350.5	443.8	-45.7	1,037.4	122.7	1,160.1
Other items of the global income net of taxes	-	-	-3.7	82.8	79.1	-1.2	77.9
Net income restated	-	-	72.9	-	72.9	3.0	75.9
Global income for the fiscal year	-	-	69.2	82.8	152.0	1.8	153.8
Variation in treasury shares	-	-	-0.5	-	-0.5	-	-0.5
Dividends paid out	-	-	-31.2	-	-31.2	-0.4	-31.6
Variations in scope	-	-	0.6	-	0.6	-10.6	-10.0
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the capital stock of the parent company	28.9	-	-28.9	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	-	-	-	-	-
Bonds redeemable as shares ⁽¹⁾	-	-	-	-	-	-	-
Restatement	-	-	-1.0	1.0	-	-	-
Others	-	-	0.1	-	0.1	0.1	0.2
06.30.15	317.7	350.5	452.1	38.1	1,158.4	113.6	1 272.0
Other items of the global income net of taxes	-	-	-16.0	-15.7	-31.7	-1.5	-33.2
Net income	-	-	59.3	-	59.3	1.5	60.8
Global income for the fiscal year	-	-	43.3	-15.7	27.6	-	27.6
Variation in treasury shares	-	-	-	-	-	-	-
Dividends paid out	-	-17.9	-14.8	-	-32.7	-2.6	-35.3
Variations in scope	-	-	1.3	-	1.3	1.4	2.7
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the share capital of the parent company	-	-	-	-	-	-	-
Variation in the share capital of the subsidiaries	-	-	-	-	-	-	-
Bonds redeemable as shares ⁽¹⁾	-	-	-	-	-	-	-
Restatement	-	-	3.4	-3.4	-	-	-
Others	-	-	-3.0	-	-3.0	-	-3.0
06.30.16	317.7	332.6	482.3	19.0	1,151.6	112.4	1,264.0

(1) cf. Note 23.

5.1.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1: ACCOUNTING METHODS AND PRINCIPLES IN IFRS STANDARDS

1- GENERAL CONTEXT AND DECLARATION OF COMPLIANCE

These financial statements present the consolidated financial statements in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union on June 30, 2016 (website: <http://ec.europa.eu>).

The consolidated financial statements were approved by the Board of Directors on October 19, 2016 and will be submitted for approval to the Annual General Meeting of December 9, 2016.

2 - BASIS OF EVALUATION USED TO ESTABLISH THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been established using the historical cost convention, with the exception of certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are mentioned in the following Notes.

3- THE USE OF ESTIMATES

In order to establish its financial statements, the Executive Committee of Vilmorin & Cie must carry out a number of estimates and hypotheses that affect the book value of the assets and liabilities, the income and the charges, and also the information provided in the Notes.

The Executive Committee of Vilmorin & Cie carries out these estimates and assessments on an ongoing basis, taking into account its experience and various other factors deemed to be reasonable that form the basis of these assessments.

The figures appearing in future financial statements are liable to differ from these estimates, depending on the evolution of these hypotheses or different conditions.

The main significant estimates made by the Executive Committee of Vilmorin & Cie in particular concern the evolution of commitments to employees, goodwill, other intangible fixed assets and provisions.

4- ACCOUNTING TREATMENT ADOPTED IN THE ABSENCE OF AN IFRS STANDARD OR IFRIC INTERPRETATION WITH REGARD TO CERTAIN OPERATIONS

In the absence of an IFRS standard or IFRIC interpretation, Vilmorin & Cie has chosen to adopt the following accounting treatment, pending any possible standards or interpretations to come.

4.1 - ACCOUNTING OF PUT OPTIONS GRANTED TO CERTAIN MINORITY SHAREHOLDERS

Vilmorin & Cie has granted, to minority shareholders of certain of its subsidiaries consolidated by global integration, commitments to buy back their minority stakes. These commitments may take the form of a put option or a firm commitment to buy the stakes at a pre-fixed date.

In IFRS standards, until there is a specific IFRIC interpretation or IFRS standard, Vilmorin & Cie has decided to apply provisionally the following accounting treatment, referred to as "accelerated vesting":

- At initial recording in the accounts, the commitment to buy back a minority stake is recorded as a financial debt at the discounted value of the price of the option or firm commitment to buy back the stake, in return for the minority interests, and for the balance, for the goodwill.
- Any ultimate variation in the value of the commitment is recorded in the income statement for any transactions occurring after the application of the revised standard IFRS 3.
- Where necessary, when the commitment and its subsequent variations are first recorded in the accounts, the anticipated loss on the acquisition cost is recorded in "Variation in commitments to buy back minority stakes."
- When the commitment reaches maturity, if there is no acquisition, previous recordings are cancelled. If the acquisition materializes, the amount recorded as a financial debt is cancelled out by the disbursement for the acquisition of the minority stake.

4.2 - APPLICATION AND INTERPRETATION OF STANDARDS AND REGULATIONS

No new standard, interpretation or amendment to existing standards adopted by the European Union became mandatory for application for this fiscal year.

The new standards, interpretations and amendments to the following standards adopted by the European Union became mandatory for application on July 1, 2016:

- IFRS 14 "Regulatory Deferral Accounts",
- amendments to IFRS 11 "Acquisition of an Interest in a Joint Operation",
- amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization",
- amendments to IAS 16 and IAS 41 "Agriculture: bearer plants",
- amendments to IAS 27 "Equity Method in Separate Financial Statements",
- annual improvements cycle 2012-2014,
- amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception",
- amendments to IAS 1 "Disclosure Initiative".

These new standards should not have any significant impact on the group's consolidated financial statements.

The new standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to fiscal periods as of July 1, 2016 or later (refer to details below) have not been adopted in advance by Vilmorin & Cie:

- amendments to IAS 7 "Disclosure Initiative",
- amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses",
- IFRS 15 "Revenues from Contracts with Customers",
- IFRS 9 "Financial Instruments",
- IFRS 2 "Clarifications of Classification and Measurement of Share-based payment transactions",
- IFRS 16 "Leases".

The group is currently studying any possible impact created by these new standards, interpretations and amendments to existing standards.

5 - CONSOLIDATION METHODS (IFRS 10, IFRS 11, IAS 27, IAS 28)

The financial statements of subsidiaries:

- are included in the consolidated financial statements as of the date on which control is obtained right up until the date when control ceases,
- are prepared in accordance with the revised standard IAS 27 "Separate financial statements."

The following rules have been applied:

- Subsidiaries in an entity controlled directly or indirectly by the group are consolidated by global integration. In accordance with standard IFRS 10 "Consolidated financial statements", control is defined using the single model based on three cumulative conditions. An investor holds power over an investee when it controls this investee, when it has exposure, or rights, to variable returns from involvement with the investee, and when it has the ability to use its power over the investee to affect the amount of the investor's returns.

■ Standard IFRS 11 eliminates the method of proportional integration and henceforth two types of joint arrangement are distinguished:

- Joint arrangements qualified as "joint operations" whereby the parties have rights to the assets and obligations for the liabilities, relating to the arrangement. They are recorded in the accounts according to the proportion of assets, liabilities, income and charges controlled by the group. A joint operation may be structured through a distinct vehicle or not.
- Joint arrangements qualified as "joint ventures" whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. They are consolidated by the group using the equity method.

■ All internal transactions are eliminated in consolidation, particularly:

- reciprocal transactions and accounts,
- dividends paid out between consolidated companies,
- provisions and write-back of amortization on consolidated securities,
- internal margins on inventory,
- capital gains or losses on internal disposals.

6 - BUSINESS COMBINATIONS (REVISED IFRS 3)

Business combinations are recorded by applying the acquisition method on the acquisition date, which is the date on which control is transferred to Vilmorin & Cie.

The revised standard IFRS 3 is applicable to all take-overs as of July 1, 2009.

Vilmorin & Cie values goodwill:

- at the fair value of the consideration transferred,
- plus the recognized amount of any non-controlling interest rate in the acquiree,
- plus, if the business combination is carried out in stages, the fair value of any participation previously held in the acquiree,
- minus the net recognized amount (usually the fair value) of the identifiable assets acquired and liabilities assumed on the acquisition date.

If the difference above is negative, the resulting gain is recognized as a bargain purchase in profit or loss.

The consideration transferred includes the fair value of the transferred assets, Vilmorin & Cie's liabilities to the previous owners of the acquiree, and the participating interests issued by Vilmorin & Cie. The consideration transferred also includes the fair value of any consideration and payment rights based on the shares of the acquired company which must be replaced in the business combination (see below). If pre-existing relationships between Vilmorin & Cie and the acquiree are terminated as a result of the business combination, the lower of the two values, between the termination value (cited in the contract) and the value of the non-marketable portion, is deducted from the consideration transferred and is recognized as other costs.

When rights to share-based payments that are replaced by rights (replacement rights) owned by employees at the acquiree (the acquiree's rights) relate to past services, part of the market-based assessment of the replacement right is included in the consideration transferred. Insofar as services are also necessary in the future, the difference between the amount included in the consideration transferred and the market-based assessment of the value of the replacement rights is treated as a replacement cost after the business combination.

A contingent liability of the acquiree is only taken into consideration in the business combination when the liability represents a current commitment and derives from past events, and if its fair value can be reliably measured.

Vilmorin & Cie values non-controlling interests pro rata according to their interests in the acquiree's identifiable assets.

Transaction costs incurred by Vilmorin & Cie arising in connection with a business combination (brokerage costs, judicial costs, due diligence costs, costs of consultants and experts, etc.) are recognized immediately as they occur.

Acquisitions of participations which do not transfer control are recorded as transactions with the owners and consequently no goodwill results from such transactions. Adjustments of the non-controlling interests for transactions which do not lead to losses of control are determined on the basis of the share of the subsidiary's net assets.

7 - OPERATING SEGMENTS

IFRS standard 8 "Operating segments" defines an operating segment as the component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance and,
- for which discrete financial information is available.

8 - CONVERTING STATEMENTS EXPRESSED IN FOREIGN CURRENCIES (IAS 21)

Vilmorin & Cie's financial statements are presented in Euros.

Balance sheets of companies whose functional currency is not the Euro are converted into Euros at the exchange rate in force at close, and their income statements and cash flows by applying the exchange rate in force at the date of the transactions.

Resulting translation differences are recorded in the equity on the line «Currency translations» for the share of the controlling company, and on the line «Minority interests» for the minorities' share.

Goodwill and adjustments in fair value originating in the acquisition of a foreign entity are considered as the assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate for the year.

At the end of the fiscal year, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate in force at the closing rate for the year. The resulting exchange differences are recorded in the income statement (in "Other financial profits and costs").

Translation differences for financial instruments expressed in foreign currencies and corresponding to net forward investment in a foreign subsidiary are recorded in equity in the line «Currency translation.» They are recorded in the income statement when the activity is taken out of the foreign country.

9 - INTANGIBLE FIXED ASSETS (IAS 38)

Other intangible fixed assets are recorded at acquisition cost, and other intangible fixed assets created internally are recorded at cost value.

When their duration of use is defined, intangible assets are amortized over their expected duration of use by Vilmorin & Cie. This duration is determined for each individual case depending on the nature of the items included in this line.

When their duration of use is undefined, intangible fixed assets are not amortized, but they are submitted to systematic annual value loss tests.

Consequently, intangible fixed assets with a defined duration of use are valued at cost price less amortization and any value loss, whereas intangible fixed assets with an undefined duration of use are valued at cost price less the aggregate of value losses.

The main categories of other intangible fixed assets at Vilmorin & Cie are as follows:

9.1 - DEVELOPMENT COSTS

Development costs, net of any associated tax relief on research, are recorded as intangible fixed assets when the activation conditions meet all five of the following conditions:

- The projects are clearly identified and the costs concerned are treated individually and are evaluated in a reliable manner.
- Technical feasibility of the projects is shown.
- There is both an intention and capacity to see the projects through to the end, and use or sell any products that result from these projects.
- There is a potential market for the production generated by these projects, or their internal utility has been demonstrated.
- The resources necessary to run the projects right up to their conclusion are available.

Vilmorin & Cie considers that it is capable of satisfying these conditions as described above. As a consequence, its development projects are recorded as fixed assets in the following conditions:

Projects recorded as fixed assets correspond to work leading to the development of new products, or to industrial processes relative to Vilmorin & Cie's business.

The business field concerned is that of Vilmorin & Cie's seed activities.

Work taken into account when costing development projects recorded as fixed assets includes, in particular:

- Plant improvement as such, and particularly conventional breeding*, genome* analysis work on species the company does research into, molecular marking* and routine laboratory work used by breeders.
- Trials, tests and experiments, the production of seeds at a pilot stage, registration fees, homologation fees or fees to maintain rights on products being launched.
- The development of new technologies that aim to improve the performance of seeds such as: coating, pelleting, priming, etc.
- Intellectual property activities connected to the registration of patents, Soleau envelopes, Proprietary Variety Protection Certificates, freedom to operate studies, etc.
- The development of new processes or industrial pilots for the transformation of plant-based raw materials or more elaborate products, including food and ingredients.

Work done before the above-described process is not taken into account in the definition of development costs (for example: transgenesis*, or the search for new genetic resources*).

Moreover, only the charges that can be directly allocated to the programs concerned can be included in the calculation of the cost of projects recorded as fixed assets.

Development programs recorded as fixed assets are amortized using the straight-line method over a five-year period as of the first year.

9.2 - GOODWILL

Goodwill represents the difference between the acquisition price of consolidated securities and the share of Vilmorin & Cie in the fair value of their assets, liabilities and any potential liabilities that can be identified on the date of the purchase of the participation.

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1 paragraph 11. Any impairment recorded is irreversible.

Goodwill concerning companies consolidated under the equity method is recorded in "Equity shares." If the criteria for value loss as defined by standard IAS 39 come into play, the amount of the loss is determined according to the rules defined by standard IAS 36.

9.3 - BRANDS, PATENTS, LICENSES

The cost of assets corresponds to:

- The purchasing price plus any cost that can be directly shown to be due to the preparation of the asset for its planned use, for assets acquired separately.
- The fair price, at acquisition date, for any assets acquired through business combinations.

Any amortization should be linear over their estimated duration of use.

9.3.1 Brands

Their economic life span is considered to be indefinite and consequently brands are not amortized.

The classification of a brand as an asset with an unlimited life results, in particular, from the following indicators:

- positioning of the brand on its market in terms of volume of business and image,
- long-term perspectives for profitability,
- risk factor with regard to one-off accidents,
- major event occurring in the business sector, likely to leave its mark on the future of the brand,
- age of the brand,
- regular expenses on advertising and promotion.

They are regularly assessed and tested using defined Cash Generating Units (CGUs).

9.3.2 Patents

The duration of use of patents corresponds to their legal duration of protection.

9.3.3 Licenses

The duration of use of licenses corresponds to the period during which they can be used by contract.

9.3.4 Software

Depending on the field of application of the software, and taking technological obsolescence into account, the economic life varies from three to seven years.

For certain specific needs, Vilmorin & Cie sometimes develops its own software applications. In such cases, the costs considered for recording them as fixed assets include:

- The costs of materials and services used,
- Salaries and other labor costs directly involved in the production of these assets.

9.4 - GERmplASM

Germplasm comprises all the plant material used to breed new varieties of seeds, the prerequisite of which is a collection of plants that is as wide and diversified as possible.

Generally acquired by Vilmorin & Cie at a fair price and through business combinations, it is systematically worked on with a view to enriching, characterizing and maintaining it to preserve its quality and ensure it is available to the different research teams.

These research teams constantly sift through this plant library to make use of the primary resources that are required for the creation of new products.

Built up over the years, this genetic material has been improved as seed companies and breeding* programs have been acquired, and research partnerships have been set up.

Bearing in mind that it needs to be kept permanently in good condition, regularly maintained and continually used in the process of plant breeding, Vilmorin & Cie considers that its economic life is indefinite. Consequently these assets are not amortized.

They are regularly assessed and tested using the defined Cash Generating Units (CGUs).

(1) 10 to 20 years for light constructions, 20 to 40 years for more robust constructions.

10 - TANGIBLE FIXED ASSETS (IAS 16)

Tangible fixed assets are recorded at their acquisition cost or, where appropriate, their production cost less depreciation and losses of value.

10.1 - LOAN INTERESTS

In compliance with standards IAS 16 and IAS 23R, interests on loans taken out for purposes of construction and the acquisition of tangible assets are incorporated into the cost of the assets unless they fail to meet the criteria listed in paragraph 12 of the standard IAS 23R.

10.2 - COMPONENTS APPROACH

The different components of a tangible fixed asset are recorded separately when their estimated duration of use and therefore their impairment durations are significantly different.

10.3 - DEPRECIATION

10.3.1 Basis for depreciation

Bearing in mind their specific nature, most of Vilmorin & Cie's industrial assets are intended to be used until the end of their life span, and as a general rule, it is not envisaged that they should be sold, which justifies the fact that there is no residual value for these fixed assets.

10.3.2 Depreciation method

Tangible fixed assets are depreciated using the straight-line method in the income statement over the estimated duration of use for each component.

10.3.3 Duration of depreciation

Depreciation is calculated according to the estimated durations of use for the following assets, reviewed every year:

- Land: not depreciated
- Landscaping: 10 to 20 years
- Constructions: 10 to 40 years⁽¹⁾.
- Specialized complex installations: 5 to 10 years
- Machines, industrial equipment: 3 to 10 years
- Office equipment: 3 to 10 years
- Other tangible fixed assets: 3 to 10 years

10.3.4 Presentation in the income statement

Amortization, depreciation and impairment are recorded in the income statement in accordance with the purpose of the fixed asset (cost of sales, commercial expenses, research costs, overheads and administrative costs, etc.).

10.4 - IMPAIRMENT TESTS

As part of the Cash Generating Units (CGU), tangible fixed assets are liable to be tested for impairment as soon as any indication of impairment has been identified.

A CGU is the smallest identifiable group of assets that generates cash entries clearly independent of cash entries generated by other assets or groups of assets.

This test has been implemented at Vilmorin & Cie, and is carried out in accordance with the rule explained in Note 1 paragraph 11 hereafter.

10.5 - REASSESSMENT

During the transition period to IFRS standards, Vilmorin & Cie decided to apply the fair value principle as the presumed cost to certain specific assets. The fixed assets to which this procedure was applied are generally land and factory buildings valued historically without representing economic reality.

The assessments adopted are the result of independent expert assessors.

11 - IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

The book values of Vilmorin & Cie's intangible and tangible assets are examined at the close of each fiscal year in order to assess whether there is any indication that an asset has lost value. If there are any such indications, the recoverable amount of the asset is assessed using the method described hereafter.

For goodwill, intangible fixed assets with an undefined useful life, or intangible fixed assets which are not yet ready to be put into service, the recoverable amount is assessed at least once per year.

Impairment is recorded if the book value of an asset or its Cash Generating Unit is higher than its recoverable amount. Impairments are recorded in the income statement.

Impairment recorded for a Cash Generating Unit is first of all recorded as a reduction in the book value of all the goodwill allocated to the Cash Generating Unit (or group of units), and then to a reduction in the book value of the other assets of the unit (or group of units) in proportion to the book value of each asset in the unit (or group of units).

11.1 - CALCULATION OF THE RECOVERABLE AMOUNT

The recoverable amount of intangible and tangible fixed assets is the highest amount between their fair value less selling costs and their going concern value. In order to assess the going concern value, estimated future cash flows are adjusted to a pre-tax rate that reflects the market's current appreciation of the time value of money and specific asset risks. For an asset which does not generate independent cash entries, the recoverable amount is determined by the Cash Generating Unit to which the asset belongs.

11.2 - WRITE-BACK OF IMPAIRMENTS

Impairments recorded as goodwill cannot be written back. Impairments recorded for another asset are written back if there has been a change in the estimates used to determine the recoverable amount. The book value of an asset which has been increased because of the write-back of impairment cannot be greater than the book value that would have been determined, net of amortizations, if no impairment had been recorded.

12 - LEASE AGREEMENTS (IAS 17)

12.1 - FINANCIAL LEASE AGREEMENTS

Goods acquired through financial lease agreements are recorded as fixed assets when the lease agreement transfers almost all the risks and rewards incident to Vilmorin & Cie's ownership of these goods. Criteria used to assess these agreements are based, in particular, on:

- the relationship between the lease term for the assets and their life duration,
- the minimum total amount paid in the future compared with the fair value of the fixed asset being funded,
- the existence of transfer of property at the end of the lease agreement,
- the existence of a favorable purchase option,
- the specific nature of the asset being leased.

Assets held by virtue of lease contracts are depreciated over the same duration as similar freehold assets.

Goods acquired through lease agreements are recorded as tangible fixed assets at the lowest amount of the fair value or the current value of minimum payments at the date of the beginning of the agreement, and the loans are recorded as liabilities.

12.2 - SIMPLE RENTAL AGREEMENTS

Rental agreements that do not have the characteristics of a financial lease agreement are recorded as operating rental contracts and only the installments paid are recorded in the income statement.

13 - INVENTORIES AND PRODUCTION IN PROGRESS

Inventories and production in progress are evaluated at their lowest cost and their net realizable value.

Costs are generally calculated according to the method of weighted average cost; they include an appropriate proportion of overheads based on the normal production capacity, but excluding financial charges and any costs of a drop in activity.

The net realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to achieve the sale.

Where relevant impairment is recorded, it is generally intended to cover the following risks:

- realizable value lower than market price,
- adjustment according to sales perspectives,
- bad product quality (mainly poor germination and problems of sanitary quality).

14 - TRADE RECEIVABLES

Receivables are valued at their fair value at their initial evaluation, and then at their amortized cost after any later evaluations. Impairment is recorded when the recoverable amount is lower than the book value.

15 - TREASURY SHARES

Treasury shares are recorded at their cost of acquisition less equity. Income from the sale of these shares is recorded directly as equity, and does not contribute to the profit for the fiscal year.

16 - EMPLOYEE BENEFITS (REVISED IAS 19)

In accordance with the laws and practices of each country in which it operates, Vilmorin & Cie participates in various pension, early retirement and post-employment benefit schemes.

16.1 - POST-EMPLOYMENT BENEFIT SCHEMES

Two types of post-employment benefit schemes are distinguished:

16.1.1 Defined contribution plans

A defined contribution plan is a scheme involving benefits paid out after termination of the work contract, for which an entity pays defined contributions to a distinct entity and has no legal or implicit obligation to pay any further contributions if the fund does not have sufficient assets to pay benefits to the beneficiaries for present or previous fiscal years.

For basic plans and other plans with defined contributions, the contributions payable are recorded as charges for the fiscal year in which they are due, and no provision is made, since Vilmorin & Cie is only committed within the limit of the contributions paid.

These plans are applied in most of the countries where Vilmorin & Cie is present (Europe, North and Central America, Asia).

16.1.2 Defined benefit plans

A defined benefit plan is any scheme involving benefits paid out after termination of the work contract other than a defined contribution plan. These plans are characterized by an obligation of the employer towards his employees. If they are not entirely funded in advance, they must be recorded as provisions.

This type of plan is either funded:

- directly by the group, which records provisions for the charges on an actuarial basis. These defined benefit plans mainly comprise lump sums paid at retirement (principally France) or,
- through a pension fund that the group pays into in accordance with the rules and regulations in force (North America, United Kingdom, etc.). For these plans, the provision reflects the balance between the amount currently due and the value of the assets, assessed at fair value.

For these plans, Vilmorin & Cie records provisions that are determined as follows:

- Commitments are assessed using the method known as "projected unit credits" which stipulates that each period of service generates a unit of benefit entitlement. Each of these units is assessed separately to obtain the final amount due.

Calculations involve hypotheses for mortality, staff turnover and projections on future salaries. An adjustment rate linked to the average duration of this commitment is applied. These assessments are carried out for all the plans by independent actuaries.

- The actuarial gains and losses resulting from changes in assumptions or experience adjustments (difference between the projected figure and the actual figure) on the commitments or the financial assets of the plan are entirely recorded as other items in the global income for the fiscal year when they are generated, along with the corresponding fiscal impact. They cannot be reclassified in the income statement in subsequent fiscal years.
- The costs of services rendered, past services, and fund administration costs for the period are all recorded as operating charges for the fiscal year.
- Liquidations and/or reductions of defined benefit plans are also recorded as operating charges for the fiscal year.
- Net interests on liabilities (or net assets), valued at the adjustment rate, are recorded as other income and financial charges.

16.2 - OTHER LONG-TERM SUBSEQUENT BENEFITS

Provisions are made for certain other long-term benefits which are determined using an actuarial calculation that is comparable to that used for defined contribution schemes.

For Vilmorin & Cie these benefits mainly correspond to bonuses that accompany «work medals» for long service and lump sums paid at retirement, and concern almost exclusively the French companies. The costs of services rendered are recorded as operating charges and the financial interests as other income and financial charges.

17 - PROVISIONS (IAS 37)

17.1 - GENERAL PRINCIPLE

Standard IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" defines the rules applicable to provisions.

It is mandatory to record a provision in cases where:

- it is intended to meet a current, legal or implicit obligation.
- this obligation exists at the date of the close of the fiscal year.
- it is probable or certain that settlement will lead to an outflow of resources to a third party.
- a reliable evaluation of the provision can be made.

These provisions are estimated taking into account the most probable hypotheses at the closing date of the accounts.

17.2 - APPLICATION TO VILMORIN & CIE

Within the normal conditions of its business Vilmorin & Cie is subject to various risks (commercial litigation, reorganization, fiscal litigation, social litigation, etc.). It applies the following rules:

17.2.1 Provisions for reorganization

Provisions for the cost of reorganization programs are made in full during the fiscal year in which an irreversible obligation for Vilmorin & Cie arises with regard to third parties. This obligation is the result of a decision taken by the invested management authority and materialized before the end of the closing date by informing the third parties concerned, or their representatives.

The amount of the provision mainly includes the following costs:

- severance pay,
- notice not worked,
- training of employees laid off,
- other costs linked to the closing of sites.

Disposal of fixed assets, impairment of inventories and other assets that are the direct result of reorganization costs are also recorded in the reorganization costs.

17.2.2 Provisions for litigation

Litigations (commercial, fiscal, intellectual property, etc.) are assessed individually and/or on the basis of a statistical estimate of the litigations observed for similar cases bearing in mind what is known at the end of the fiscal year.

17.2.3 Presentation in the financial statements

Except in particular justified cases, provisions are presented in the balance sheet in the current liabilities.

18 - GOVERNMENT GRANTS (IAS 20)

In compliance with standard IAS 20, Vilmorin & Cie records government grants in the balance sheet on the line «Deferred income» and includes them in the income for the useful life of the assets for which they were received.

Government grants received for fixed assets that cannot be depreciated (land) are directly recorded in income for the fiscal year, when they cannot be linked to a fixed asset that is depreciated. If they can be linked to a depreciated fixed asset, they are depreciated at the same rhythm as this asset.

19 - DEFERRED TAXES (IAS 12)

In compliance with standard IAS 12, deferred taxes are calculated for all temporal differences between the tax base and the book value of the assets and liabilities. The main items taken into account for this purpose concern:

- consolidation restatement showing a divergence between book value and tax base (special tax exemption, lease agreements, margins on inventory, income from sales of intra-group fixed assets, retirement benefits, etc.),
- recognized evaluation differences in the case of business combinations to the extent they concern clearly identified and controlled assets,
- the differences between the book value and the tax base for certain assets based on favorable fiscal systems such as the provisions for mergers in France.

Assets and liabilities of deferred taxes are assessed at the tax rate expected for the period during which the asset is recovered and the liability is settled, using the tax rates that have been enacted by the balance sheet date.

The balance sheet approach to the variable carry forward method is applied and the effects of taxable rate modifications are recorded in the income for the fiscal year during which the change in rate is fixed, as long as these tax modifications have no effect on the deferred taxes that had been recorded directly in equity.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that they can be recovered in later years. Assessment of the capacity of Vilmorin & Cie to recover these assets in particular depends on the following criteria:

- future forecasts of fiscal results,
- the share of exceptional charges must not be renewed in the future and included in past losses,
- the net liabilities position can, in certain circumstances, be reduced in accordance with tax deficits carried forward reasonably recordable in consideration, on the basis of an amortization table.

In compliance with standard IAS 12, deferred tax assets and liabilities are not readjusted. Depending on the case, they are presented in the balance sheet as non-current assets or liabilities.

20 - ACCOUNTS PAYABLE

Debts that concern the normal operating cycle are recorded on the line "Accounts payable" for their fair value fixed at the initial assessment, and then adjusted for the cost of depreciation/amortization for subsequent evaluations.

21 - FINANCIAL INSTRUMENTS (IAS 32 AND IAS 39)

Financial instruments at fair value are classified according to the following level of hierarchy:

- level 1 (listed markets): financial instruments listed in an active market,
- level 2 (observable data): financial instruments where the assessment makes use of valuation techniques based on observable parameters,
- level 3 (internal model): financial instruments where the assessment makes use of valuation techniques based fully or partially on non-observable parameters.

21.1 - UNCONSOLIDATED EQUITY SECURITIES AND OTHER NON-CURRENT FINANCIAL ASSETS

In compliance with standard IAS 39 "Financial instruments," participation securities in unconsolidated companies are considered to be available for sale and are therefore recorded at their fair value which is determined in the following conditions:

- for listed securities, the fair value corresponds to the stock market value,
- for other securities whose fair value in general cannot be determined reliably, the securities are recorded at cost price less any impairments.

Variations in fair value are recorded directly in equity. If there is an objective indication of impairment of the financial asset concerned, an irreversible impairment is recorded in income. Write-back of the provision in the income will only come into play when the securities are disposed of.

Loans are recorded at amortized cost price. They can be amortized if there is an objective indication of any impairment. Any impairment corresponding to the difference between the book value and the recoverable amount is recorded in the income, and is reversible if evolution is favorable in the future.

In cases where loans, advance payments or other mid- or long-term receivables do not receive interest, or if the interest rate is lower than market rates, the assets are adjusted in accordance with the real interest rate.

At each close, an examination of the portfolio of unconsolidated securities and other financial assets is made in order to assess the objective indications of impairment of these assets. Where necessary, any impairment is recorded in the accounts.

21.2 - ACCOUNTS RECEIVABLE

Mid- or long-term receivables that do not receive interest are adjusted in the conditions described above in Note 1 paragraph 21.1 above.

21.3 - RECORDING FINANCIAL ASSETS AND DERIVATIVES

Vilmorin & Cie applies the following principles:

21.3.1 Derivatives

Vilmorin & Cie uses derivatives to cover its exposure to risks in the variation of interest rates, currency exchange rates and in the prices of raw materials, resulting from its current activity and its funding. Derivatives are assessed at their fair value.

For a derivative to be eligible for hedge accounting (cash flow or fair value), the hedging relationship must be formally designated and documented, and its life-long effectiveness must be demonstrated. A fair value hedge is a hedge of the exposure to changes in fair value of assets, liabilities or firm commitments. A cash flow hedge is a hedge of the exposure to variability in cash flows (sales generated by the company's assets, for example).

In compliance with the provisions of standard IAS 39, variations in the fair value of these instruments are recorded as follows:

- Variations in the fair value of instruments eligible for cash flow hedging are recognized directly in equity for their effective part of the cover, and in financial profit and loss for their ineffective part.
- Variations in the fair value of instruments eligible for fair value hedging are recorded in profit and loss where they compensate for the variations in fair value of the assets, liabilities or firm commitments covered.

Forward cover of the prices of the raw materials used by Vilmorin & Cie mainly concerns futures negotiated on an organized market. Vilmorin & Cie also implements strategies that combine futures with options which are also negotiated on an organized market.

21.3.2 Conditional advance payments

Conditional advance payments appear in accordance with IFRS principles on the line "Deferred income." They are included in the income if the funded programs concerned fail.

21.3.3 Loan issue costs

Costs incurred by the issue of loans are, in accordance with standard IAS 39, recorded at the book value of the loans concerned.

These costs are recorded as charges for the full duration of the loan using the effective interest rate method.

21.4 - FINANCIAL DEBTS - COMPOUND INSTRUMENTS

Certain financial instruments include both a financial debt component and an equity component.

In compliance with standard IAS 32, the different components of these instruments are recorded in equity and financial debts in respective proportions.

The component classified as financial debts is evaluated on date of issue. It corresponds to the future agreed cash flow value adjusted to the market rate of a similar instrument with the same conditions, but without an option of conversion or redemption as shares.

21.5 - ACCOUNTS PAYABLE

In cases of deferred interest-free payment greater than one year, rules for adjustment are applied in compliance with the principles presented above in Note 1 paragraph 21.

22 - CASH AND CASH EQUIVALENTS – INVESTMENT SECURITIES

22.1 - CASH AND CASH EQUIVALENTS

In accordance with standard IAS 7 "Cash flow statement" the line "Cash and cash equivalents" appearing in the balance sheet includes:

- cash and bank in hand,
- short-term investments that are liquid and easily convertible into a determinable amount of cash with negligible risk and variation in value,
- current accounts recoverable at short notice.

Investments at more than three months without the possibility of an anticipated exit, and bank accounts carrying restrictions (blocked accounts) are excluded from cash flow. Overdrafts assimilated to funding instruments are also excluded from cash flow.

22.2 - INVESTMENT SECURITIES

In compliance with standard IAS 39 "Financial instruments," investment securities are assessed at their fair value. No investment is analyzed as being held until its due date. The manner in which investment securities are recorded in accounts depends on the aim of the operations:

- For investments held for purposes of transaction, variations in fair value are systematically recorded in income.
- For investments available for sale, variations in fair value are recorded directly in the equity, or in the income where there is an objective indication of impairment that is greater than the temporary impairment of the security concerned.

23 - BREAKDOWN OF ASSETS AND LIABILITIES INTO CURRENT / NON-CURRENT

23.1 - GENERAL PRINCIPLE

Standard IAS 1 states that assets and liabilities must be classified as either "current" or "non-current."

23.2 - APPLICATION TO VILMORIN & CIE

Vilmorin & Cie has adopted the following rules to classify the main aggregate amounts of the balance sheet:

- Assets and liabilities that form part of the working capital needs of a normal business operating cycle are classified:
 - as "current" if the realization of the assets or the liquidation of the liabilities is expected to occur within one year following the closing date or if they are held for the purposes of trading.
 - as "non current" in all other cases.
- Fixed assets are classified as "non-current."
- Provisions that are part of the normal operating cycle are classified as "current."
- Provisions for employee benefits are classified as "non-current" bearing in mind the long-term horizon of such commitments.
- Financial debts are classified as "current" and "non-current" depending on whether their due dates fall in less than one year or more than one year after the closing date.
- Deferred taxes are all presented as "non-current" assets or liabilities.

24 - REVENUE FROM ORDINARY ACTIVITIES (IAS 18)

24.1 - GENERAL PRINCIPLE

Revenue from ordinary activities comprises the sale of products, goods and services produced as part of Vilmorin & Cie's main business activities, and also income from royalties and operating licenses.

24.2 - APPLICATION TO VILMORIN & CIE

Income is recorded in the sales when the company has transferred the important risks and advantages inherent in the property of the goods to the purchaser. The transfer date generally corresponds:

- For sold goods and products to the date they are made available to the customers.
- For services, sales depend on the extent to which the service has been rendered on closing date, and if its income can be considered to be reliable.
- For royalties, income is recorded in accordance with the provisions of the contract which generally stipulate calculation based on sales or quantities sold by the licensor. These royalties generally correspond to the remuneration of licenses for proprietary plant varieties or parental lines.

Revenue from ordinary operations includes:

- sales of products,
- sales of services,
- royalties received from commercial activities.

From this revenue a certain number of items are deducted:

- payments on account, discount for early pick-up,
- returns of goods and products,
- end of year discount and other retrospective discount of deferred prices to distributors.

25 - EARNINGS PER SHARE

The basic earnings per share are calculated on the basis of the weighted average number of shares in circulation over the fiscal year.

The average number of shares in circulation is calculated on the basis of the different valuations of the share capital, corrected, where appropriate, for Vilmorin & Cie's treasury shares.

The diluted earnings per share are calculated by dividing Vilmorin & Cie's share of the income by the number of ordinary shares in circulation to which are added all the potentially dilutive ordinary shares.

NOTE 2: EVENTS OCCURRING DURING THE FISCAL YEAR

MAIN OPERATIONS OCCURRING DURING THE FISCAL YEAR

The main operations occurring during the course of the fiscal year were as follows:

FULL TAKE-OVER OF THE GENICA GROUP (UNITED STATES)

During February 2016, and via its subsidiary Vilmorin USA Corp, Vilmorin & Cie signed the full take-over of the company Genica Research (United States), whose head offices are located in Dixon, California.

Specialized in research, breeding*, production and distribution – by delegation – of hybrid vegetable seeds, Genica Research is active in major crops: sweet pepper, strong hot pepper, cucumber, summer squash, along with tomato, eggplant, melon and watermelon.

It has operational sites in the United States (California and Florida), in Spain and in Italy, and also several breeding stations within these geographical zones.

PURCHASE OF A STAKE IN CANTERRA SEEDS AND CREATION OF LIMAGRAIN CEREALS RESEARCH CANADA (CANADA)

At the beginning of July, 2015, through its subsidiary Vilmorin USA Corp, Vilmorin & Cie and Canterra Seeds established the joint venture Limagrain Cereals Research Canada, specialized in the development and breeding of cereals, located in Saskatoon (Province of Saskatchewan, Canada).

Held 70% by Vilmorin USA Corp and 30% by Canterra Seeds, the new joint venture ultimately aims to bring significant added value to Western Canada agriculture, by developing new varieties of cereals, with a specific focus on wheat, using the most advanced technologies available.

In order to strengthen their partnership, through its subsidiary Vilmorin USA Corp, Vilmorin & Cie purchased a minority stake of 30% in Canterra Seeds through a capital increase.

CREATION OF A JOINT VENTURE IN CHINA

In March 2016, through its subsidiary Vilmorin Hong-Kong, Vilmorin & Cie obtained the authorizations necessary from the Chinese administration to finalize the creation of the joint venture for the production and the distribution of corn seeds, for which it signed an agreement with the Chinese company Anhui Hengji Seeds.

Through its subsidiary Vilmorin Hong-Kong, Vilmorin & Cie holds 45% of the capital of this new structure.

NOTE 3: CONSOLIDATION SCOPE

1 - EVOLUTION OF THE CONSOLIDATION SCOPE

1.1 - ON JUNE 30, 2016, VILMORIN & CIE CONSOLIDATED 107 COMPANIES IN ACCORDANCE WITH THE RULES SET OUT IN NOTE 1 PARAGRAPH 5 OF THE ACCOUNTING METHODS AND PRINCIPLES IN IFRS STANDARDS

	15-16	14-15
By global integration	94	92
By proportional integration	-	-
By the equity method	13	11
Total	107	103

1.2 - VARIATIONS IN SCOPE OCCURRING DURING THE COURSE OF FISCAL YEAR 2015-2016 WERE AS FOLLOWS:

1.2.1 Entries to the consolidation scope

- Through the purchase of a stake
 - Canterra Seeds
 - Genica Research and its three subsidiaries:
 - Genista
 - Magnum Seeds Iberia
 - Magnum Seeds Inc.

- Through the creation of companies
 - Hengji Limagrain
 - Limagrain Cereals Research Canada
 - Limagrain Peru

- Through integration into the consolidation scope
 - None

1.2.2 Exits from the consolidation scope

- Companies wound up
 - None

- Through exit from the consolidation scope
 - VCC Japan

- Following internal reorganizations, several mergers occurred:

Absorbing companies	Absorbed companies
Vilmorin North America	Vilmorin Inc
HM.CLAUSE India	Century Seeds
Vilmorin & Cie	Gemstar

1.2.3 Changes in name

The following changes in name occurred during the fiscal year:

Former names	New names
Alliance Semillas Sociedad Anonima	HM.CLAUSE Chile S.A.
ICA Seeds S.A.C.	HM.CLAUSE Peru S.A.C.

1.2.4 Changes in consolidation method

No change in consolidation method occurred during this fiscal year.

2 - INFORMATION CONCERNING VARIATIONS IN CONSOLIDATION SCOPE

In millions of Euros	Canterra Seeds	Genica group	Hengji Limagrain	Limagrain Cereals Research Canada	Limagrain Peru
Date of entry in scope	07.02.2015	02.18.2016	03.25.2016	07.02.2015	09.01.2015
% ACQUIRED					
Over the fiscal year	30.00%	100.00%	45.05%	70.00%	100.00%
Previously held	-	-	-	-	-
Total held	30.00%	100.00%	45.05%	70.00%	100.00%
Consolidation method adopted⁽¹⁾	EM	GI	EM	GI	GI
ACQUISITION PRICE OF THE SHARES					
Agreed during the fiscal year	4.8	70.5	7.1	5.4	-
Previously agreed	-	-	-	-	-
Total	4.8	70.5	7.1	5.4	-
FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED					
Fixed assets	2.9	23.2	7.2	-	-
Working capital needs	-	13.8	-	-	-
Provisions for liabilities and charges	-	-	-	-	-
Indebtedness net of cash	-	11.6	-	-5.8	-
Deferred taxes	-	1.4	-	-	-
Equity acquired	2.9	24.0	7.2	5.8	-
Goodwill⁽²⁾	2.2	46.6	-	-	-

(1) GI: global integration – EM: equity method;

(2) Goodwill for companies integrated using the equity method is directly included in the line "Equity shares" of the financial progress report.

3 - COMPARABILITY OF THE INCOME STATEMENTS

In order to analyze the results with comparable consolidation and currency translation scope, a pro-forma income statement for 2014-2015 has been established in the following conditions:

- In order to neutralize the impact of currency variations, the income statement on June 30, 2015 has been restated by applying the average rate on June 30, 2016.
- Companies exiting the scope during fiscal year 2015-2016 have been neutralized for the previous fiscal year, namely:
 - VCC Japan
- Companies entering the scope during fiscal year 2014-2015, and providing new business, have been added to the accounts on June 30, 2015, namely:
 - Canterra Seeds
 - Genica Research and its three subsidiaries:
 - Genista
 - Magnum Seeds Iberia
 - Magnum Seeds Inc.
 - Hengji Limagrain
 - Limagrain Cereals Research Canada
 - Limagrain Peru
- Information is restated as follows:

In millions of Euros	Variation %	15-16	14-15 restated
Revenue from ordinary activities	4.7%	1,325.1	1,265.7
Operating income	-2.5%	100.3	102.9
Income from continuing operations	-23.7%	60.8	79.7
Income from discontinued operations	-	-	-
Income for the period	-23.7%	60.8	79.7

NOTE 4: OPERATING SEGMENTS

1 - GENERAL PRINCIPLES

The rules applicable to the presentation of operating segments are defined in Note 1 paragraph 7 of the "Accounting methods and principles in IFRS standards."

2 - INFORMATION ACCORDING TO BUSINESS SEGMENT

The internal information made available to Vilmorin & Cie's Executive Committee, the "Chief Operating Decision-Maker," corresponds to the managerial organization of the company which is based on segmentation according to activity. Consequently, the operating segments, as defined by standard IFRS 8, are the business segments on which Vilmorin & Cie operates.

Existing operating segments on June 30, 2016 were as follows:

- Vegetable seeds
- Field seeds

Each of the columns in the tables presented below contains the figures for each segment. The figures shown represent the contributions with regard to Vilmorin & Cie which implicitly ignore inter-segment operations since they are not considered to be very significant.

2.1 - INFORMATION CONCERNING FISCAL YEAR 2015-2016

In millions of Euros	Vegetable seeds	Field seeds	Garden products & Holdings	Unallocated	Total
Revenue from ordinary activities	688.7	581.7	54.7	-	1,325.1
Operating income	109.3	10.6	-19.6	-	100.3
Income from continuing operations	71.6	17.3	-28.1	-	60.8
Income from discontinued operations	-	-	-	-	-
Total consolidated net income	71.6	17.3	-28.1	-	60.8
Non-current assets	588.2	992.6	167.1	-	1,747.9
> Including investments for the period	96.7	96.8	134.4	-	327.9
Current assets	570.3	450.0	123.3	-	1,143.6
Total assets	1,158.5	1,442.6	290.4	-	2,891.5
Equity ⁽¹⁾	-	-	-	1,264.0	1,264.0
Non current liabilities	91.8	139.2	744.6	-	975.6
Current liabilities	225.3	258.5	168.1	-	651.9
Total liabilities	317.1	397.7	912.7	1,264.0	2,891.5

(1) The line "Equity" for all Vilmorin & Cie's companies is not broken down per business segment.

2.2 - INFORMATION CONCERNING FISCAL YEAR 2014-2015

In millions of Euros	Vegetable seeds	Field seeds	Garden products & Holdings	Unallocated	Total
Revenue from ordinary activities	614.6	595.3	59.5	-	1,269.4
Operating income	95.8	20.9	-16.5	-	100.2
Income from continuing operations	63.9	20.7	-8.7	-	75.9
Income from discontinued operations	-	-	-	-	-
Total consolidated net income	63.9	20.7	-8.7	-	75.9
Non-current assets	506.0	976.1	132.4	-	1,614.5
> Including investments for the period	107.2	107.7	54.2	-	269.1
Current assets	538.5	469.4	317.5	-	1,325.4
Total assets	1,044.5	1,445.5	449.9	-	2,939.9
Equity ⁽¹⁾	-	-	-	1,272.0	1,272.0
Non current liabilities	87.5	123.3	670.3	-	881.1
Current liabilities	235.6	267.4	283.8	-	786.8
Total liabilities	323.1	390.7	954.1	1,272.0	2,939.9

(1) The line "Equity" for all Vilmorin & Cie's companies is not broken down per business segment.

NOTE 5: REVENUE FROM ORDINARY ACTIVITIES

1 - ANALYSIS BY NATURE

In millions of Euros	Variation %	15-16	14-15
Sales of goods	4.7%	1,268.7	1,211.7
Sales of services	-24.0%	7.3	9.6
Royalties received	2.1%	49.1	48.1
Total	4.4 %	1,325.1	1,269.4

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 24 of the "Accounting methods and principles in IFRS standards."

2 - ANALYSIS BY GEOGRAPHICAL AREA

The geographical analysis of sales of goods and finished products is as follows:

In millions of Euros	Variation %	15-16	14-15
Europe	0.9%	740.6	734.0
Americas	14.9%	249.6	217.3
Asia and Oceania	13.4%	137.5	121.3
Africa and Middle East	1.4%	141.0	139.1
Total	4.7%	1,268.7	1,211.7

3 - ANALYSIS BY PRODUCT

Analysis according to product families is as follows:

In millions of Euros	Variation %	15-16	14-15
Vegetable and flower seeds	13.4%	628.8	554.3
Field seeds	-1.9%	504.2	513.9
Forage and lawn seeds	-11.0%	34.8	39.1
Garden products	-6.7%	60.9	65.3
Other products	2.3%	40.0	39.1
Total	4.7%	1,268.7	1,211.7

4 - REVENUE FROM ORDINARY ACTIVITIES AT CONSTANT EXCHANGE RATES

With constant exchange rates for the period, the revenue for ordinary activities for the previous fiscal year would have come to 1,252.7 million Euros compared with 1,325.1 million Euros for this past fiscal year, an increase of 5.8%.

NOTE 6: PERSONNEL COSTS

1 - EVOLUTION OF PERSONNEL COSTS

In millions of Euros	15-16	14-15
Gross salaries	273.1	258.0
Social charges	96.5	89.8
Profit-sharing schemes	8.7	8.0
Total	378.3	355.8

2 - FURTHER INFORMATION

Bearing in mind the seasonal nature of its business, Vilmorin & Cie discloses information on its permanent headcount and its average annual headcount.

2.1 - AVERAGE ANNUAL HEADCOUNT

2.1.1 Analysis France/Non-France

	15-16	14-15
France	2,526	2,657
Non-France	4,702	4,342
Total	7,228	6,999

2.1.2 Analysis by employee status

	15-16	14-15
Management	1,949	1,795
Non-management	5,279	5,204
Total	7,228	6,999

2.2 - PERMANENT HEADCOUNT AT THE END OF THE FISCAL YEAR

2.2.1 Analysis France/Non-France

	15-16	14-15
France	2,062	2,040
Non-France	4,377	4,229
Total	6,439	6,269

2.2.2 Analysis by employee status

	15-16	14-15
Management	1,938	1,819
Non-management	4,501	4,450
Total	6,439	6,269

2.2.3 Analysis by function

	15-16	14-15
Administration	1,011	1,012
Research	1,849	1,780
Agronomic production and factory	1,722	1,645
Sales and marketing	1,857	1,832
Total	6,439	6,269

NOTE 7: PROVISIONS FOR THE DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

In millions of Euros	15-16	14-15
Provisions for the amortization and impairment of intangible fixed assets		
> Development programs ⁽¹⁾	-139.3	-128.3
> Other intangible fixed assets	-6.5	-4.1
Sub-total	-145.8	-132.4
Provisions for the depreciation and impairment of tangible fixed assets	-31.4	-30.4
Total	-177.2	-162.8

(1) The increase in provisions concerning development costs is an indication of the intensification of investment in research.

NOTE 8: RESEARCH AND DEVELOPMENT COSTS**1 - EVOLUTION OF COSTS**

In millions of Euros	15-16	14-15
Development programs activated during the fiscal year	157.0	147.7
Provisions for the amortization of development programs recorded as fixed assets	-139.3	-128.3
Total research and development costs	-225.2	-211.1
Tax relief for research	30.0	28.9
Net costs for the year	-177.5	-162.8

Vilmorin & Cie records the cost of its development programs in the conditions set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards."

Research and development costs which fail to meet these conditions are recorded directly as charges for the fiscal year.

2 - FURTHER INFORMATION**2.1 - NET INCREASE IN ACTIVATED RESEARCH AND DEVELOPMENT COSTS:**

In millions of Euros	15-16	14-15
Costs identified and recorded as intangible fixed assets (cf. Note 15)	157.0	147.7
Provisions for amortization	-139.3	-128.3
Net increase in activated research and development costs	17.7	19.4

It is important to note that out of a total investment in research and development of 225.2 million Euros, only 157 million of Euros met the criteria set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards." Research and development costs increased by 14.1 million Euros.

The increase in activated costs is due to the intensification of development programs.

2.2 - EFFECT OF ACTIVATION ON THE CASH FLOW STATEMENT

In millions of Euros	15-16	14-15
Effect on the income for the period	17.7	19.4
Effect on amortization and depreciation	139.3	128.3
Effect on the cash flow	157.0	147.7
Effect on the investment flows	-157.0	-147.7
Total	-	-

3 - TREATMENT OF FRENCH TAX RELIEF ON RESEARCH

Since the implementation of the French system for tax relief on research (CIR) based only on a volume percentage of eligible research expenses made, this tax relief is assimilated to a public subsidy. It is used to fund part of the capitalized development expenses, and its accounting treatment comes within the scope of standard IAS 20.

Therefore this tax relief should be allocated between the part concerning development costs which, in application of standard IAS 38, have been recorded as assets, and the part concerning other expenditure, recorded in the income statement.

In terms of presentation, this tax relief on research, recorded as a subsidy and deducted from the research costs in the income statement, must be recorded as immediate income, as far as the part concerning expenses recorded in the charges is concerned; the part concerning capitalized expenses must be recorded as deferred income that is to be amortized at the same rhythm as the amortization of the associated assets.

NOTE 9: OTHER OPERATING INCOME AND CHARGES

1 - EVOLUTION

In millions of Euros	15-16	14-15
Litigation	-0.4	-1.9
Income from the sale of fixed assets	1.3	-0.1
Income from the sale of consolidated securities	-0.1	2.9
Government subsidies	3.6	3.1
Reorganization costs	-3.5	-0.7
Impairment on fixed assets	-0.7	-0.8
Other charges and income	0.9	-3.4
Total	1.1	-0.9

2 - FURTHER INFORMATION

2.1 - ON OPERATIONS FOR FISCAL YEAR 2015-2016

2.1.1 Reorganization costs

These mainly concern:

In millions of Euros	Amount
Vilmorin Jardin	-2.4
Miscellaneous	-1.1
Total	-3.5

2.1.2 Impairment of fixed assets

These mainly concern:

In millions of Euros	Amount
HM.CLAUSE Vietnam	-0.5
Mikado Kyowa Seed	-0.1
Limagrain Belgium	-0.1
Total	-0.7

2.2 - ON OPERATIONS FOR FISCAL YEAR 2014-2015

2.2.1 Impairment of fixed assets

These mainly concern:

In millions of Euros	Amount
HM.CLAUSE SA	-0.2
Mikado Kyowa	-0.3
Shamrock Seeds	-0.3
Total	-0.8

2.2.2 Income from the sale of consolidated securities

This concerns the result from the consolidation exit of Suttons amounting to 2.9 million Euros.

NOTE 10: INTEREST COSTS

1 - EVOLUTION

In millions of Euros	15-16	14-15
Interests on loans and bank overdrafts ⁽¹⁾	-23.8	-28.0
Interest on financial leasing agreements	-	-
Losses and gains of fair value on hedging instruments	-	-
Losses and gains on the disposal of hedging instruments	-	-
Cash income ⁽²⁾	1.3	2,1
Miscellaneous ⁽³⁾	-1.3	-1.3
Total	-23.8	-27.2

(1) The reduction in interest charges is mainly due to a favorable rate close to 3%: the OCEANE bonds were redeemed at the fixed rate of 4.50% for a total of 149.3 million Euros and replaced by a bond tranche of 150 million Euros, issued in March 2015, with a yield of 1.55%.

(2) The drop in cash income is due to a reduction of placements in a context of low interest rates.

(3) This line mainly concerns commission paid out on the syndicated credit of 300 million Euros.

2 - FURTHER INFORMATION

The total funding costs can be broken down as follows:

In millions of Euros	15-16	14-15
Interest charges	-25.1	-29.3
Interest income	1.3	2.1
Total	-23.8	-27.2

NOTE 11: OTHER FINANCIAL INCOME AND CHARGES

1 - EVOLUTION

In millions of Euros	15-16	14-15
Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits	-16.8	-7.3
Interest income	1.8	0.9
Interest charges	-1.0	-1.1
Provisions for the impairment of securities and other financial assets	10.7	1.2
Provisions for risks and other financial charges	-0.5	4.1
Gains or losses on currency translation	-5.4	-3.0
Net charges on commitments for personnel benefits	-1.6	-1.5
Other financial gains and losses	0.1	-5.3
Total	-12.7	-12.0

2 - FURTHER INFORMATION

2.1 - ON OPERATIONS FOR FISCAL YEAR 2015-2016

2.1.1 Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits

These concern mainly:

- the winding up of Biogemma UK for a total of 16.9 million Euros.

2.1.2 - Provisions for the impairment of securities and other financial assets

These concern:

- the write back of a provision on Biogemma UK securities for a total of 16.9 million Euros,
- provisions made on Arcadia Biosciences securities for a total of -6.2 million Euros.

2.2 - ON OPERATIONS FOR FISCAL YEAR 2014-2015

2.2.1 Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits

These concern:

- the disposal of Suttons securities for a total of -5.4 million Euros
- the winding up of Ceekay for a total of -1.9 million Euros.

2.2.2 - Provisions for the impairment of securities and other financial assets

These concern:

- the write back of a provision on Suttons securities for a total of 5.4 million Euros
- the write back of a provision on Ceekay securities for a total of 1.9 million Euros
- provisions made on Arcadia Biosciences securities for a total of -6.1 million Euros.

2.2.3 - Provisions for risks and other financial charges

These concern the write-back of a provision on a financial guarantee set up in 2012-2013 for a total of 4.1 million Euros.

2.2.4 - Other financial gains and losses

These mainly concern the loss of the current account of the company Suttons for a total of 5.7 million Euros.

NOTE 12: INCOME TAXES

1 - EVOLUTION

In millions of Euros	15-16	14-15
Current taxes	-27.0	-23.2
Deferred taxes	-6.8	8.7
Total	-33.8	-14.5

The rules applied for the recording of deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards."

Sources of deferred taxes are the result both of temporary differences between the tax base and the book value of assets and liabilities, and the recording of deferred tax assets dependent on forecasts of future tax results and on the net liabilities position.

2 - FURTHER INFORMATION

2.1 - EVOLUTION OF INCOME TAXES

The increase in current taxes is mainly due to the increase of the tax bases of the Vegetable seeds division and to changes in the scope in the United States.

2.2 - FISCAL INTEGRATION OPERATIONS

The fiscal integration scopes set up in the group (article 223 A et seq. of the French tax code) between the different French companies were as follows on June 30, 2016:

Integrating company	Member companies	Effective date
Vilmorin & Cie	HM.CLAUSE	July 1, 2000
	Vilmorin Jardin	July 1, 2000
	Vilmorin	July 1, 2010
	Limagrain Europe	July 1, 2012
	Limagrain Central Europe	July 1, 2012

Moreover, fiscal integration has also been established in the United States:

Integrating company	Member companies
Vilmorin USA Corp	Limagrain Sunflowers
	Genica Research
	HM.CLAUSE, Inc.
	Magnum Seeds Inc.
	Vilmorin North America

2.3 - CURRENT TAXES

The charge of current taxes corresponds to the total taxes on profits owed to the tax authorities for the fiscal year in accordance with the rules and taxation rates in force in different countries.

2.4 - TAX RATE APPLICABLE

The basic rate for income (corporation) tax in France is 33¹/₃% to which an additional contribution must be added (article 235 ter ZC of the French Tax Code).

A comparison between the recorded income tax charge and the theoretical income tax charge is as follows:

As a %	15-16	14-15	
		Restated	Disclosure
Theoretical tax rate	34.43	34.43	34.43
Impact of partnerships (using the equity method)	-13.99	-5.25	-
Non-deductible charges and other non-taxable profits	-13.79	-11.80	-11.80
Tax credit and relief	-1.29	-1.59	-1.59
Untaxed income deficits and taxation base and rate differentials	33.59	1.95	1.95
True tax rate	38.95	17.74	22.99

2.5 - DETAILS OF TAX RECEIVABLES AND DEBTS DUE

In millions of Euros	15-16	14-15
Tax receivables due	46.5	58.3
Tax debts due	-17.3	-14.7
Total net	29.2	43.6

2.6 - INFORMATION ON TAX DEFICITS

On June 30, 2016, the situation of tax deficits for Vilmorin & Cie was as follows:

In millions of Euros	Total deficits		Of which usable deficits	
	France	Other	France	Other
Deficits with limited carry forward	-	32.7	-	12.3
Deficits with unlimited carry forward	143.2	21.2	130.2	9.0
Total	143.2	53.9	130.2	21.3

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 17.7 million Euros.

NOTE 13: EARNINGS PER SHARE

Earnings per share attributable to the controlling company are calculated on the basis of the weighted average number of Vilmorin & Cie shares in circulation during the fiscal year.

The evolution of the earnings per share is as follows:

- Earnings per share:

In Euros	15-16	14-15
Attributable to the controlling company in continuing operations	59,353,165	72,945,745
Attributable to the controlling company in discontinued operations	-	-
Attributable to the controlling company in the consolidated income	59,353,165	72,945,745
Number of Vilmorin & Cie shares apart from treasury shares	20,824,588	20,825,782
Earnings from continuing operations per share	2.85	3.50
Earnings from discontinued operations per share	-	-
Earnings per share	2.85	3.50

- Diluted earnings per share:

The earnings used for this calculation take into account savings on financial charges net of taxes which would be made by Vilmorin & Cie if OCEANE bonds and ORA bonds (redeemable as shares) were converted, and the ensuing change in the number of shares.

In Euros	15-16	14-15
Income attributable to the controlling company in continuing operations before conversion	59,353,165	72,945,745
Impact on the income attributable to the controlling company of the conversion of OCEANE bonds ⁽¹⁾	-	4,406,178
Impact on the income attributable to the controlling company of the conversion of ORA bond	247,359	-588,300
Income attributable to the controlling company in continuing operations after conversion	59,600,524	76,763,623
Income attributable to the controlling company in discontinued operations after conversion	-	-
Income attributable to the controlling company in the consolidated income after conversion	59,600,524	76,763,623
Number of shares held by Vilmorin & Cie excluding treasury shares	20,824,588	20,825,782
Creation of new shares after conversion of OCEANE bonds	-	1,254,303
Number of shares held by Vilmorin & Cie after conversion of OCEANE bonds excluding treasury shares	20,824,588	22,080,085
Earnings from continuing operations per share	2.86	3.48
Earnings from discontinued operations per share	-	-
Diluted earnings per share	2.86	3.48

(1) All the outstanding OCEANE bonds were redeemed on July 1st, 2015.

- Dividends paid out per share

	Dividends distributed in December 2015	Dividends distributed in December 2014
Amount distributed	32,709,226.14€	31,250,853.15€
Details	1.57€ x 20,833,902 actions	1.65€ x 18,939,911 actions

NOTE 14: GOODWILL

1 - PRINCIPLES OF EVALUATION AND IMPAIRMENT OF GOODWILL

1.1 - EVALUATION OF GOODWILL

In compliance with the standard IFRS 3, the assessment of the fair value of the identifiable assets and liabilities acquired as a result of business combinations can be modified for a period of twelve months following the acquisition date.

Consequently, the value of any goodwill recorded following acquisitions made during fiscal year 2015-2016 is provisional in nature, and is liable to be adjusted during fiscal year 2016-2017.

1.2 - GOODWILL IMPAIRMENT TESTS

Vilmorin & Cie carried out impairment tests on its goodwill on June 30, 2016 for all the Cash Generating Units (CGUs) to which goodwill is allocated, with the exception of goodwill from acquisitions made in fiscal year 2015-2016 for which acquisition cost had not been finalized on June 30, 2016, and therefore the amount of goodwill had not been definitively determined on this date.

As stated in Note 1 paragraph 11, these tests consist in comparing the net book value of the assets of the CGUs with their recoverable value as assessed using the method of provisional discounted cash flows (useful value).

CGUs comprise groups of legal entities forming units with centralized management. Each Operating Segment thus comprises one or several CGUs running their business autonomously with regard to each other.

The following hypotheses, considered to be key, have been used to calculate the discounted value of the provisional cash flow for the CGUs:

- Number of years of provisional data: 5 years
- Rate of growth: 2%
- Discount rate after taxes: different rates have been adopted for each CGU. They vary from 4.6% to 5.8% depending on zones.

Rate of growth is fixed according to Vilmorin & Cie's past experience, along with an analysis of the data used by companies from the same business sector. Discount rates are based on market data.

These tests have not resulted in any identified needs for impairment.

With regard to the operating segment of Field seeds, the fact that activities are managed centrally means that they are analyzed in a single CGU which encompasses all the processes of research, production and distribution run on the different continents. For the specific case of this CGU, the use of a discount rate higher than 1% would result in the recognition of a recoverable value from 4 to 8% lower than the net book value of the assets tested. Nevertheless it does not appear to be necessary to recognize impairment on this CGU, since additional synergies that have not been integrated in the test can reasonably be expected in the different regions of the world considering the investments made. Moreover, the values tested include a temporary high level of working capital needs that are not representative of these needs in normal circumstances, mainly in Europe, provisionally raising the value of the assets to be tested.

For other CGUs, the sensitivity analyses carried out show that the use of discount rates higher by one percentage point, or growth rates for the normative year lower by one percentage point, than those shown above, would not have led to any identified need for impairment, since the recoverable value of the CGUs remains in all cases higher than the net book value of their assets.

2 - EVOLUTION OF NET BOOK VALUES

2.1 - GROSS VALUES

In millions Euros	
07.01.14 restated for IFRS 11	329.2
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-
Allocation of goodwill	-
Variations in scope	16.6
Reclassifications	-3.4
Currency translations	13.4
06.30.15	355.8
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-
Allocation of goodwill	-
Variations in scope	46.6
Reclassifications	-1.4
Currency translations	-4.3
06.30.16	396.7

2.2 - IMPAIRMENTS

In millions of Euros	
07.01.14 restated for IFRS 11	11.0
Exits	-
Impairments	0.5
Variations in scope	-
Reclassifications	-1.8
Currency translation	1.2
06.30.15	10.9
Exits	-
Impairments	0.5
Variations in scope	-
Reclassifications	-0.2
Currency translation	-
06.30.16	11.2

2.3 - NET VALUES

In millions of Euros	
06.30.15	344.9
06.30.16	385.5

3 - FURTHER INFORMATION

3.1 - ANALYSIS BY BUSINESS SEGMENTS

In millions of Euros	06.30.16	06.30.15
Vegetable seeds	105.2	61.2
Field seeds	265.8	269.3
Garden products and Holdings	14.5	14.4
Total net of impairments	385.5	344.9

3.2 - VARIATIONS IN SCOPE

Variations in scope concern the following operations:

In millions of Euros	Total
FISCAL YEAR 15-16⁽¹⁾	
Genica group:	46.6
<i>Magnum Seeds Inc.</i>	46.6
Total	46.6
FISCAL YEAR 14-15	
Tropicorp	16.6
Total	16.6

(1) It should be noted that the allocation of goodwill is provisional until the end of a twelve-month period in compliance with IFRS 3.

3.3 - IMPACT OF MINORITY REDEMPTION COMMITMENTS

These concern the companies:

In millions of Euros	Total
FISCAL YEAR 15-16	
None	-
Total	-
FISCAL YEAR 14-15	
None	-
Total	-

NOTE 15: OTHER INTANGIBLE FIXED ASSETS

1 - EVOLUTION OF NET BOOK VALUES

1.1 - GROSS VALUES

In millions of Euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
07.01.14 restated for IFRS 11	-	1,125.4	244.5	49.8	44.5	37.7	4.6	15.4	1,521.9
Acquisitions and increases	-	147.7	2.2	0.7	0.6	-	0.5	15.3	167.0
Exits	-	-	-	-	-0.1	-	-	-	-0.1
Variations in scope	-	-	-	-0.5	-	-	-	-	-0.5
Currency translations	-	37.1	7.8	1.7	1.0	1.2	0.7	-	49.5
Reclassifications	-	-	-	9.2	1.1	-2.0	3.1	-9.5	1.9
06.30.15	-	1,310.2	254.5	60.9	47.1	36.9	8.9	21.2	1,739.7
Acquisitions and increases	-	157.0	2.0	0.5	0.5	-	-	36.9	196.9
Exits	-	-	-	-0.1	-	-	-	-0.3	-0.4
Variations in scope	-	-	13.0	-	-	-	3.5	-	16.5
Currency translations	-	0.9	1.4	-0.1	-0.2	-0.3	-	-	1.7
Reclassifications	-	-	-	8.6	23.1	-	-	-32.5	-0.8
06.30.16	-	1,468.1	270.9	69.8	70.5	36.6	12.4	25.3	1,953.6

1.2 - AMORTIZATION AND IMPAIRMENTS

In millions of Euros	Research costs	Development costs	Germplasm	Logiciels	Brevets et licences	Marques	Autres immobilisations incorporelles	Immobilisations en cours	Total
07.01.14 restated IFRS 11	-	873.1	1.9	41.5	37.8	6.1	4.3	-	964.7
Provisions / Impairments	-	128.3	-	3.0	1.0	-	0.1	-	132.4
Exits	-	-	-	-	-	-	-	-	-
Variations in scope	-	-	-	-0.2	-	-	-	-	-0.2
Currency translations	-	28.4	0.1	1.6	1.0	-0.1	-	-	31.0
Reclassifications	-	-	-	-0.2	0.3	-1.7	-	-	-1.6
06.30.15	-	1,029.8	2.0	45.7	40.1	4.3	4.4	-	1,126.3
Provisions / Impairments	-	139.3	-	4.2	1.8	-	0.5	-	145.8
Exits	-	-	-	-	-	-	-	-	-
Variations in scope	-	-	-	-	-	-	-	-	-
Currency translations	-	0.3	-	-0.1	-0.2	-	-	-	-
Reclassifications	-	-	-	-0.1	-0.8	-	-	-	-0.9
06.30.16	-	1,169.4	2.0	49.7	40.9	4.3	4.9	-	1,271.2

1.3 - NET VALUES

In millions of Euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.15	-	280.4	252.5	15.2	7.0	32.6	4.5	21.2	613.4
06.30.16	-	298.7	268.9	20.1	29.6	32.3	7.5	25.3	682.4

2 - FURTHER INFORMATION

2.1 - INTERNALLY GENERATED FIXED ASSETS

In addition to development programs whose evolution is tracked above and in Note 8, movements concerning internally generated fixed assets are as follows:

In millions of Euros	Patents and licenses	Software	Total
07.01.14 (net value)	1.2	0.2	1.4
New fixed assets	0.2	-	0.2
Fixed assets taken out	-0.1	-	-0.1
Currency translations	0.1	-	0.1
Reclassifications	0.3	-	0.3
Provisions for amortization	-0.3	-0.2	-0.5
06.30.15 (net value)	1.4	-	1.4
New fixed assets	0.1	-	0.1
Fixed assets taken out	-	-	-
Currency translations	-	-	-
Reclassifications	-0.1	-	-0.1
Provisions for amortization	-0.4	-	-0.4
06.30.16 (net value)	1.0	-	1.0

2.2 - IMPAIRMENT

An impairment test has been conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards." The evolution is as follows:

In millions of Euros	Software	Patents and licenses	Germplasm	Brands	Other intangible fixed assets	Total
07.01.14	0.2	5.6	0.3	5.8	-	11.9
Fiscal year 14-15	0.1	0.6	0.1	-	-	0.8
06.30.15	0.3	6.2	0.4	5.8	-	12.7
Fiscal year 15-16	-	-0.3	-	-	-	-0.3
06.30.16	0.3	5.9	0.4	5.8	-	12.4

2.3 - VARIATIONS IN SCOPE

Variations in scope concern the following operations (net of amortization):

In millions of Euros	Total	In millions of Euros	Total
FISCAL YEAR 15-16		FISCAL YEAR 14-15	
Genica group:	16.5	Suttons	-0.3
Magnum Seeds Inc.	16.5	<i>Total</i>	<i>-0.3</i>
Total	16.5		

2.4 - ANALYSIS OF GERMPASM PER BUSINESS SEGMENT

In millions of Euros	06.30.16	06.30.15
Vegetable seeds	97.3	81.8
Field seeds	171.6	170.7
Garden products and Holdings	-	-
Total net impairments	268.9	252.5

NOTE 16: TANGIBLE FIXED ASSETS

1 - EVOLUTION OF NET BOOK VALUES

1.1 - GROSS VALUES

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.14 restated for IFRS 11	30.8	214.4	97.0	146.0	12.9	61.7	18.2	581.0
Acquisitions and increases	0.3	11.0	2.6	8.5	0.9	5.2	17.0	45.5
Exits	-	-2.1	-0.6	-2.9	-0.1	-1.9	-	-7.6
Variations in scope and others	-	1.6	-	-1.7	0.1	-4.8	-	-4.8
Currency translations	0.7	9.2	-	6.2	1.0	1.6	-	18.7
Reclassifications	0.1	8.6	-10.0	21.0	0.3	0.7	-21.3	-0.6
06.30.15	31.9	242.7	89.0	177.1	15.1	62.5	13.9	632.2
Acquisitions and increases	0.4	7.0	2.5	6.4	0.7	3.5	13.0	33.5
Exits	-0.1	-3.4	-0.6	-2.5	-0.2	-2.1	-0.4	-9.3
Variations in scope and others	2.1	1.9	1.7	2.0	0.3	0.8	-	8.8
Currency translations	0.7	1.3	-0.2	-1.4	-0.4	-0.6	-0.8	-1.4
Reclassifications	0.2	6.6	0.8	6.9	0.1	-0.6	-16.4	-2.4
06.30.16	35.2	256.1	93.2	188.5	15.6	63.5	9.3	661.4

1.2 - AMORTIZATION AND VALUE LOSSES

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.14 restated for IFRS 11	2.3	99.8	58.9	103.3	10.4	39.5	-	314.2
Provisions / value losses	0.3	9.1	4.6	9.6	1.1	5.7	-	30.4
Exits	-	-1.7	-0.6	-2.8	-0.1	-1.6	-	-6.8
Variations in scope	-	0.4	-	-1.6	0.1	-4.5	-	-5.6
Currency translations	0.1	4.1	0.3	4.6	0.8	1.1	-	11.0
Reclassifications	-	-	-9.0	9.1	-0.1	-0.3	-	-0.3
06.30.15	2.7	111.7	54.2	122.2	12.2	39.9	-	342.9
Provisions / value losses	0.2	9.8	4.6	10.4	1.0	5.5	-	31.5
Exits	-	-3.1	-0.2	-2.2	-0.2	-1.8	-	-7.5
Variations in scope	-	0.4	0.8	0.8	0.1	0.5	-	2.6
Currency translations	-	0.6	-0.1	-1.1	-0.3	-0.3	-	-1.2
Reclassifications	-	-0.6	-0.1	0.3	-0.2	-1.7	-	-2.3
06.30.16	2.9	118.8	59.2	130.4	12.6	42.1	-	366.0

1.3 - NET VALUES

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
06.30.15	29.2	131.0	34.8	54.9	2.9	22.6	13.9	289.3
06.30.16	32.3	137.3	34.0	58.1	3.0	21.4	9.3	295.4

2 - FURTHER INFORMATION

2.1 - FIXED ASSETS ACQUIRED BY FINANCIAL LEASING

Fixed assets acquired by financial leasing represent the following amounts (net value):

In millions of Euros	Constructions and fittings	Industrial equipment	Office equipment	Other tangible fixed assets	Total
06.30.15	-	0.1	0.4	0.3	0.8
06.30.16	-	-	0.3	0.2	0.5

2.2 - IMPAIRMENT

An impairment test has been conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards". The evolution is as follows:

In millions of Euros	Land	Constructions	Installations, equipment and others	Total
07.01.14	-	0.3	-	0.3
Fiscal year 14-15	0.1	0.2	-	0.3
06.30.15	0.1	0.5	-	0.6
Fiscal year 15-16	-	0.2	-	0.2
06.30.16	0.1	0.7	-	0.8

2.3 - VARIATIONS IN SCOPE

Variations in scope concern the following operations (net of amortization):

In millions of Euros	Total
FISCAL YEAR 15-16	
Genica group:	6.2
<i>Genista</i>	1.8
<i>Magnum Seeds Iberia</i>	0.1
<i>Magnum Seeds Inc.</i>	4.3
Total	6.2
FISCAL YEAR 14-15	
Tropicorp	2.2
Suttons	-1.4
Total	0.8

2.4 - COMMITMENTS ON LEASING CONTRACTS

In millions of Euros	Total	< 1 year	1 to 5 years	> 5 years
Direct financing lease	4.7	2.2	2.3	0.2
Simple lease contracts	56.7	13.7	30.9	12.1

NOTE 17: FINANCIAL FIXED ASSETS

1 - EVOLUTION OF NET BOOK VALUES

1.1 - GROSS VALUES

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
07.01.14 restated for IFRS 11	76.5	0.6	5.5	82.6
Increases	0.1	0.3	20.4	20.8
Decreases	-1.9	-	-17.6	-19.5
Variations in scope	-32.2	-	0.1	-32.1
Currency translations	-	0.1	0.1	0.2
Reclassifications	-	0.8	-	0.8
06.30.15	42.5	1.8	8.5	52.8
Increases	0.2	8.2	0.5	8.9
Decreases	-17.0	-0.5	-1.9	-19.4
Variations in scope	-	0.5	-	0.5
Currency translations	0.1	0.1	-	0.2
Reclassifications	-	-	-0.2	-0.2
06.30.16	25.8	10.1	6.9	42.8

1.2 - PROVISIONS

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
01.07.14 restated for IFRS 11	26.5	-	-	26.5
Increases	6.1	-	0.1	6.2
Decreases	-1.9	-	-	-1.9
Variations in scope	-	-	-	-
Currency translations	-	-	-	-
Reclassifications	-	-	-	-
06.30.15	30.7	-	0.1	30.8
Increases	6.2	-	-	6.2
Decreases	-16.9	-	-	-16.9
Variations in scope	-	-	-	-
Currency translations	0.1	-	-	0.1
Reclassifications	-	-	-	-
06.30.16	20.1	-	0.1	20.2

1.3 - NET VALUES

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.15	11.8	1.8	8.4	22.0
06.30.16	5.7	10.1	6.8	22.6

2 - FURTHER INFORMATION

2.1 - FINANCIAL ASSETS HELD FOR SALE

Unconsolidated equity interests appear on this line. They are assessed in compliance with the rules described in Note 1 paragraph 21.1 of the "Accounting methods and principles in IFRS standards".

The contents of this item are set out below:

Companies	06.30.16		06.30.15		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Result (in M€)
Boreal Finland	6.54	0.6	6.54	0.6	8.0	0.2
Avesthagen	4.14	0.0	4.14	0.0	-7.5	1.3
Arcadia Biosciences	5.59	4.3	5.59	10.5	36.2	-16.2
Miscellaneous	-	0.8	-	0.7	-	-
Total	-	5.7	-	11.8	-	-

2.2 - VARIATIONS IN SCOPE

Variations in scope correspond to the following operations (net of provisions):

In millions of Euros	Total	In millions of Euros	Total
FISCAL YEAR 15-16		FISCAL YEAR 14-15	
Genica group:	0.5	Seed Co	-32.2
<i>Genica Research</i>	0.5	Tropicorp	0.1
Total	0.5	Total	-32.1

NOTE 18: EQUITY SHARES

1 - DETAILS OF EQUITY SHARES ARE AS FOLLOWS

In millions of Euros	06.30.16	06.30.15
AgReliant Inc	7.5	8.9
AgReliant LLC	170.4	170.1
Australian Grain Technologies	18.9	17.5
Bio Seeds	3.0	3.2
Canterra Seeds	5.2	-
DLF France	1.7	1.7
Genective	6.0	5.8
Genoplante-Valor	1.5	1.5
Gie Semences de Brie	0.2	0.2
Hengji Limagrain	6.0	-
Seed Co	70.2	70.5
Soltis	14.5	13.5
Unisigma	0.3	0.1
Total	305.4	293.0
Variation for the fiscal year	12.4	106.3

2 - FURTHER INFORMATION

Variation for the fiscal year corresponds to the items below:

In millions of Euros	15-16		14-15	
Proportion of income for the fiscal year	-	30.8	-	29.4
> AgReliant Inc	1.0	-	1,2	-
> AgReliant LLC	22.9	-	20,8	-
> Australian Grain Technologies	1.8	-	2,8	-
> Bio Seeds	-0.2	-	-0,1	-
> Canterra Seeds	0.3	-	-	-
> DLF France	0.1	-	-	-
> Genective	0.1	-	0,1	-
> Genoplante-Valor	0.1	-	-	-
> GIE Semences de Brie	-	-	-	-
> Hengji Limagrain	-0.8	-	-	-
> Seed Co	4.2	-	3,8	-
> Soltis	1.2	-	0,9	-
> Unisigma	0.1	-	-0,1	-
Variation in scope, variation in percentages of interest and others ⁽¹⁾	-	12.3	-	54.3
Distributions	-	-24.7	-	-10.5
Currency translation	-	-6.0	-	33.1
Total	-	12.4	-	106.3

(1) For fiscal year 2015-2016: • the entry of Canterra Seeds in the consolidation scope 5.1
 • the entry of Hengji Limagrain in the consolidation scope 7.2
 For fiscal year 2014-2015: • the entry of Seed Co in the consolidation scope 54.3

3 - FINANCIAL INFORMATION OF THE MAIN EQUITY SHARES**3.1 - FOR FISCAL YEAR 2015-2016**

In millions of Euros	Bio Seeds ⁽¹⁾	DLF France	Unisigma	Genoplante-Valor ⁽¹⁾	Australian Grain Technologies ⁽²⁾	AgReliant Inc	AgReliant LLC
Sales	-	23.1	3.0	0.5	21.4	31.1	573.9
Net income	0.5	0.2	0.3	-	6.9	2.0	45.9
Assets	17.1	8.3	2.5	4.4	50.1	40.2	482.3
Liabilities (excluding equity)	3.8	3.1	1.6	0.7	12.0	25.6	278.5

In millions of Euros	Genective	Gie Semences de Brie	Soltis	Seed Co ⁽³⁾	Canterra Seeds ⁽²⁾	Hengji Limagrain
Sales	-	1.3	15.4	86.5	23.1	1.9
Net income	0.2	-	2.0	13.9	1.0	-1.8
Assets	12.8	1.5	38.4	179.6	13.3	19.0
Liabilities (excluding equity)	10.8	1.1	18.7	49.4	4.6	5.7

(1) Accounts closed on December 31, 2015

(2) Accounts closed on September 30, 2015

(3) Accounts closed on March 31, 2016

3.2 - FOR FISCAL YEAR 2014-2015

In millions of Euros	Bio Seeds ⁽¹⁾	DLF France	Unisigma	Genoplante-Valor ⁽²⁾	Australian Grain Technologies ⁽³⁾	AgReliant Inc
Sales	18.4	21.8	2.5	0.4	23.7	31.6
Net income	-0.2	0.1	-0.1	-	8.8	2.4
Assets	17.7	8.2	2.1	4.6	41.5	40.7
Liabilities (excluding equity)	4.1	3.2	1.6	1.0	9.4	23.4

In millions of Euros	AgReliant LLC	Genective	Gie Semences de Brie	Soltis	Seed Co ⁽⁴⁾
Sales	491.8	-	1.4	14.5	78.8
Net income	41.5	0.1	-	1.2	12.5
Assets	395.1	14.2	1.6	35.8	167.1
Liabilities (excluding equity)	191.6	12.3	1.2	17.6	35.0

(1) Accounts closed on December 31, 2013

(2) Accounts closed on December 31, 2014

(3) Accounts closed on September 30, 2014

(4) Accounts closed on March 31, 2015

NOTE 19: INVENTORIES

1 - EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.16			06.30.15		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	116.5	-5.2	111.3	133.5	-1.7	131.8
Production in progress	138.2	-15.5	122.7	141.4	-16.7	124.7
Goods	76.8	-10.6	66.2	81.5	-7.2	74.3
Finished products	163.9	-19.7	144.2	147.4	-16.2	131.2
Total	495.4	-51.0	444.4	503.8	-41.8	462.0
Variation for the fiscal year	-	-	-17.6	-	-	96.4

2 - FURTHER INFORMATION

2.1 - VARIATIONS FOR THE FISCAL YEAR CORRESPOND TO THE FOLLOWING ITEMS:

In millions of Euros	15-16	14-15
Variations in scope (net of provisions)	12.6	-0.3
Variations in gross values	-19.0	74.4
Variations in provisions including:	-5.0	7.4
> New provisions	-27.1	-21.2
> Provisions used	21.2	25.5
> Provisions written back	0.9	3.1
Reclassifications	-0.2	-
Currency translations	-6.0	14.9
Total	-17.6	96.4

2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
FISCAL YEAR 15-16	
Genica group:	12.6
Magnum Seeds Inc.	12.6
Total	12.6
FISCAL YEAR 14-15	
Tropicorp	2.3
Suttons	-2.6
Total	-0.3

2.3 - PROVISIONS

Provisions are made in accordance with the methods described in Note 1 paragraph 13 of the "Accounting methods and principles in IFRS standards."

- On June 30, 2015: 8,3%
- **On June 30, 2016: 10,3%**

NOTE 20: TRADE RECEIVABLES

1 - EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.16	06.30.15
Customer receivables	367.7	354.4
Advance payment to suppliers	21.1	18.1
Personnel and social security	0.9	0.9
State, income taxes	46.5	58.3
Other tax receivables	47.1	42.8
Other operating receivables	7.4	15.7
Prepayments	16.0	14.4
Gross total	506.7	504.6
Customer receivables	-14.0	-14.2
Advance payment to suppliers	-	-0.4
Other operating receivables	-	-
Total provisions	-14.0	-14,6
Net book values	492.7	490.0
Variation for the fiscal year	2.7	-10.0

2 - FURTHER INFORMATION

2.1 - VARIATIONS FOR THE FISCAL YEAR COMPRISE THE FOLLOWING MAIN ITEMS:

In millions of Euros	15-16	14-15
Variations in scope (net of provisions)	3.9	-1.7
Variations in provisions including	0.1	0.5
> New provisions	-5.4	-4.8
> Provisions used	4.2	2.2
> Provisions written back	1.3	3.1
Other variations	11.5	-13.1
Reclassifications	-1.7	1.1
Currency translations	-11.1	3.2
Total	2.7	-10.0

2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
FISCAL YEAR 15-16	
Genica group:	3.9
<i>Genista</i>	0.1
<i>Magnum Seeds Inc.</i>	3.8
Total	3.9

In millions of Euros	Total
FISCAL YEAR 14-15	
Tropdicorp	0.3
Suttons	-2.0
Total	-1.7

NOTE 21: CASH AND CASH EQUIVALENTS

1 - EVOLUTION OF FAIR VALUES

In millions of Euros	06.30.16	06.30.15
Financial current accounts	3.4	3.4
Placement securities held for purposes of transaction	34.2	71.0
Cash and bank in hand	168.9	299.0
Total	206.5	373.4
Variation for the fiscal year	-166.9	21.9

The evaluation rules applicable for this line are described in Note 1 paragraph 22 of the "Accounting methods and principles in IFRS standards."

2 - FURTHER INFORMATION

2.1 - ANALYSIS OF THE VARIATIONS FOR THE FISCAL YEAR:

In millions of Euros	Total
FISCAL YEAR 15-16	
Variations in scope	10.2
Variation in gross values	-175.6
Currency translations	-1.5
Reclassifications and others	-
Total	-166.9
FISCAL YEAR 14-15	
Variations in scope	9.5
Variation in gross values	6.3
Currency translations	6.1
Reclassifications and others	-
Total	21.9

2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
FISCAL YEAR 15-16	
Genica group:	2.1
<i>Genica Research</i>	0.1
<i>Genista</i>	0.2
<i>Magnum Seeds Inc.</i>	1.8
Limagrain Cereals Research Canada	8.3
VCC Japan	-0.2
Total	10.2
FISCAL YEAR 14-15	
Tropicorp	4.8
Suttons	4.7
Total	9.5

NOTE 22: SHAREHOLDERS' EQUITY - ATTRIBUTABLE TO CONTROLLING COMPANY

1 - COMPOSITION OF THE SHAREHOLDERS' EQUITY

In millions of Euros	06.30.16	06.30.15
Parent capital stock	317.7	317.7
Issue premium	332.6	350.5
Parent legal reserve	21.4	20.7
Other parent reserves	-2.6	-2.5
Consolidation reserves and others	404.2	361.0
Currency translation reserves	19.0	38.1
Income for the fiscal year	59.3	72.9
Total	1,151.6	1,158.4
Variation for the fiscal year	-6.8	121.0

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity."

2 - FURTHER INFORMATION

2.1 - VILMORIN & CIE'S CAPITAL STOCK:

Vilmorin & Cie's capital stock comprises 20,833,902 shares, each with a nominal value of 15.25 Euros. Over the course of fiscal year there was no change to the capital stock.

The company's by-laws stipulate that for the purpose of General Meetings, without prejudice to restrictions resulting from any laws and decrees in force, each member of the General Meeting may cast as many votes as the number of shares he or she owns or represents, without any limits.

Nevertheless, double voting rights compared to other shares, considering the share capital quota they represent, are granted to any shares fully paid up for which it can be shown that they have been registered in the name of the same shareholder for a period of at least four years.

This right is also granted in the case of any increase in capital stock through incorporation of reserves, profits or types of issue and as soon as they are issued, for any nominative shares granted without cost to any shareholder who holds former shares that benefit from this right.

2.2 - CHARACTERISTICS OF THE OCEANE BONDS
(BONDS CONVERTIBLE INTO NEW OR EXISTING SHARES):

On June 6, 2008, Vilmorin & Cie issued OCEANE bonds. This financial instrument involves both a financial debt component and an equity component. The accounting principle applied to these instruments is set out in Note 1 paragraph 21.4 of the "Accounting methods and principles in IFRS standards."

■ Characteristics of the OCEANE convertible bonds issued by Vilmorin & Cie:

Issuing company	Vilmorin & Cie
Date of entitlement	June 6, 2008
Number of bonds issued	958,579
Number of bonds in circulation	0
Issue premium	€155.96
Total income from the issue	€149.5 million
Interest rate	4.5% i.e. €7.0182 per bond
Due date	July 1, 2015 with possibility of early redemption on July 1, 2013
Normal redemption conditions	1.31 Vilmorin & Cie share for 1 bond

(1) Since the issue date of the OCEANE bonds, a number of requests for conversion have been accepted, representing 21 OCEANE bonds in July 2010 and 108 in March 2013. In July 2013, there was early redemption of 790 OCEANE bonds. In June 2015, a conversion request was made for 177 OCEANE bonds. Therefore on June 30, 2015, a total of 957,483 OCEANE bonds remained in circulation. All the outstanding OCEANE bonds were redeemed on July 1st, 2015.

■ The impact of the OCEANE convertible bonds on the equity is as follows:

In millions of Euros	Gross total of OCEANE bonds	Impact on the balance sheet		
		Debt component	Deferred taxes liabilities	Equity component
07.01.14	149.5	149.4	-	0.1
Restatement of the interest on the debt component in 2014-2015	-	-	-	-
Redemption OCEANE bonds	-	-0.1	-	0.1
06.30.15	149.5	149.3	-	0.2
Restatement of the interest on the debt component in 2015-2016	-	-	-	-
Redemption OCEANE bonds	-149.5	-149.3	-	-0.2
06.30.16	-	-	-	-

NOTE 23: SHAREHOLDERS' EQUITY– ATTRIBUTABLE TO NON-CONTROLLING MINORITIES

1 - COMPOSITION OF THE SHAREHOLDERS' EQUITY – ATTRIBUTABLE TO NON-CONTROLLING MINORITIES

In millions of Euros	06.30.16	06.30.15
Consolidation reserve and others	117.3	116.1
Currency translation reserve	-6.4	-5.5
Income for the fiscal year	1.5	3.0
Total	112.4	113.6
Variation for the fiscal year	-1.2	-9.1

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity."

2 - FURTHER INFORMATION

■ Characteristics of the bonds redeemable as shares (ORA) issued by Limagrain Europe:

Issuing company	Limagrain Europe
Date of entitlement	June 28, 2012
Number of securities issued	86,128
Issue premium	€647
Total income from the issue	€55.7 million
Interest rate	1% ⁽¹⁾
Due date	June 28, 2020
Normal redemption conditions	1 Limagrain Europe share for 1 bond

⁽¹⁾ The exact remuneration is 1% plus the amount of any dividend paid out per Limagrain Europe share for the last closed fiscal year.

■ The impact on the bonds redeemable as shares (ORA) is as follows:

In millions of Euros	Gross total of ORA bonds	Impact on the balance sheet		
		Debt component	Deferred taxes assets	Equity component
07.01.14	55.7	2.8	-1.0	53.9
Restatement of the interest on the debt component	-	-0.4	0.2	0.2
06.30.15	55.7	2.4	-0.8	54.1
Restatement of the interest on the debt component	-	-0.4	0.1	0.3
06.30.16	55.7	2.0	-0.7	54.4

NOTE 24: PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits are analyzed as follows:

In millions of Euros	06.30.16	06.30.15
Provisions for lump sums paid at retirement	20.0	17.5
Commitments for "work medal" bonuses and other benefits	0.9	0.9
Pension schemes	56.1	39.3
Provisions for employee benefits	77.0	57.7
Financial assets	-1.2	-1.2
Net recorded commitment	75.8	56.5

The evaluation rules applied to this line are described in Note 1 paragraph 16 of the "Accounting methods and principles in IFRS standards."

In accordance with the laws and practices of each country in which it operates, Vilmorin & Cie has obligations with regard to employee benefits:

- Unfunded pension and other post-retirement benefit obligations mainly concern French companies.
- Commitments for "work medal" bonuses and other benefits also mainly concern French companies.
- Commitments with regard to pension plans and similar schemes are the responsibility of the non-French subsidiaries.

Taking Vilmorin & Cie as a whole, three countries represent around 85% of the commitments: the United Kingdom, the United States and France.

In the United Kingdom there are two types of defined benefit pension plans representing 51% of the group's commitments. These plans provide for the payment of a lifetime pension as of when the employee retires, the amount of which depends on the seniority and the salary.

The plans are funded by the group and managed by a Board of Directors. These plans are no longer available to new employees, but the acquisition of rights is ongoing in the main plan and rights were frozen in 2006 in the other plan.

In the United States, there is a defined benefit pension plan representing 25% of the group's commitments.

This plan provides for the payment of a lifetime pension as of when the employee retires, the amount of which depends on the seniority and the salary. The plan is funded by the group. This plan was closed off to new employees in 2012. A defined contributions plan also forms part of the provisions.

In France, the plan comprising lump sums paid at retirement represents 9% of the Group's commitments.

This plan provides for the payment of a lump sum, the amount of which depends on the seniority, the salary and any rights set down in the collective bargaining agreement at the date when retirement is taken.

Vilmorin & Cie's commitments are assessed by independent actuaries.

1 - EVOLUTION OVER THE COURSE OF THE FISCAL YEAR

The evolution of the current value of obligations with regard to defined contribution schemes and other long-term benefits is as follows:

In millions of Euros	15-16	14-15
Current value of obligations at opening of the fiscal year	216.9	173.1
Cost of services rendered for the year (net of contributions)	4.5	4.3
Financial cost	7.2	7.1
Participants' contributions	0.2	0.3
Welfare services paid out	-9.9	-8.3
Cost of past services recorded	0.1	0.1
Effect of liquidation / reduction of future services	-	-
Currency translations and others	-16.8	22.2
Variations in scope	-0.1	-
Revaluations	23.9	18.1
> Changes in demographic hypotheses	-0.2	5.1
> Changes in financial hypotheses	23.9	4.6
> Adjustments linked to experience	0.2	8.4
Current value of obligations at close of the fiscal year (a)	226.0	216.9

Evolution of the fair value of the assets of defined contribution schemes is as follows:

In millions of Euros	15-16	14-15
Fair value of forward assets at opening of the fiscal year	160.4	127.0
Financial charges	5.6	5.6
Expected returns on forward assets	1.4	11.5
Employers' contributions	4.3	4.3
Participants' contributions	0.2	0.3
Welfare services paid out	-8.0	-7.0
Effect of liquidation / reduction of future services	-	-
Variations in scope	-	-
Currency translations and others	-13.7	18.7
Fair value of forward assets at close of the fiscal year (b)	150.2	160.4

Reconciliation of balance sheet data with the actuarial obligation concerning defined contribution schemes and other long-term benefits can be analyzed as follows on June 30, 2016:

In millions of Euros	06.30.16	06.30.15
Adjusted value of the commitment	226.0	216.9
Fair value of assets of schemes	-150.2	-160.4
Provisions for employee benefits (a – b)	75.8	56.5

2 - IMPACTS ON THE GLOBAL INCOME

The total recorded charge for defined contribution schemes and other long-term benefits are analyzed as follows:

In millions of Euros	15-16	14-15
Cost of services rendered	4.5	4.3
Cost of past services recorded	0.1	0.1
Net financial cost	1.6	1.5
Recognized actuarial losses or gains	-	-
Effect of liquidations / reductions	-	-
Other charges	-	-
Recorded charge	6.2	5.9

Other items in the global income

Revaluations are recorded in the other items of the global income, and can be analyzed as follows:

In millions of Euros	15-16	14-15
Returns on forward assets	-1.4	-11.5
Actuarial losses or gains	23.9	18.1
> Changes in demographic hypotheses	-0.2	5.1
> Changes in financial hypotheses	23.9	4.6
> Adjustments linked to experience	0.2	8.4
Statement of the capping of assets	-	-
Items recognized in the statement of the global income during the fiscal year	22.5	6.6

3 - ACTUARIAL HYPOTHESES

The main actuarial hypotheses used to estimate the group's obligations are as follows:

Europe

As a %		Europe (except United Kingdom)		United Kingdom	
		2016	2015	2016	2015
Average duration of the plan	years	14.10	13.70	16.60	17.60
Adjustment rate		1.15	2.00	2.90	3.60
Salaries progression rate	%	2.45	2.59	Not available	2.70
Inflation rate		1.75	1.75	2.80	2.90

Americas

As a %		2016	2015
Average duration of the plan	years	13.50	15.60
Adjustment rate		3.50	4.50
Salaries progression rate	%	3.00	3.00
Inflation rate		Not available	Not available

Middle East and Asia

As a %		2016	2015
Average duration of the plan	years	9.30	7.10
Adjustment rate		2.59	3.03
Salaries progression rate	%	2.50	2.48
Inflation rate		1.50	1.47

The rates presented above are average rates weighted by the commitment at the date when the accounts were closed.

The adjustment rates in the United Kingdom, the United States and in the Euro zone are determined using bond yield curves, built up on the basis of a high-quality basket of corporate bonds (rated AA) whose maturity correspond to the weighted average duration (by commitment) of the plans being assessed.

The inflation rates used correspond to the long-term objectives of the central banks in the above-mentioned monetary zones.

Assessment of the group's commitments is subject to the volatility of adjustment rates. A 25 percentage-point increase in the adjustment rate cuts the value of the commitment by 3.53%, which is 7.9 million Euros. A 25 percentage-point drop in the adjustment rate increases the value of the commitment by 3.68%, which is 8.2 million Euros.

4 - NATURE OF THE ASSETS OF THE PLANS

The assets for the plans are invested in the following:

In millions of Euros	06.30.16	06.30.15
Listed assets	147.4	151.0
Shares	74.6	82.2
Government bonds	16.2	17.3
Corporate bonds	37.0	39.9
Cash and cash equivalents	1.0	1.3
Other listed securities	0.6	8.3
Real estate	2.4	2.0
Insurance contracts	15.6	-
Unlisted assets	2.8	9.4
Real estate	0.3	0.4
Insurance contracts	2.5	9.0
Total	150.2	160.4

The assets for the plans do not include land or premises occupied by the group's companies or other assets used or issued by the group.

5 - PROJECTED CASH FLOWS

In millions of Euros	06.30.16	06.30.15
Estimate of the benefits to be paid out		
< 1 year	7.6	6.7
From 2 to 5 years	35.4	36.6
From 6 to 10 years	42.7	42.9
Employer contributions planned for Y+1	2.0	4.4

NOTE 25: DEFERRED TAXES

1 - EVOLUTION OF BOOK VALUES

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Impact on the income	Impact on the reserves
07.01.14 restated for IFRS 11	29.8	102.7	-7.7	-0.4
Variations in scope	-	-0.3	-	-
Variations influencing income	20.3	11.6	8.7	-
Reclassifications	-2.5	-1.4	-	-
Variations influencing reserves	2.3	-0.1	-	2.4
Currency translations	2.0	2.1	-	-
06.30.15	51.9	114.6	8.7	2.4
Variations in scope	1.9	3.3	-	-
Variations influencing income	2.0	8.8	-6.8	-
Reclassifications	-3.5	-6.1	-	-
Variations influencing reserves	5.5	-1.0	-	6.5
Currency translations	-1.2	0.5	-	-
06.30.16	56.6	120.1	-6.8	6.5

The rules applied with regard to deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards."

2 - FURTHER INFORMATION

2.1 - VARIATIONS IN SCOPE

Variations in scope concern:

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities
FISCAL YEAR 15-16		
Genica group:	1.9	3.3
<i>Genica Research</i>	1.9	-
<i>Magnum Seeds Inc.</i>	-	3.3
Total	1.9	3.3
FISCAL YEAR 14-15		
Suttons	-	-0.3
Total	-	-0.3

2.2 - VARIATIONS AFFECTING RESERVES

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Net deferred taxes
FISCAL YEAR 15-16			
Hedges	-	0.1	-0.1
Restatement of ORA bonds and OCEANE bonds	-	-	-
Change in tax rate on valuation gap	-	-0.3	0.3
Restatement of pension commitments - IAS 19R	5.8	-0.1	5.9
Miscellaneous	-0.3	-0.7	0.4
Total	5.5	-1.0	6.5
FISCAL YEAR 14-15			
Hedges	-0.2	-0.1	-0.1
Restatement of ORA bonds and OCEANE bonds	-	-	-
Change in tax rate on valuation gap	-	0.1	-0.1
Research costs	-	-	-
Restatement of pension commitments - IAS 19R	2.5	-0.1	2.6
Total	2.3	-0.1	2.4

NOTE 26: OTHER CURRENT PROVISIONS

1 - EVOLUTION OF BOOK VALUES

In millions of Euros	06.30.16	06.30.15
Commercial litigation	2.5	2.5
Other risks and litigation	7.6	8.2
Reorganization costs	2.3	0.5
Employee benefits	-	-
Total	12.4	11.2
Variation for the fiscal year	1.2	-9.2

The rules applied with regard to setting up provisions are described in Note 1 paragraph 17 of the "Accounting methods and principles in IFRS standards."

2 - FURTHER INFORMATION**2.1 - VARIATIONS FOR THE FISCAL YEAR
INCLUDE THE FOLLOWING ITEMS:**

In millions of Euros	Total
FISCAL YEAR 15-16	
Variations in scope	-
Variations in provisions	1.3
> Provisions for the fiscal year	4.7
> Write-back used	-2.5
> Write-back not used	-0.9
Reclassifications	-
Currency fluctuations	-0.1
Total	1.2
FISCAL YEAR 14-15	
Variations in scope	-
Variations in provisions	-9.3
> Provisions for the fiscal year	6.0
> Write-back used	-10.5
> Write-back not used	-4.8
Reclassifications	-
Currency fluctuations	0.1
Total	-9.2

**2.2 - VARIATIONS IN SCOPE CONCERN
THE FOLLOWING OPERATIONS:**

In millions of Euros	Total
FISCAL YEAR 15-16	
None	-
Total	-
FISCAL YEAR 14-15	
None	-
Total	-

**NOTE 27: CURRENT AND NON-CURRENT
FINANCIAL DEBTS****1 - COMPOSITION OF THE FINANCIAL DEBTS****1.1- NON-CURRENT FINANCIAL DEBTS**

In millions of Euros	06.30.16	06.30.15
Debt component of the bonds redeemable as shares (ORA) ⁽¹⁾	1.5	2.0
Debt component of the OCEANE convertible bonds ⁽²⁾	-	-
Bank loans	190.9	119.4
Minority redemption commitments	3.9	4.7
Lease/hire purchase	0.3	0.5
Derivatives ⁽³⁾	1.6	1.9
Other financial debts	580.3	580.3
Total	778.5	708.8
Variation for the fiscal year	69.7	35.8

(1) cf. Note 23

(2) cf. Note 22

(3) cf. Note 30

1.2- CURRENT FINANCIAL DEBTS

In millions of Euros	06.30.16	06.30.15
Debt component of the bonds redeemable as shares (ORA) ⁽¹⁾	0.5	0.4
Debt component of the OCEANE convertible bonds ⁽²⁾	-	149.3
Bank loans	165.8	162.6
Lease/hire purchase	0.2	0.3
Derivatives ⁽³⁾	0.1	-1.5
Current accounts	0.1	-
Interest incurred	3.6	10.8
Other financial debts	-	2.9
Total	170.3	324.8
Variation for the fiscal year	-154.5	131.3

(1) cf. Note 23

(2) cf. Note 22

(3) cf. Note 30

1.3 - NET FINANCIAL INDEBTEDNESS

Financial indebtedness, net of cash and bank in hand, evolved as follows:

In millions of Euros	06.30.16	06.30.15
Non-current financial debts	778.5	708.8
Current financial debts	170.3	324.8
Cash and bank in hand (cf. Note 21) ⁽¹⁾	-206.5	-373.4
Net financial debts	742.3	660.2
Variation for the fiscal year	82.1	145.2

(1) The reduction of cash is due to the redemption on July 1, 2015 of the OCEANE bonds for a total of 149.3 million Euros and to the reduction of placements in the context of negative short-term rates.

The rules applied for recording financial debts are described in Note 1 paragraphs 21.3, 21.4 and 23 of the "Accounting methods and principles in IFRS standards."

2 - FURTHER INFORMATION

2.1 - ANALYSIS OF THE EVOLUTION OF THE FINANCIAL DEBT

2.1.1 The main variations in financial indebtedness are as follows:

In millions of Euros	Non-current financial debts	Current financial debts	Total
07.01.14 restated for IFRS 11	673.0	193.5	866.5
Increase	175.1	-	175.1
Decrease	-0.2	-22.2	-22.4
Variations in scope	-	-	-
Currency translations	10.3	-1.4	8.9
Reclassifications	-6.1	6.1	-
Restatement of the OCEANE convertible bonds ⁽¹⁾	-149.4	149.3	-0.1
Restatement of the shares redeemable as shares (ORA) ⁽²⁾	-0.4	-	-0.4
Restatement of derivatives	6.2	-0.5	5.7
Minority redemption commitment	0.3	-	0.3
06.30.15	708.8	324.8	1,033.6
Increase	102.2	-	102.2
Decrease	-15.5	-36.6	-52.1
Variations in scope	-	13.7	13.7
Currency translations	0.3	0.3	0.6
Reclassifications	-15.7	15.7	-
Restatement of the OCEANE convertible bonds ⁽¹⁾	-	-149.3	-149.3
Restatement of the shares redeemable as shares (ORA) ⁽²⁾	-0.5	0.1	-0.4
Restatement of derivatives	-0.3	1.6	1.3
Minority redemption commitment	-0.8	-	-0.8
06.30.16	778.5	170.3	948.8

(1) cf. Note 22

(2) cf. Note 23

2.1.2 Variations in scope concern:

In millions of Euros	Non-current financial debts	Current financial debts	Total
FISCAL YEAR 15-16			
Genica group:	-	13.7	13.7
Genica Research	-	12.0	12.0
Magnum Seeds Inc.	-	1.7	1.7
Total	-	13.7	13.7
FISCAL YEAR 14-15			
None	-	-	-
Total	-	-	-

2.2 - INFORMATION ON THE BOND LOANS

These loans have the following characteristics:

Issuer	Vilmorin & Cie	Vilmorin & Cie
Date of issue	May 26, 2014	March 11, 2015
Amount involved	€300 million	€150 million
Due date (bullet amortization)	May 26, 2021	May 26, 2021
Possibility of early redemption	-	-
Interest rate	2.375% ⁽¹⁾	2.375% ⁽¹⁾

(1) Coupon rate; excluding issue premium.

2.3 - INFORMATION ON BANK LOANS

The main mid- and long-term bank loans have been granted, in the form of syndicated loan agreements, by a banking syndicate.

The last syndicated credit agreement was signed in May 2014 for a total of 300 million Euros over a five-year period with a fixed redemption, with an extension clause of 2 years. A second extension option was exercised in 2016 bringing the due date forward to 2021.

The different loans involve default clauses concerning the respect of certain ratios tested every year that, in certain conditions, are liable to lead to their being payable earlier than planned.

The characteristics are as follows:

■ Original amount of the loan	€300 million	€130 million	US \$90 million
■ Company to which the loan was granted	Vilmorin & Cie ⁽¹⁾	Vilmorin & Cie ⁽²⁾	Vilmorin USA Corp ⁽³⁾
■ Outstanding	> On June 30, 2015	€0 million	US \$70 million
	> On June 30, 2016	€67.5 million	US \$90 million
■ Rate	Euribor + margin	Fixed and variable	Libor + margin
■ Collateral granted	No	No	Yes
■ Existence of "covenants" ⁽⁴⁾	Yes	Yes	Yes

(1) Vilmorin & Cie: no collateral has been granted. The authorized and confirmed credit line stands at 300 million Euros, 67.5 million Euros of which had been used on June 30, 2016. There are covenants based on Vilmorin & Cie's consolidated financial statements: • Financial debts over EBITDA
• EBITDA over financial costs

(2) Vilmorin & Cie: no collateral has been granted. The covenants are identical to those of the above syndicated loan agreement.

(3) Vilmorin USA Corp: this loan benefits from collateral granted by Vilmorin & Cie. There is a covenant based on the ratio equity / indebtedness from the figures in the corporate accounts of Vilmorin USA Corp.

(4) The above-mentioned covenants were respected for fiscal year 2015-2016.

2.4 - ANALYSIS OF LOANS BY NATURE OF RATES

Analysis of the financial debts by nature of rates before cover is as follows:

In millions of Euros	Non-current financial debts	Current financial debts	Total
06.30.16			
Financial debts with fixed rate	555.1	9.0	564.1
Financial debts with variable rate	223.4	161.3	384.7
Total	778.5	170.3	948.8
06.30.15			
Financial debts with fixed rate	562.3	169.8	732.1
Financial debts with variable rate	146.5	155.0	301.5
Total	708.8	324.8	1,033.6

Taking hedge rates into account, financial debts with variable rate were covered up to 12 million Euros at the end of June 2016.

NOTE 28: ACCOUNTS PAYABLE

1 - EVOLUTION OF THE BOOK VALUES

In millions of Euros	06.30.16	06.30.15
Suppliers and other accounts payable	222.9	227.4
Debts on the acquisition of fixed assets	24.2	19.4
Advance payments received from customers	8.7	7.5
Social security	72.0	65.0
Taxes	27.2	25.3
Other operating debts	77.3	71.9
Other non-operating debts	5.5	2.9
Total	437.8	419.4
Variation for the fiscal year	18.4	14.5

The rules applied for recording accounts payable are described in Note 1 paragraph 20 of the "Accounting methods and principles in IFRS standards."

2 - FURTHER INFORMATION

Variation for the fiscal year includes the following main items:

In millions of Euros	15-16	14-15
Variations in scope	2.7	-3.6
Other variations	25.6	16.7
Currency translations	-9.9	1.4
Total	18.4	14.5

Variations in scope concern:

In millions of Euros	Total
FISCAL YEAR 15-16	
Genica group:	2.8
<i>Genica Research</i>	-0.4
<i>Genista</i>	0.3
<i>Magnum Seeds Iberia</i>	0.1
<i>Magnum Seeds Inc.</i>	2.8
VCC Japan	-0.1
Total	2.7
FISCAL YEAR 14-15	
Tropicorp	0.3
Suttons	-3.9
Total	-3.6

Almost all the debts for suppliers and accounts payable are due within one year.

The other operating debts mainly include balances to pay to customers concerning the close of operations at the end of the campaign (inventory returns, end of year discounts).

NOTE 29: DEFERRED INCOME

1 - EVOLUTION OF BOOK VALUES

In millions of Euros	06.30.16	06.30.15
Total amount	31.4	31.4
Variation for the fiscal year	-	0.5

The rules applicable are described in Note 1 paragraph 18 of the "Accounting methods and principles in IFRS standards."

This line concerns almost exclusively investment and operating subsidies.

2 - FURTHER INFORMATION

Movements for the fiscal year involve the following items:

In millions of Euros	15-16	14-15
Subsidies written back into the income	-0.1	-0.1
Restatement of tax relief for research for the fiscal year	0.9	1.6
Variations in scope	-	-
Others	-0.8	-1.0
Total	-	0.5

NOTE 30: FINANCIAL INSTRUMENTS

1 - FINANCIAL INSTRUMENTS BY CATEGORY

In millions of Euros	06.30.16		Analysis by category of instruments					Non financial ⁽¹⁾
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives		
Financial assets	22.6	22.6	5.7	16.9	-	-	-	
Customers and other receivables	492.7	492.7	-	361.1	-	-	131.6	
Cash and cash equivalents	206.5	206.5	-	206.5	-	-	-	
Financial assets	721.8	721.8	5.7	584.5	-	-	131.6	
Non-current financial debts	778.5	778.5	-	-	776.9	1.6	-	
Current financial debts	170.3	170.3	-	-	170.2	0.1	-	
Suppliers and other payables	469.2	469.2	-	-	437.8	-	31.4	
Financial liabilities	1,418.0	1,418.0	-	-	1,384.9	1.7	31.4	

In millions of Euros	06.30.15		Analysis by category of instruments					Non financial ⁽¹⁾
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives		
Financial assets	22.0	22.0	11.8	10.2	-	-	-	
Customers and other receivables	490.0	490.0	-	355.8	-	-	134.2	
Cash and cash equivalents	373.4	373.4	-	373.4	-	-	-	
Financial assets	885.4	885.4	11.8	739.4	-	-	134.2	
Non-current financial debts	708.8	708.8	-	-	706.9	1.9	-	
Current financial debts	324.8	324.8	-	-	326.3	-1.5	-	
Suppliers and other payables	450.8	450.8	-	-	419.4	-	31.4	
Financial liabilities	1,484.4	1,484.4	-	-	1,452.6	0.4	31.4	

(1) In the assets, the tax and social receivables, the various charges paid in advance and the prepayments are not written back here, as they are not considered to be financial instruments according to IAS 39. The same is true for the liabilities on deferred income.

2 - MANAGEMENT OF FINANCIAL RISKS

Vilmorin & Cie has set up a dedicated organization based on financial risk management policies that have been approved by the Executive Committee, with centralized management of risks to which it is exposed regarding currency exchange, raw materials, interest rates and cash.

On June 30, 2016, the derived financial instruments set up by Vilmorin & Cie to manage its risks can be analyzed as follows:

2.1 - INFORMATION REGARDING CURRENCY EXCHANGE RISKS

2.1.1 Objectives

Vilmorin & Cie manages its currency positions with the objective of hedging the risks of fluctuation of parities, mainly in relation to its industrial and commercial operations. Indeed, Vilmorin & Cie sets up forward contracts exclusively in order to hedge currency exchange risks linked to provisional flows.

For this purpose, a procedure to manage currency exchange risks collectively has been set up in Vilmorin & Cie. This position mainly consists in taking out forward contracts.

2.1.2 Assets and liabilities analyzed according to the main foreign currencies

In millions of Euros	Euro zone	US dollar	Canadian dollar	GB pound	Australian dollar	Yen	Shekel	Turkish lira	Other currencies	Total
06.30.16										
Assets ⁽¹⁾	953.7	471.3	20.9	39.0	21.9	72.3	103.2	50.0	256.7	1,989.0
Liabilities ⁽¹⁾	971.9	211.1	0.2	7.0	2.0	34.4	34.3	6.4	119.3	1,386.6
Differential	-18.2	260.2	20.7	32.0	19.9	37.9	68.9	63.6	137.4	602.4
06.30.15										
Assets ⁽¹⁾	1,121.5	437.1	9.0	31.4	19.8	59.5	84.0	57.0	247.4	2,066.7
Liabilities ⁽¹⁾	1,145.9	108.8	0.4	13.6	1.9	29.9	33.3	5.2	113.9	1,453.0
Differential	-24.4	328.3	8.6	17.8	17.9	29.6	50.7	51.8	133.5	613.7

(1) This concerns all items on the balance sheet that are exposed to foreign currency risks, except goodwill, inventories, deferred taxes, reserves, provisions, and deferred charges and income.

2.1.3 Information on the nominal value of instruments set up to hedge currency exchange

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.16				
Forward exchange contracts	11.1	11.1	-	-
Exchange options	3.6	3.6	-	-
Total	14.7	14.7	-	-
06.30.15				
Forward exchange contracts	13.4	13.4	-	-
Exchange options	-	-	-	-
Total	13.4	13.4	-	-

2.1.4 Information on the value of instruments set up to hedge currency exchange

In millions of Euros	Total	In millions of Euros	Total
06.30.16		06.30.15	
Contracts on commercial transactions	-	Contracts on commercial transactions	-
> Cash flow hedge ⁽¹⁾		> Cash flow hedge ⁽²⁾	
Contracts on financial transactions	NS	Contracts on financial transactions	NS
> Fair value hedge		> Fair value hedge	

(1) The intrinsic value of contracts on June 30, 2016 is not significant (NS).
(2) The intrinsic value of contracts on June 30, 2015 is not significant (NS).

2.1.5 Information on risk exposure to instruments set up to hedge currency exchange

Vilmorin & Cie's net exposure for notional amounts mainly concerns the following currencies (excluding entities' functional currencies):

In millions for each currency	US dollar	GB pound	Yen	Australian dollar	Canadian dollar	New Zealand dollar	South African Rand
Net position before management	13.5	4.4	71.1	3.6	-	0.3	24.7
Forward purchasing	0.7	-	-	-	-	-	-
Forward selling	-4.7	-2.9	-	-	-	-	-
Net position after management	9.5	1.5	71.1	3.6	-	0.3	24.7

On June 30, 2016, the exchange rates for one Euro were: 1.1102 US dollar, 0.8265 GB pound, 114.05 yen, 1.4929 Australian dollar, 1.4384 Canadian dollar and 1.5616 New Zealand dollar.

On June 30, 2016, sensitivity on net positions after management was analyzed as follows:

In millions of Euros	USD	GBP	JPY	AUD	CAD	NZD	ZAR
Hypothesis of currency variation (as a %)	-10%	-10%	-10%	-10%	-10%	-10%	-10%
Impact on income	1.0	0.2	0.1	0.3	-	-	0.1
Hypothesis of currency variation (as a %)	10%	10%	10%	10%	10%	10%	10%
Impact on income	-0.8	-0.2	-0.1	-0.2	-	-	-0.1

A variation of -10% in exchange rates against the Euro would have a limited positive impact of 1.7 million Euros on the financial income. A variation of +10% in exchange rates against the Euro would have a limited negative impact of -1.4 million Euros on the financial income.

2.2 - INFORMATION CONCERNING INTEREST RATE RISKS**2.2.1 Objectives**

Interest rate risks are mainly managed by Vilmorin & Cie which (apart from specific cases or regulatory constraints) centralizes the current, stable cash flow requirements or surpluses of the subsidiaries, and sets up centralized external funding facilities as necessary.

2.2.2 Assets and liabilities subject to interest rate risks:

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.16				
Assets	20.4	12.0	8.4	-
Liabilities	948.8	170.3	746.3	32.2
Differential	-928.4	-158.3	-737.9	-32.2
06.30.15				
Assets	13.7	10.9	1.4	1.4
Liabilities	1,033.6	324.8	224.0	484.8
Differential	-1,019.9	-313.9	-222.6	-483.4

2.2.3 Information on the nominal value of instruments to hedge interest rates

In order to manage the interest rate risks of its financial debts, Vilmorin & Cie uses derived instruments for which the notional outstanding sums are as follows:

In millions of Euros	Nominal	Due dates					Market value
		2017	2018	2019	2020	> 2020	
Cash flow hedge operations	12.0	6.0	6.0	-	-	-	
Interest rate SWAP							-0.2
Fair value operations through profit and loss⁽¹⁾	-	-	-	-	-	-	-
Interest rate SWAP							-
Total	12.0	6.0	6.0	-	-	-	-0.2

(1) Operations ineligible for hedge accounting as determined by the standard IAS 39.

Contractual cash flows associated with interest rate SWAP are paid at the same time as the contractual cash flows for loans with variable rates. The deferred amount in equity concerning hedge instruments is shown in the income statement for the period where the interest cash flow for the debt has an impact on the income.

The inefficient part of hedge instruments was not significant on June 30, 2016.

2.2.4 Information on exposure to interest rates risks

On the basis of net financial indebtedness on June 30, 2016, a variation of $\pm 1\%$ in interest rates after forward cover instruments would represent an extra financial charge or income limited to 2 million Euros.

2.3 - INFORMATION CONCERNING RISKS FOR SHARES AND TREASURY SHARES

Listed shares held by Vilmorin & Cie are subject to the risk of volatility characteristic of financial markets.

Apart from consolidated securities, they can be divided up into three categories:

- Securities in companies consolidated using the equity method: these concern for the most part the companies Seed Co (Zimbabwe), Australian Grain Technologies (Australia), Bio Seeds (Netherlands), Hengji Limagrains (China) and Canterra Seeds (Canada) (cf. Note 18),
- Shares that are included in the portfolio "Financial assets held for sale" (cf. Note 17),
- Other non-current financial assets.

The risk concerning shares included in the portfolio "Financial assets held for sale" is mainly represented by a line of listed shares.

There is a liquidity contract for Vilmorin & Cie treasury shares. On June 30, 2016, Vilmorin & Cie held 9,314 shares with a book value of 0.5 million Euros.

2.4 - INFORMATION CONCERNING LIQUIDITY RISKS

Vilmorin & Cie's Corporate Finance department manages liquidity risks by making short or long term funding available to subsidiaries as required.

Optimization of liquidity is based on centralized management of Vilmorin & Cie's subsidiaries' cash surpluses and requirements.

These operations are handled by Vilmorin & Cie's Corporate Finance department mainly using cash-pooling conventions and intra-group loans on condition that this is authorized by local legislation.

External funding is also set up in a centralized manner by the Corporate Finance department in order to optimize the cost of funding and access to the banking market.

In 2016, the main resources set up by Vilmorin & Cie are as follows:

- a bond loan of 450 million Euros maturing in May, 2021;
- a mid-term Schuldschein loan of 130 million Euros, set up by Vilmorin & Cie in March 2013, of which 65 million Euros mature in March, 2018, 45 million Euros in March, 2020 and 20 million Euros in March, 2023;
- a syndicated loan agreement of 300 million Euros set up for Vilmorin & Cie, the maturity of which was extended until May, 2021 during the fiscal year, with 67.5 million Euros being used;
- a syndicated loan agreement of 90 million US dollars set up for Vilmorin USA Corp, maturing in January 2018.

On June 30, 2016, the conventions of existing financial commitments were all respected.

The schedule for financial debts was as follows:

In millions of Euros	Due dates			Total
	< 1 year	1 to 5 years	> 5 years	
06.30.16				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		1.5	-	1.5
> Debt components of the OCEANE convertible bonds		-	-	-
> Bank loans		179.0	11.9	190.9
> Commitments to purchase minority shares		3.9	-	3.9
> Financial lease/hire purchase		0.3	-	0.3
> Derivatives		1.6	-	1.6
> Other financial debts		560.0	20.3	580.3
Total non-current financial debts		746.3	32.2	778.5
Current financial debts	170.3			170.3
Total	170.3	746.3	32.2	948.8
Future interest on loans and other liabilities	15.0	53.1	1.3	69.4
06.30.15				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		2.0	-	2.0
> Debt components of the OCEANE convertible bonds		-	-	-
> Bank loans		110.3	9.1	119.4
> Commitments to purchase minority shares		-	4.7	4.7
> Financial lease/hire purchase		0.5	-	0.5
> Derivatives		1.2	0.7	1.9
> Other financial debts		110.0	470.3	580.3
Total non-current financial debts		224.0	484.8	708.8
Current financial debts	324.8			324.8
Total	324.8	224.0	484.8	1,033.6
Future interest on loans and other liabilities	14.6	53.5	11.8	79.9

2.5 - INFORMATION CONCERNING CREDIT RISK

In order to prevent any problems recovering debts from its customers, Vilmorin & Cie has set up individual credit limits which are regularly updated depending both on the financial situation of each customer, along with the customer's track record with regard to payment.

Finally, through certain subsidiaries, Vilmorin & Cie has taken out an insurance policy to cover customer credit risks. On June 30, 2016, Vilmorin & Cie had not identified any significant risk.

At close, the chronological breakdown of customer receivables was as follows:

In millions of Euros	06.30.16	06.30.15
Receivables not yet due	296.0	248.9
Receivables due:		
> delay of zero to three months	37.4	66.1
> delay of three to six months	15.0	21.3
> delay of six to twelve months	4.4	5.2
> delay greater than one year	14.9	12.9
Gross customer and other receivables	367.7	354.4

NOTE 31: OFF BALANCE SHEET COMMITMENTS

For its current operations, Vilmorin & Cie made commitments at the close of the fiscal period for the following amounts:

1 - GUARANTEES RECEIVED

In millions of Euros	06.30.16	06.30.15
Endorsements, sureties, guarantees	5.6	7.5
Other commitments	8.0	9.0
Total	13.6	16.5

The company Groupe Limagrain Holding granted a tax guarantee to Vilmorin & Cie for the companies Limagrain Genetics Inc. and Limagrain Europe, at the time of the sale and/or contribution of these companies within the context of the contribution of the field seed activity.

There have been no overdue payments recorded to date involving these guarantees.

2 - GUARANTEES GIVEN

In millions of Euros	06.30.16	06.30.15
Endorsements, sureties, guarantees	2.8	3.2
Clause of return to better fortune	-	-
Other commitments	-	3.6
Total	2.8	6.8

3 - RECIPROCAL COMMITMENTS

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.16				
Lease agreements	4.2	2.0	2.0	0.2
Simple rental agreements	56.7	13.7	30.9	12.1
Forward purchase of currency (cf. Note 30)	14.7	14.7	-	-
Forward interest rate cover (cf. Note 30)	12.0	6.0	6.0	-
Interest to pay on mid- and long-term debts	69.4	15.0	53.1	1.3
Mid- and long-term research contracts	0.4	0.2	0.1	0.1
Other commitments	22.0	9.7	12.3	-
Total	179.4	61.3	104.4	13.7
06.30.15				
Lease agreements	4.7	1.9	2.5	0.3
Simple rental agreements	51.4	12.8	28.0	10.6
Forward purchase of currency (cf. Note 30)	13.4	13.4	-	-
Forward interest rate cover (cf. Note 30)	18.0	6.0	12.0	-
Interest to pay on mid- and long-term debts	79.9	14.6	53.5	11.8
Mid- and long-term research contracts	0.5	0.3	0.1	0.1
Other commitments	20.0	7.8	12.2	-
Total	187.9	56.8	108.3	22.8

Forward cover of interest rates concerns the following operations:

3.1 - ON JUNE 30, 2016

Mid-term bank loans (and other amounts)	€12.0 million	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

3.2 - ON JUNE 30, 2015

Mid-term bank loans (and other amounts)	€18.0 million	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

4 - DEBTS WITH REAL SURETIES

In millions of Euros	Debts guaranteed	Total amount of sureties granted	Book value of the assets provided as a guarantee
06.30.15 ⁽¹⁾	14.6	94.8	94.0
06.30.16⁽²⁾	16.6	110.3	98.0

(1) Concerns Vilmorin & Cie for a banking loan of €6.8 million guaranteed by collateral on the securities of a subsidiary for €83.5 million and various collateral on industrial equipment and mortgages to guarantee mid-term debts on Brazilian and Thai businesses.

(2) Concerns Vilmorin & Cie for a banking loan of €3.4 million guaranteed by collateral on the securities of a subsidiary for €83.5 million and various collateral on industrial equipment and mortgages to guarantee mid-term debts on Brazilian and Thai businesses.

5 - OTHER COMMITMENTS

As part of the agreement signed with the Danish group DLF, Vilmorin & Cie has given a guarantee on the purchasing volumes until 2016 to this company.

In order to ensure good control of procurement and inventory levels for future fiscal years, Vilmorin & Cie sets up contracts to buy or produce certain quantities of seeds from grower networks.

Within the context of its operations to dispose of the companies Flora Frey and Carl Sperling, sold on June 30, 2008, and then Suttons on June 30, 2015, provisions were set up as a result of the commitments made for these disposals. The remaining sum of this provision on June 30, 2016 stood at 5 million Euros.

NOTE 32: TRANSACTIONS BETWEEN RELATED PARTIES

1 - ASSOCIATED COMPANIES

These are companies in which Vilmorin & Cie exerts significant influence and which are consolidated using the equity method.

Transactions with associated companies are carried out on the basis of a market price.

The amounts of debts and receivables with regard to companies consolidated using the equity method are not significant. The main figures for companies consolidated using the equity method are provided in Note 18.

2 - RELATED PARTIES WITH A SIGNIFICANT INFLUENCE ON VILMORIN & CIE

Vilmorin & Cie is held by its majority shareholder Groupe Limagrain. The economic relationships developed with the companies in this Group are summarized in the table below:

2.1 - RECEIVABLES AND DEBTS ON JUNE 30, 2016

In millions of Euros	Assets	Liabilities
Operating debts and receivables	2.3	37.7
Financial debts and receivables	-	-
Total	2.3	37.7

2.2 - CHARGES AND INCOME FOR FISCAL YEAR 2015-2016

In millions of Euros	Charges	Income
Purchases and sales of goods	-62.7	4.4
Corporate allocations	-12.4	7.8
Other operating charges and income	-25.2	3.3
Financial charges and income	-1.0	0.1
Total	-101.3	15.6

3 - REMUNERATION OF THE EXECUTIVE COMMITTEE

In millions of Euros	06.30.16	06.30.15
Global amount of remunerations and benefits paid to the Executive Committee:		
> Short-term benefits	1.7	1.9
> Benefits paid out after employment	-	-
> Other long-term benefits	-	-
> Severance pay	1.1	1.1
> Payment through shares	-	-
> Directors' fees paid to the Executive Committee	-	-

The Executive Committee comprised six members during fiscal year 2015-2016, as in 2014-2015.

On average, the contractual benefits due when the contract of a member of the Executive Committee is terminated correspond to two years of total remuneration.

Benefits paid out after employment in favor of members of the Executive Committee

The total amount of benefits funded for severance pay for the Executive Committee stood at 1.1 million Euros on June 30, 2016, including employer's welfare contributions.

This commitment is assessed by actuaries in order to determine the amount for provisions for severance pay.

Provisions for the severance pay of the Executive Committee is included in the provision for severance pay detailed in Note 24.

4 - FURTHER INFORMATION

4.1 - GROUPE LIMAGRAIN CORPORATE ALLOCATIONS

Corporate allocations are billed by Groupe Limagrain Holding to the subsidiaries of Vilmorin & Cie and to the subsidiaries of Groupe Limagrain on a proportional basis of budgeted expenses. The amount billed came to 15.1 million Euros.

Four keys are applied to calculate the allocations invoiced for these management services, depending on the nature of services:

- An "activity" key (revenue from ordinary activities and margin on cost of sales),
- An "information systems" key (number of licenses),
- A "research" key (research and development costs),
- A "human resources" key (payroll).

4.2 - VILMORIN & CIE CORPORATE ALLOCATIONS

In the same way, Vilmorin & Cie invoices corporate allocations to all its subsidiaries and to the subsidiaries of Groupe Limagrain according to the same criteria as the Groupe Limagrain allocations mentioned above. The total invoiced came to 52.4 million Euros.

4.3 - ALLOCATION OF THE SEED RESEARCH PROGRAM COSTS

Moreover, Vilmorin & Cie also invoices for services of a scientific nature for the seed companies in the Vilmorin & Cie group (Field seed and Vegetable seed divisions) that work on the professional market. The aggregate amount invoiced to the subsidiaries came to 17.7 million Euros. The criteria applied homogeneously throughout Vilmorin & Cie to calculate these allocations for services of a scientific nature take into account research and development costs.

4.4 - CASH FLOW AGREEMENTS AND POOLING OF EXCHANGE RISKS

Companies have signed agreements with Vilmorin & Cie in order to optimize the management of their cash flow under conditions that provide lenders with a financial margin of 0.18% over the average monthly EONIA rate.

Moreover, Vilmorin & Cie centralizes its foreign currency risk hedges for its subsidiaries. The main currencies hedged are the US dollar, the GB pound, the yen and the Australian dollar (cf. Note 30 paragraph 2.1).

4.5 - OTHER OPERATIONS

Other operating operations correspond to current commercial transactions made on the basis of market prices.

NOTE 33: POTENTIAL LIABILITIES

As they run their businesses, Vilmorin & Cie's operating companies are exposed to claims on the products they have sold, and such claims are generally covered by their insurance policies.

NOTE 34: EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTS

The main event occurring after the closing of the accounts is as follows:

Operational and legal reorganization of the Genica Research activities

During the course of July 2016, Vilmorin & Cie launched the operational and legal reorganization of the Genica Research activities. These activities were integrated into the Business Unit HM.CLAUSE through a merger with HM.CLAUSE Inc., while a number of assets concerning certain crops were passed over to Vilmorin.

5.1.6. CONSOLIDATION SCOPE

Name	Country	Head Office	SIREN No	% Voting rights	% Interest	Consolidation method
VEGETABLE SEEDS						
Bio Seeds BV	Netherlands	Agro Business Park 90 – 3808 PW Wageningen		24.95	24.95	EM
Genica Research Corporation	United States	701 S. Carson Street, Ste. 2000 - 89701 Carson City		100.00	100.00	GI
Genista, S.R.L.	Italy	Via San Vincenzo 13 - 04022 Fondi		100.00	100.00	GI
Limagrain (Beijing) Agricultural Technical Service Co Ltd	China	Room 2511, Beifangmingzhu Building, No 188 Litang Road, Dongxiaokouzhen, Changping District - Beijing		100.00	100.00	GI
Magnum Seeds, Inc.	United States	5825 Sievers Road - 95620 Dixon - CA		100.00	100.00	GI
Magnum Seeds Iberia, S.L.	Spain	Calle Mandri, numero 36, 3 - 08022 BARCELONA		100.00	100.00	GI
1 - HM.CLAUSE						
Alliance Semillas de Argentina SA	Argentina	Pavon 1478 - Capital Federal - CP 1151 - Buenos Aires		100.00	100.00	GI
Henderson Seed Group Pty. Ltd. Trading AS Clause Pacific	Australia	165, Templestowe Road Lower Templestowe Victoria 3107 - 3105 Bulleen Victoria		100.00	99.98	GI
HM.CLAUSE SA	France	Rue Louis Sallant – ZI La Motte 26800 Portes-les-Valence	435 480 546	99.98	99.98	GI
HM.CLAUSE (Thailand) Co, Ltd	Thailand	182/1 Soi Kengcun (Nanglinchee 6), Nanglinchee Road, Tungmahamek - 10120 Sathorn, Bangkok		100.00	99.98	GI
HM.CLAUSE Brasil Comercio de Sementes Ltda	Brazil	Rue Guapuruvu, 177 – Térreo, Condomínio Alphaville Empresarial - CEP 13098-322 Campinas - Sao Paulo		100.00	99.98	GI
HM.CLAUSE Chile S.A.	Chile	Boulevard Aeropuerto Sur 9632, Oficina 1 Parque Industrial Enea / Pudahuel - Santiago		100.00	100.00	GI
HM.CLAUSE Guatemala. Sociedad Anónima	Guatemala	Condominio Empresarial Cortijo III Bodega 913, 20 Calle 25-55 Zona 12, Guatemala City		100.00	99.98	GI
HM.CLAUSE India Private Limited	India	6-98/4 Sy No. 563/Part, Gowdavelli Village - Medchal Mandal, Ranga Reddy District - 501401 Telangana State		100.00	99.98	GI
HM.CLAUSE Italia S.P.A.	Italy	Via Emilia 11 – 10078 Venaria Real		100.00	99.98	GI
Clause Maghreb EURL	Algeria	Villa n°192 Quartier Amara 2 - Lotissement Alioua Fodhil – Chéréga - 16002 - Alger		100.00	99.98	GI
HM.CLAUSE Polska Sp.zo.o.	Poland	ul, Zbicka 32A – 32-065 Krzeczowice		100.00	99.98	GI
HM.CLAUSE Iberica. SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 - La Mojenera Almeria 04745		100.00	99.98	GI
HM.CLAUSE Inc.	United States	555, Codoni avenue - 95352 Modesto (California)		100.00	100.00	GI
HM.CLAUSE Kenya Limited	Kenya	C/o unit A - Nairobi business park, Ngong Road PO box 10643 - 00100 Nairobi		100.00	99.98	GI
HM.CLAUSE Peru S.A.C.	Peru	Fundo la Viña S/N Caserio La Poruma Ica		100.00	100.00	GI
HM.CLAUSE Tohumculuk Tarim Sanayi ve Ticaret Anonim Sirketi	Turkey	Tarim Mah. Aspendos Bulvari - No: 106/B Kurt Ishani, Muratpasa - 07200 Antalya		100.00	99.98	GI
Tropical Development and Investment Company Limited	Vietnam	Lot 01, 1C, 1D, 02 - Zone Agricole de Haute-Technologie de Ho Chi Minh-Ville - Commune de Pham Van Coi - District de Cu Chi - Ho Chi Minh City		100.00	99.98	GI
Plant Development Australia PTY. LTD.	Australia	165, Templestowe Road - Templestowe Lower VIC 3107		100.00	99.98	GI
PT Clause Indonesia LLC	Indonesia	Ruko Bumi Prayudan Permai Blok B - 6, Mertoyudan, Magelang - 56172 Jawa Tengah		100.00	99.98	GI
Semillas Harris Moran Mexicana	Mexico	Ave. Manuel Gomez Morin 3881 3er piso Col. Centro Sur - 76090 Queretaro		100.00	100.00	GI

Name	Country	Head Office	SIREN No	% Voting rights	% Interest	Consolidation method
2 - HAZERA						
Hazera Agriculture Technology & Services (Beijing) Co Ltd	China	Room 601-602, Tower D, Java Millenium Place No, 18 Jianguomenwai Dajie, Chaoyang District 100022 - Beijing		100.00	100.00	GI
Hazera Seeds do Brasil Ltda	Brazil	Rua Américo Brasiliense, 458 CEP: 13025-230 Campinas - São Paulo		100.00	100.00	GI
Hazera España 90 SA	Spain	Paseo de la Castellana 259 B - 28046 Madrid		100.00	100.00	GI
Hazera Seeds Ltd	Israel	Brurim Farm MP - 79837 Shikmim		100.00	100.00	GI
Hazera Seeds Hellas Commercial SA	Greece	64 Lisikratous str. & Kekropos, Municipality of Kallithea - 17674 Athens		100.00	100.00	GI
Hazera Holding International BV	Israel	Koningslaan, 34 - 1075AD Amsterdam - Netherlands		100.00	100.00	GI
Hazera Seeds Mexico SA	Mexico	Montecito 38, Piso 23, Oficina 15 Napoles - Distrito Federal - 03810 Mexico		100.00	100.00	GI
Hazera Seeds USA Inc	United States	32 Loockerman Sq, Suite L 100 – Dover, Delaware		100.00	100.00	GI
Hazera Tohumculuk Ve Ticaret AS	Turkey	Hüsrev Gerede Cd. Ömer Rüstü Pasa Sk, No.12 Sisli - Istanbul		100.00	100.00	GI
Hazera Seeds BV	Netherlands	Schanseind 27 BP28 - 4921 Pm Made		100.00	100.00	GI
Hazera Seeds Germany GmbH	Germany	2 Am Griewenkamp - D31234 Edemissen		100.00	100.00	GI
Hazera Seeds Uk Ltd	United Kingdom	Joseph Nickerson Research Centre - Market Rasen LN7 6DT Rothwell		100.00	100.00	GI
Hazera Seeds SA Ltd	South Africa	Unit 7 - Honeydew Business Park - 1503 Citrus Street - 0181 Honeydew 2170		100.00	100.00	GI
Hazera Poland SP.Z.o.o.	Poland	Ul. Marywilska 34 I - 03-228 - Warszawa		100.00	100.00	GI
Hazera Ukraine LLC	Ukraine	Office # 101 - Strategichne shose 16 Str 03680 - Kiev		100.00	100.00	GI
3 - VILMORIN						
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali. Bati Sahili, Ciftlik Sok. No.9 Pendik Istanbul 34903		100.00	99.97	GI
Semillas Shamrock Internacional	Mexico	Calle Liderazgo n°105 Fraccionamiento El Puente - 38110 Guanajuato Celaya		100.00	100.00	GI
Shamrock Seed Company	United States	3 Harris Place – 93901-4593 Salinas - California		100.00	100.00	GI
Vilmorin Atlas SARL	Morocco	158 boulevard Abdellah Ben Yacine - 20300 Casablanca		70.00	69.98	GI
Vilmorin do Brasil Comercio de Sementes Ltda	Brazil	Av. José Bonifacio, 354 - Jardim Flamboyant - 13.091 - 140 CAMPINAS,SP		100.00	99.97	GI
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 - 03006 Alicante		99.91	99.88	GI
Vilmorin Italia SRL	Italy	Centergross CP 97 - Blocco 22 - Via dei Notai 123 - 40050 Funo		100.00	99.97	GI
Vilmorin OOO	Russia	Gruzinskiy val ulitsa 11, building 3, office 21 - 123056, Moscow		100.00	99.97	GI
Vilmorin SA	France	Route du Manoir - 49250 La Méniltré	562 050 864	99.97	99.97	GI

Name	Country	Head Office	SIREN No	% Voting rights	% Interest	Consolidation method
4 - MIKADO KYOWA SEED						
Dalian Mikado International Seed Co Ltd	China	Room 2702 – Liangjiu International Building 150-0036 TOKYO		80.00	77.09	GI
Mikado Kyowa K.K.	Japan	1-4-11 Ohnodai - Midori-ku - 267-0056 Chiba City, Chiba Pref.		100.00	96.36	GI
FIELD SEEDS						
Biogemma SAS	France	1 rue Edouard Colonne - 75001 Paris	412 514 366	55.01	55.01	GI
Biogemma USA Corp	United States	2331 230th Street 50014 - AMES IA		100.00	55.01	GI
Genoplante-Valor SAS	France	28 rue du Docteur Finlay - 75015 Paris	439 202 821	25.00	22.00	EM
5 - LIMAGRAIN EUROPE						
GIE Semences de Brie	France	RD 402 - 77390 Chaumes-en-Brie	388 147 845	50.00	47.60	EM
Limagrain A/S	Denmark	Erhvervsbyvej 13 - 8700 Horsens		100.00	95.21	GI
Limagrain Central Europe Cereals Sro	Czech Republic	Praha 9 – Podedvorska 755/5 - 19800 - Kyje		100.00	95.21	GI
Limagrain Central Europe SE	France	Biopôle Clermont-Limagne - Rue Henri Mondor - 63360 Saint-Beauzire	438 205 320	100.00	95.21	GI
Limagrain Belgium NV	Belgium	5 rue du Quai - 8581 Avelgem-Kerkhove		100.00	95.21	GI
Limagrain d.o.o Beograd	Serbia	Radnicka 30A - Novia Sad 21000		100.00	95.21	GI
Limagrain Europe SA	France	Biopôle Clermont-Limagne - Rue Henri Mondor - 63360 Saint-Beauzire	542 009 824	95.21	95.21	GI
Limagrain GmbH	Germany	Am Griewenkamp 2 - Edemissen - D 31234		100.00	95.21	GI
Limagrain Hungary Kft	Hungary	Gyar street 2 - H-2040 Budaors		100.00	95.21	GI
Limagrain Iberica SA	Spain	Ctra Pamplona - Huesca Km 12 - Elorz Navarra 31470		100.00	95.21	GI
Limagrain Italia SPA	Italy	Via Caduti sul Lavoro n°5 - 43011 Busseto (Pr)		100.00	95.21	GI
Limagrain Moldova srl	Moldova	Bd. Stefan Cel Mare 162 - MD - Chisinau 2004		100.00	95.21	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	95.21	GI
Limagrain RU	Russia	Yankovskogo str 169 - Novokuznechnaya str 40 - 350015 Krasnodar		100.00	95.21	GI
Limagrain Sunflowers INC.	United States	71 West Kentucky Avenue - Woodland, CA 95695		100.00	100.00	GI
Limagrain Tohum Islah ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak - N° 17/136 Kozyatagi-Erenkoy - Istanbul 34742		67.00	63.79	GI
Limagrain UK Limited	United Kingdom	Market Rasen - LN7 6DT Rothwell - Lincolnshire		100.00	95.21	GI
Limagrain Ukraine LLC	Ukraine	Pavlivska 10 Street Off. 7 01054 Kiev		100.00	95.21	GI
Seedline NV	Belgium	5 rue du Quai - 8581 Avelgem-Kerkhove		100.00	95.21	GI
Soltis SAS	France	Domaine de Sandreau - 31700 Mondonville-Blagnac	420 327 231	50.00	47.60	EM
Unisigma GIE	France	2 rue Petit Sorri - 60480 Froissy	317 760 668	46.00	43.80	EM

Name	Country	Head Office	SIREN No	% Voting rights	% Interest	Consolidation method
6 - AGRELIANT						
AgReliant Genetics LLC	United States	1122 East 169th Street -Westfield, IN 46074		50.00	50.00	EM
AgReliant Genetics Inc	Canada	6836 Pain Court Line RR1 - Ontario NOP 1I20		50.00	50.00	EM
7 - LIMAGRAIN CEREAL SEEDS						
Australian Grain Technologies Pty Ltd	Australia	Level 1, Wine Innovation Central Building CRN - Paratoo RD & Grove - 5064 Urrbrae – South Australia		32.77	32.77	EM
Canterra Seeds Holding, Ltd.	Canada	1500, 410 22nd Street East - S7K5T6 SASKATOON, SK		30.00	30.00	EM
Limagrains Cereals Research Canada	Canada	211-1475 Chevrier Blvd - R3T 1Y7 Winnipeg - Manitoba		70.00	70.00	GI
Limagrains Cereal Seeds LLC	United States	Corporation service Company - 2711 Centerville Road, Suite 400 - Wilmington 19808 - Delaware		65.00	65.00	GI
8 - LIMAGRAIN SOUTH AMERICA						
Limagrains Argentina SA	Argentina	Calle Esmeralda 130 4to piso - Buenos Aires		95.02	95.02	GI
Limagrains Brasil SA	Brazil	Rua Pasteur, N° 463, 7° Andar - Conjunto 701, Sala C- Bairro Água Verde, Estado do Paraná - CEP 80250-104 Curitiba		100.00	100.00	GI
Limagrains Chile Limitada	Chile	Rosas - 1190 Santiago de Chile		100.00	100.00	GI
Limagrains Peru SAC	Peru	Altura CDRA. Av. San Martin, 208, 01 – Avenida - Saenz Pena Barranco - 1501 Lima		100.00	100.00	GI
9 - LIMAGRAIN ASIA						
Bisco Bio Sciences Private Ltd	India	Ashoka My Home chambers # 1-8-201 to 203 - Plot no 208, 209 - SP Road – Secunderabad - Hyderabad, 500 003		99.99	99.99	GI
Hengji Limagrains Seeds Co Ltd	China	N°9 Xianfu Street - Zhangye City – Gansu Province		45.05	45.05	EM
Shanxi Limagrains Special Crops R& D Company Limited	China	Room 501, Crop Research Institute, Shanxi Academy of Agriculture and Science, No.81, Longcheng street - 030006 Taiyuan City		77.50	77.50	GI
Seed Asia Cambodia Limited	Cambodia	Camma Building No, 101A, Second floor, Room No 02, Street 289, Sangkat Boeung Kak I, Khan Toul Kak - Phnom Penh		100.00	100.00	GI
Seed Asia International Limited	Hong Kong	Suite 2303, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong-Kong		100.00	100.00	GI
Seed Asia Co Limited	Thailand	161/1 SG Tower, 15th Floor, Soi Mahadlekuang 3, Rajdamri Rd., Lumpini, Pathumwan - 10330 Bangkok		100.00	100.00	GI
10 - LIMAGRAIN AFRICA						
Link Seed Proprietary Limited	South Africa	15 Dr Gordon Street - Kwazulu-Natal, 3250 Greytown		80.00	80.00	GI
Seed Co Limited	Zimbabwe	1st Floor, S.A.Z. Building, Northend Park, Borrowdale – Harare		30.38	30.38	EM

Name	Country	Head Office	SIREN No	% Voting rights	% Interest	Consolidation method
GARDEN PRODUCTS & HOLDINGS						
DLF France SAS	France	ZA Les Pains - Les Alleuds - 49320 Brissac Quince	432 004 679	33.33	33.33	EM
11 - VILMORIN JARDIN						
C.H. Van Den Berg BV	Netherlands	Nijverheidsweg 1 - (1693) Am Wervershoof		100.00	100.00	GI
Vilmorin Bahce Urunleri Anonim Sirketi	Turkey	Güzelyali bati sahili, Ciftlik sok n°9, 34903 Pendik Istanbul		100.00	100.00	GI
Vilmorin Garden Sp. zo.o.	Poland	ul, Ks,P,Wawrzyniaka 2 - 62-052 – Komorniki		100.00	100.00	GI
Vilmorin Jardin SA	France	ZI De Tharabie Parc des Chesnes - 65, rue de Luzais - 38291 St Quentin Fallavier	959 503 111	100.00	100.00	GI
HOLDINGS & BIOTECHNOLOGIES						
Genective SA	France	Biopôle Clermont-Limagne - Rue Henri Mondor - 63360 Saint-Beauzire	513 533 612	50.00	50.00	EM
Limagrain (Beijing) Business Consulting Co Ltd	China	Room 1805, Beifangmingzhu Building, n°188 Litang Road, Dongxiaokouzhen Changping District - Beijing 102218		100.00	100.00	GI
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai, Midori-ku - 267-0056 Chiba-shi		85.45	85.45	GI
Vilmorin & Cie SA	France	4 Quai de la Mégisserie – 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin Hong-Kong Ltd	China	Level 54, Hopewell Centre - 183 Queen's Road East Hong Kong		100.00	100.00	GI
Vilmorin 2014 (Holdings) Ltd	United Kingdom	Joseph Nickerson Research Centre, Rothwell Market Rasen - LN7 6DT Lincolnshire		100.00	100.00	GI
Vilmorin USA Corp	United States	2711 Centerville Road, Suite 400 - County of Newcastle - Wilmington 19808 - Delaware		100.00	100.00	GI
Vilmorin Singapore PTE Ltd	Singapore	80 Raffles Place - #32-01 UOB Plaza - 048624 Singapore		100.00	100.00	GI

Consolidation method: GI: global integration EM: equity method

6

VILMORIN & CIE AND ITS SHAREHOLDERS

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6.1. INFORMATION ON THE COMPANY

6.1.1. NAME, HEAD OFFICE AND ADMINISTRATIVE OFFICES

- Name: Vilmorin & Cie.
- Head Office: 4 quai de la Mégisserie - 75001 Paris - France.
- Administrative offices: CS 20001 Saint Beauzire
63360 Gerzat - France
- Jurisdiction: French jurisdiction.

6.1.2. LEGAL STATUS

Vilmorin & Cie is a “société anonyme” (limited liability company) with a Board of Directors, and is governed by Book II of the French Commercial Code.

6.1.3. DATE OF CREATION AND DURATION OF THE COMPANY

The Company was created on March 2, 1990 under the name of SSBP (Société de Services de la Branche Potagères & Fleurs); this name has been since changed as follows:

- Modification of name to Ceres (EGM June 27, 1990).
- Modification of name to Vilmorin & Cie (EGM June 29, 1993).
- Modification of name to Vilmorin Clause & Cie (EGM December 9, 1997).
- Modification of name to Vilmorin & Cie (EGM July 3, 2006).

Various other modifications to the by-laws have been adopted, and in particular the following:

- Modification of management system (EGM March 16, 1998), to adopt the system of Board of Directors, replacing the Board of Management and Board of Trustees.
- Modification of the by-laws in compliance with the French law of January 15, 2001 governing new economic regulations (EGM December 3, 2002).
- Update of the by-laws (EGM December 11, 2008).

The duration of the company is 99 years, unless it is extended or cut short by an Extraordinary General Meeting of the Shareholders.

6.1.4. OBJECT OF THE COMPANY

Under the terms of article 2 of the by-laws, the object of Vilmorin & Cie is:

- to acquire a stake, and to participate in any company in which it thinks it may have an interest,
- to make rational and profitable use of the resources pooled by its subsidiaries and to take any civil or commercial measures for this purpose,
- to co-ordinate and develop the activity of its subsidiaries by setting up missions to provide them with monitoring and control,
- to provide its subsidiaries, or any other persons, with the means to improve their management, reduce their overheads and facilitate the distribution of their products,
- to carry out research on the subject of plants and all processes that can be applied to plant improvement and the development of new varieties,
- to exploit and sell any knowledge thus acquired, any patents, and any new plant varieties, in whatever form, directly or indirectly, or by granting a license for use or any other form,
- to acquire stakes in whatever form, interest and participation in any company, group or enterprise, whether French or of another nationality, which has a similar object or that is liable to help it develop its own business.

In order to attain these corporate objectives, the company may:

- create, acquire/sell, exchange, rent or let out, with or without a promise of sale, manage and run, directly or indirectly, any industrial or commercial establishment, any factory, any site or premises whatsoever, any furniture or equipment,
- obtain or acquire any patent, license, process and trademark, exploit them, create or contribute or grant any license to manufacture or produce in any country,
- and generally, carry out any operation of a commercial, industrial, financial nature, or regarding moving or fixed assets, that may be useful, whether directly or indirectly, to the corporate object, or contribute to its achievement.

It may act, directly or indirectly, on its own behalf or on behalf of a third party, and either alone or in association, as a shareholder, or as a company, with any other company, or physical or moral entity, and proceed with operations that comply with its object, either directly or indirectly, whether in France or in another country, and in whatever form.

6.1.5. COMPANY TRADE REGISTER

The Company is registered on the Paris Company Trade Register under number 377 913 728.
No. SIRET: 377 913 728 00020.
No. SIREN: 377 913 728.
No. APE: 7010 Z (Activity of head offices).

6.1.6. FISCAL YEAR

The fiscal year is for twelve months, running from July 1 until June 30 of the following year.

6.1.7. CONSULTATION OF LEGAL DOCUMENTS

The legal documents concerning Vilmorin & Cie (by-laws, minutes of Annual General Meetings, Statutory Auditors' reports and any documents available to shareholders) can be consulted at the head office of the Company: 4, quai de la Mégisserie - F-75001 Paris. Moreover, this information and certain historical financial information concerning regulatory information is available on the Vilmorin & Cie website (www.vilmorin.info) in the section Publications.

6.1.8. TRIBUNALS FOR REFERRAL OF LITIGATION

Tribunal de Commerce de Paris.

6.1.9. ANNUAL GENERAL MEETINGS

6.1.9.1. NOTICE TO ATTEND GENERAL MEETINGS

General Meetings are convened in compliance with legal provisions. Meetings are held at the place stipulated in the notice to attend.

Convening registered shareholders

Shareholders who have held registered shares for at least one month at the date the meeting is published, or of the notice to attend,

are convened to any General Meeting by ordinary letter, or for any shareholder who so wishes, by registered letter at his or her expense.

Notices to attend can also be sent by electronic mail if the Shareholder has opted for this form of communication, in accordance with conditions laid down in article R.225-63 of the French Commercial Code.

6.1.9.2. CONDITIONS OF ATTENDANCE

Any Shareholder can attend General Meetings, whether personally or by proxy, in the conditions laid down by law, upon justification of his or her identity and ownership of the shares:

- either by nominative registration,
- or by registration of an ownership certificate issued thereby, in accordance with regulations in force, attached to a posted ballot, a voting proxy form or a request for admittance card prepared in the name of the shareholder or the shareholder's nominee. The period during which these formalities must be accomplished expires on the second working day before the date of the General Meeting at midnight, Paris time.

The General Meeting can be attended by all the Shareholders whatever the number of shares they hold, on condition they are fully paid up.

Any shareholder can also participate in General Meetings by any means of telecommunications fixed by laws and regulations, and which are stipulated in the notice to attend the General Meeting.

6.1.9.3. VOTING RIGHTS ACCOMPANYING THE SHARES

In all the Meetings, provided all laws and decrees are respected, each member attending the meeting has the same number of votes as the number of shares he holds or represents, without any limits. Nevertheless, double voting rights compared to other shares, in proportion to the stock they represent, are granted to any shares fully paid up and held nominatively for four years at least with the same Shareholder's name (decision of the General Meeting of July 22, 1993).

This right is also granted, as soon as they are issued in the case of an increase in stock through incorporation of the reserves, profits or issue premiums, to nominative shares allotted free of charge to a shareholder by virtue of former shares which provide this right.

6.1.9.4. RULES FOR REPRESENTATION AND PLACING ITEMS OR DRAFT RESOLUTIONS ON THE AGENDA

Rules for representation

Shareholders may be represented not only by another Shareholder, spouse or civil partner, but also by any other person (physical person or legal entity) of his or her choice (Article L.225-106, I-al 2). This freedom to choose one's representative is accompanied by the need for the representative to obtain all necessary information to avoid any conflict of interest that might arise between the representative and his or her mandatator.

Including items or draft resolutions on the agenda of the General Meeting by Shareholders and written questions

The possibility of Shareholders to include draft resolutions or any item not linked to a draft resolution is subject to their possession of a certain percentage of the capital stock.

The Shareholder must accompany his or her request with justification of possession of the percentage of capital stock required, along with a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the Company or in the bearer share accounts held by the authorized intermediary.

Moreover, any examination of the item or the resolution by the Annual General Meeting is conditional on the transmission by the relevant party of another certificate of securities registration for the same accounts on the second working day (midnight, Paris time) prior to the meeting.

The request for the inclusion of any agenda items or draft resolutions must be sent to the head office by registered letter with acknowledgement of receipt or by e-mail, and must reach the company at least 25 days before the date of the meeting, but no later than 20 days after the date of the notice to attend the meeting.

All requests to include draft resolutions must be accompanied by:

- the text of the draft resolutions,
- where relevant, a brief presentation of the motives,
- a certificate of registered shares justifying that the required capital stock is held.

Any request for the inclusion of an item for the agenda must be accompanied by the motives and a certificate of registered shares justifying that the required capital stock is held.

The Chairman of the Board must acknowledge receipt of the request for agenda items or draft resolutions, by registered letter or by e-mail, within five days of receiving this request. If draft resolutions are submitted by Shareholders, the Members of the Board must meet in order to determine if they should recommend to the AGM that these draft resolutions should be adopted or rejected.

Each Shareholder may send to the Board of Directors, which will respond during the meeting, any written questions he or she chooses. The questions must be sent by registered letter with acknowledgment of receipt, or by an electronic message sent to the addresses indicated in the notice to attend, at the latest on the fourth working day before the date of the General Meeting, and be accompanied by a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the company or in the bearer share accounts held by the authorized intermediary.

6.2. CAPITAL STOCK AND SHAREHOLDERS

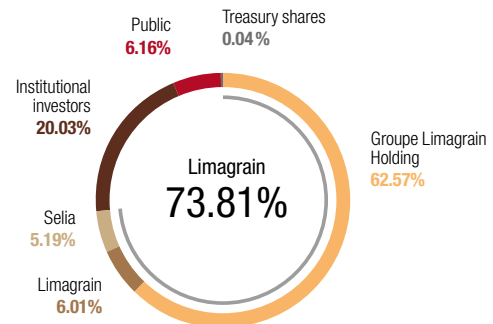
6.2.1. CAPITAL STOCK

The capital stock on June 30, 2016, stood at 317,717,005.50 Euros divided up into 20,833,902 shares each with a nominal value of 15.25 Euros, fully paid up.

Vilmorin & Cie's reference shareholder, Groupe Limagrain (cf. page 66) directly or indirectly holds 73.8% of its capital stock.

20% of the capital stock is held by institutional investors, of whom more than 53% are based outside France (United States, United Kingdom, Singapore, Switzerland, Germany, etc.). More than 12,000 individual Vilmorin & Cie Shareholders, owning either registered or bearer shares, hold almost 6.2% of the capital stock.

6.2.1.1. ANALYSIS OF CAPITAL STOCK ON JUNE 30, 2016



6.2.1.2. ANALYSIS OF THE CAPITAL STOCK AND VOTING RIGHT ON JUNE 30, 2016

	Single vote shares	Double vote shares	% of capital stock	Total number of votes	% of total number of votes ⁽¹⁾
Groupe Limagrain Holding	191,020	12,844,848	62.57%	25,880,716	71.95%
Limagrain	50,995	1,200,460	6.01%	2,451,915	6.82%
Selia	37,922	1,043,628	5.19%	2,125,178	5.91%
Treasury shares	9,314	-	0.04%	-	-
Directors	6	12	-	30	-
Groupe Limagrain	289,257	15,088,948	73.81%	30,457,839	84.67%
Public	5,396,764	58,933	26.19%	5,514,630	15.33%
Total	5,686,021	15,147,881	100.00%	35,972,469	100.00%

(1) The difference between theoretical voting rights and votes that may be exercised in General Meetings is not significant

- Capital stock and voting rights held by the different administrative and management structures: not significant.
- Stock and voting rights held by the employees, directly or indirectly: not significant.
- Declaration of transactions entered into by executives: in compliance with article L.621-18-2 of the French Monetary and Financial Code, Groupe Limagrain Holding (GLH) acquired, disposed of or subscribed to 15,006 shares during the course of fiscal year 2015-2016.
- Declaration of shareholders' agreement: within the framework of the intervention of the Strategic Investment Fund (SIF)⁽²⁾ in the equity of Groupe Limagrain Holding (GLH), in March 2010, Coopérative Limagrain, the SIF and GLH came to a shareholders' agreement concerning their participations in the capital stock of GLH and Vilmorin & Cie. Within the framework of a reserved capital stock increase, the SIF subscribed to 1,074,498 new GLH shares,

representing 13.93% of the capital stock and voting rights of GLH and 1,071,429 GLH bonds redeemable as Vilmorin & Cie shares. This agreement has been disclosed to the AMF⁽³⁾.

- Collective commitments to preserve shares: two collective commitments to preserve shares were recorded on October 15 and 22, 2009 in compliance with article 885 I bis of the French Tax Code. These two commitments were signed for an initial duration of two years and are renewable by tacit agreement for an indefinite duration. On the date they were signed, the commitments concerned 2,715,003 shares, representing 20.3% of the financial rights and 28.7% of the voting rights. Two riders to these commitments were written on October 22, 2010, and duly registered, in order to take account of the increase in the capital stock made on April 15, 2010: the commitments now concern 3,540,003 shares.
- Non-issued authorized capital stock: none, as no commitment to raise the stock had been made.
- Shares non-representative of the capital stock: none.
- Stock options: none.

(2) Today Bpifrance.

(3) This agreement can be consulted on: www.amf-france.org

6.2.1.3. EVOLUTION OF THE CAPITAL STOCK

Decision and date	Nature of the capital increase	Nominal amount and premium per share	Capital stock raised to	Total number of shares
03.02.90	Creation of the company. 2,500 shares issued	FRF 100	FRF 250,000	2,500
06.29.93	3,820,000 shares issued to pay for a partial contribution of assets from Groupe Limagrain Holding	FRF 100	FRF 382,250,000	3,822,500
06.29.93	Equivalent of 1,817,500 shares issued in cash reserved for Groupe Limagrain Holding	FRF 100	FRF 564,000,000	5,640,000,
10.04.93	Conversion of shares at nominal price of FRF 100 to shares at FRF 300	FRF 300	FRF 564,000,000	1,880,000
12.17.93	166,700 shares issued reserved for Crédit Lyonnais bank	FRF 300 + Premium of FRF 6	FRF 614,010,000	2,046,700
11.26.96	921,015 shares issued with stock warrants	FRF 300 + Premium of FRF 170	FRF 890,314,500	2,967,715
From November 96 to 06.30.97	177 warrants exchanged corresponding to 59 shares	FRF 300 + Premium of FRF 180	FRF 890,332,200	2,967,774
From July 97 to 06.30.98	93 warrants exchanged corresponding to 31 shares	FRF 300 + Premium of FRF 180	FRF 890,341,500	2,967,805
From July 98 to 06.30.99	927 warrants exchanged corresponding to 309 shares	FRF 300 + Premium of FRF 180	FRF 890,434,200	2,968,114
From July 99 to 06.30.00	336 warrants exchanged corresponding to 112 shares	FRF 300 + Premium of FRF 180	FRF 890,467,800	2,968,226
From July 00 to 06.30.01	662,301 warrants exchanged corresponding to 220,767 shares	FRF 300	FRF 956,697,900	3,188,993
	Conversion of the nominal unit value to €45.75 using FRF 319,944 of the legal reserves	+ Premium of FRF 180	€145,896,429.75	3,188,993
01.18.06	Division by 3 of the nominal value of the Share from €45.75 to €15.25	€15.25	No modification	9,566,979
07.03.06	3,824,878 shares issued to remunerate a partial contribution of assets made by the company Limagrain Agro-Industrie	€15.25	€204,225,819.25	13,391,857
04.13.10	3,826,244 new shares issued with pre-emptive shareholder rights	€15.25	€262,576,040.25	17,218,101
01.21.13	Creation of 1,721,810 shares by the allocation of free shares	€15.25	€288,833,642.75	18,939,911
01.19.15	Creation of 1,893,991 shares through the allotment of free shares	€15.25	€317,717,005.50	20,833,902

6.2.1.4. MODIFICATIONS OCCURRING IN THE BREAKDOWN OF THE CAPITAL STOCK OVER THE COURSE OF THE LAST THREE FISCAL YEARS

	06.30.14			06.30.15			06.30.16		
	Number of shares	% of capital	% of the total number of voting rights	Number of shares	% of capital	% of the total number of voting rights	Number of shares	% of capital	% of the total number of voting rights
Groupe Limagrain Holding	11,680,638	61.67	71.59	13,020,862	62.50	71.86	13,035,868	62.57	71.95
Limagrain	1,091,328	5.76	6.37	1,251,455	6.01	6.82	1,251,455	6.01	6.82
Selia	983,228	5.19	5.94	1,081,550	5.19	5.92	1,081,550	5.19	5.91
Treasury shares	1,967	0.01	-	8,120	0.04	-	9,314	0.04	-
Public and various	5,182,750	27.36	16.09	5,471,915	26.26	15.40	5,455,715	26.19	15.33
Total	18,939,911	100.00	100.00	20,833,902	100.00	100.00	20,833,902	100.00	100.00

6.2.2. NOTIFICATION OF CROSSING THE THRESHOLD

Any physical or moral person, acting alone or with others, who goes above, or back under, the threshold of 3% of the capital stock or voting rights or any multiple of this percentage, is required to inform the Company (decision of the General Meeting of July 22, 1993). The conditions under which the Company should be informed are laid down in article 12 of the by-laws.

If such conditions are not respected, any shares above this threshold and which should have been declared, are deprived of voting rights under conditions laid down by the law, if one or several holders of shares to the value of 5% or more of the capital stock so request in the minutes of the General Meeting.

At the same time, and with the aim of monitoring the composition of its shareholders, the company is authorized to make full use of legal recommendations for the identification of holders of shares which grant immediate or subsequent voting rights in its shareholders' meetings.

Following the constitution of the Banque Publique d'Investissement, BPI Groupe, a public investment bank for the industrial and commercial sectors (ex EPIC OSEO) declared that on July 12, 2013, it had indirectly gone above the thresholds of 5% of Vilmorin & Cie's capital stock and voting rights, through Bpifrance Participations SA, a company which it holds indirectly through the company BPI Groupe SA, and that on this same date, it held 1,467,858 shares of Vilmorin & Cie representing the same number of voting rights, i.e. 7.75% of the company's capital stock and 5.05% of its voting rights.

The Caisse des Dépôts et Consignations declared that it held directly and indirectly, through CDC Entreprises Valeurs Moyennes and Bpifrance Participations SA, 1,882,834 shares and voting rights, i.e. 9.94% of the Company's capital stock and 6.48% of its voting rights.

No further declaration has been brought to the attention of Vilmorin & Cie.

6.2.3. FINANCIAL AUTHORIZATIONS GRANTED BY THE ANNUAL GENERAL MEETING OF DECEMBER 11, 2015

In order to provide Vilmorin & Cie with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 11, 2015 authorized the Board of Directors:

- to issue bonds or other assimilated debt securities (seventh resolution),
- to issue, with or without pre-emptive subscription rights, shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities (tenth and eleventh resolutions).

The Annual General Meeting of December 11, 2015 also authorized the Board of Directors to issue, without pre-emptive subscription rights, ordinary shares and/or securities providing access immediately or when due, to Company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, by private placement (twelfth resolution).

The total nominal amount of these issues may not exceed 500 million Euros, as presented in the thirteenth resolution.

6.3. VILMORIN & CIE'S SHARES

6.3.1. SHARE DATA SHEET

- Date of introduction to the second market of the Paris stock exchange: November 3, 1993.
- Place of quotation: Euronext Paris. Compartment A.
- Eligible for SRD since February 26, 2008.
- ISIN code: FR 0000052516 (RIN).
- Eligible for PEA (share savings plan).
- ICB nomenclature sector: Farming & Fishing.
- Number of shares: 20,833,902.
- Close of the fiscal year on June 30.

6.3.2. MANAGEMENT AND LIQUIDITY OF THE SHARES

Natixis Securities is responsible for running Vilmorin & Cie's liquidity contract. This contract complies with the AMAFI deontology charter, approved by the AMF (authority governing the French stock markets) on March 8, 2011.

Assets that appear on the liquidity account are:

At the beginning of the contract:

- number of shares: 7,989
- cash: 68,037.90 Euros

On June 30, 2016:

- number of shares: 9,314
- cash: 232,828 Euros

6.3.3. PERFORMANCE OF THE SHARES

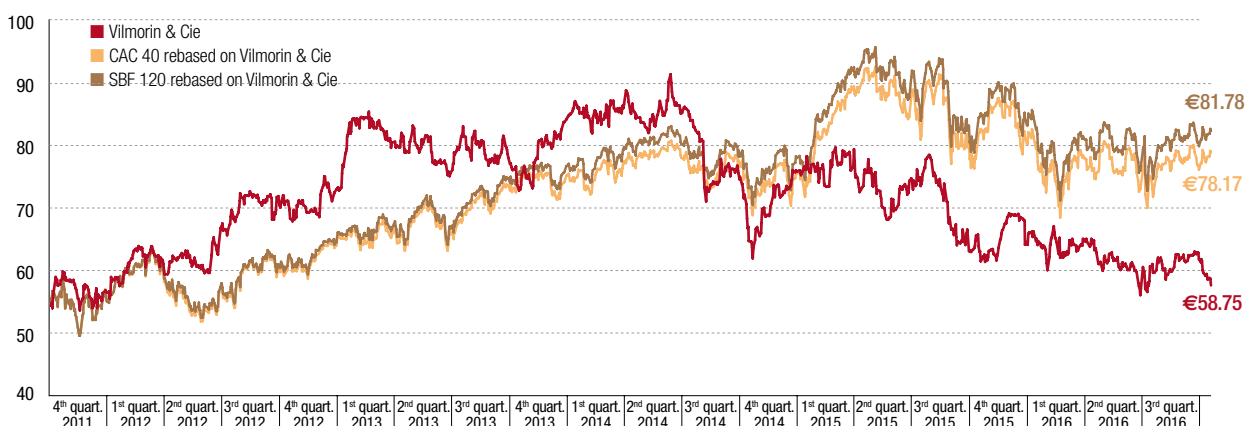
Over the past two years, Vilmorin & Cie's share price has evolved negatively.

Vilmorin & Cie carries out its business in market environments that vary markedly depending on the activities. The market for vegetable seeds has been extremely dynamic, but that of field seeds, affected by the low level of prices for agricultural production has been unfavorable.

Nevertheless, Vilmorin & Cie, with its defensive, long-term profile, regularly demonstrates the relevance of its long-term development strategy on worldwide markets that remain basically full of promise.

6

6.3.3.1. EVOLUTION OF THE QUOTED PRICE OF VILMORIN & CIE'S SHARES VS CAC 40 AND SBF 120 FROM 10.03.11 TO 10.03.16



→ Evolution of the price over the 5 past year (on 10.03.2016) : +10.2%

→ Evolution of the price over the past year (on 10.03.2016) : -10.2%

Data restated for the allotment of freeshares of January 2013 and January 2015.

6.3.3.2. SHARE SCORECARD REPORT ⁽¹⁾

	13-14	14-15	15-16
Daily average of transactions			
> number of shares	6,976	6,945	4,841
> thousand of Euros	657.21	562.64	318.60
Maxima and minima⁽²⁾			
> highest rate	105.00	98.76	80.20
> lowest rate	84.60	69.64	56.02
Closing rate of the fiscal year in Euros⁽²⁾	98.68	75.37	58.24
Net yield per share⁽³⁾	1.67%	2.08%	1.89%

(1) Historical data (not restated for free allotments of shares).

(2) Closing rates.

(3) Net dividend distributed in year N, in proportion to the final rate for year N. (Source: Euronext ParisBourse).

6.3.3.3. QUANTITIES EXCHANGED AND EVOLUTION OF VALUES OVER THE LAST 18 MONTHS⁽¹⁾

Date	Number of shares exchanged	Capital stock exchanged (M€)	Highest recorded rate (€) ⁽²⁾	Lowest recorded rate (€) ⁽²⁾
2015				
April	133,117	10.145	79.47	73.85
May	169,288	12.094	74.30	69.64
June	128,249	9.573	76.36	71.86
July	118,847	9.201	80.20	75.11
August	109,896	7.910	76.25	67.10
September	99,935	6.582	68.00	64.35
October	79,446	5.134	67.19	62.74
November	100,921	6.859	70.67	62.97
December	108,897	7.419	70.56	64.05
2016				
January	124,969	7.921	65.27	60.00
February	161,312	10.282	67.00	62.00
March	65,465	4.208	65.00	63.01
April	74,225	4.576	64.73	59.90
May	75,969	4.640	62.83	60.03
June	129,123	7.546	61.20	56.02
July	84,094	5.025	61.99	58.53
August	53,045	3.254	62.49	59.76
September	85,360	5.234	62.98	58.53

(1) Historical data (not restated for free allotments of shares).

(2) Closing rates.

An increase in the capital stock by the free allotment of shares at a rate of one new share for ten old shares held was launched in January 2013. The share price was mechanically divided by 1.10 as of this date. A second capital stock increase through the free allotment of shares at the rate of one new share for ten old shares was made in January 2015. The share price was thus divided by 1.10 as of this date.

6.3.3.4. INTERVENTIONS OF THE COMPANY WITH REGARD TO ITS OWN SHARES (TREASURY SHARES)

The Annual General Meeting of December 11, 2015, in compliance with the provisions of articles L.225-209 et seq. of the French Commercial Code, of title IV of Book II of the General Regulations of the Autorité des Marchés Financiers and the application instructions of regulation No. 2273/2003 of the European Commission of December 22, 2003, granted the Board of Directors, in the sixth resolution, the powers to intervene by purchasing or selling its own shares on the stock market at a maximum price of 110 Euros per share, with the number of shares thus acquired being limited to a ceiling of 1 million shares, representing a maximum potential commitment of 110 million Euros. This purchasing program is authorized for a maximum period of 18 months.

During fiscal year ending on June 30, 2016, the Company conducted, either directly or indirectly, the following operations:

- number of shares purchased = 110,776,
- average purchasing price = 65.39 Euros,
- number of shares sold = 109,582,

- average selling price = 65.72 Euros,
- number of treasury shares held on June 30, 2016: 9,314 corresponding to less than 0.1% of the capital stock, at a purchasing value of 541,368.04 Euros, which is an average unit price of 58.12 Euros.

It is proposed to the Annual General Meeting of December 9, 2016 to authorize the Board of Directors, for a maximum period of 18 months, to buy or to sell treasury shares in compliance with the provisions of article L225-209 et seq. of the French Commercial Code, with the aim of:

- insuring the liquidity of transactions and managing the share market through an investment service provider acting independently through a liquidity contract in accordance with applicable regulations,
- handing over shares when rights are exercised to convert securities that give access in any way, both immediately or at a future date, to company shares,
- preserving and handing over shares for the purpose of exchange or payment within the context of an external growth operation, and in compliance with generally accepted market practices and regulations in force,
- exercising any other practice which might be accepted or recognized by the Autorité des marchés financiers or any other objective that complies with regulations in force.

These operations will be carried out in compliance with regulations in force and in the following conditions:

- the maximum purchasing price is fixed at 90 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at 1 million shares representing a maximum potential commitment of 90 million Euros.

6.3.4. DIVIDENDS AND PROFIT DISTRIBUTION POLICY

6.3.4.1. DIVIDENDS OVER THE LAST FIVE FISCAL YEARS AND DISTRIBUTION POLICY⁽¹⁾

The net dividend per share proposed to the Annual General Meeting of December 9, 2016 is 1.10 Euros, lower in nominal value than the previous fiscal year, but corresponding to a distribution rate of 38.6%, a similar rate to previous years.

	11-12	12-13	13-14	14-15	15-16
Number of shares receiving dividend	17,216,087	18,937,257	18,937,956	20,829,597	20,833,902 ⁽²⁾
Net dividend (in Euros)	1.65	1.65	1.65	1.57	1.10
Distribution rate	35.3%	31.5%	37.2%	44.8%	38.6%

⁽¹⁾ Historical data (not restated for free allotment of shares).

⁽²⁾ The number of treasury shares at the date the dividend is paid out should be deducted from this figure.

6.3.4.2. TAX REGULATIONS (ON SEPTEMBER 13, 2016)

DIVIDENDS CLAIM LIMIT

The legal limit of 5 years from the date when the payment claimant is informed, or should have been informed, of the facts enabling him or her to make the claim. After this date, unclaimed dividends are paid to the State by the Company.

French residents

Dividends received by individuals who are tax residents of France are subject (unless exempt) to the progressive income tax scale after application of a 40% allowance, where relevant. Nevertheless, before taxation on the tax scale, these dividends are subject to a 21% prepayment of income tax. This prepayment can be offset against the taxes of the following year and, in the case of a tax surplus, can be refunded.

Nevertheless, physical persons belonging to fiscal households for which the reference fiscal income for the year before last is less than 50,000 Euros (single persons, widows or divorcees) or 75,000 Euros (couple) may request exemption from this prepayment.

Finally, the gross sum of the dividends is also subject to a welfare tax contribution at the global rate of 15.5%.

Non-French residents

Dividends received by non-French residents have tax withheld at source, the rate of which varies as follows:

- 21% for dividends received by individuals who are tax residents in another member state of the European Union (EU), or in Iceland, Norway or Liechtenstein;

- 30% for dividends received by individuals who are tax residents in states outside the EU or other than Iceland, Norway or Liechtenstein;
- 75% for dividends received by individuals who are tax residents in non-cooperating states or territories.

This withholding of tax is definitive in France and is usable in principle for a tax credit in the country of residence of the person receiving the distributed revenues.

Nevertheless, in cases where an international convention is applicable, the amount withheld may be reduced, or even not applied at all.

6.3.5. SERVICING OF THE SHARES

Vilmorin & Cie has mandated BNP Paribas Securities Services for its financial servicing. For the servicing of the shares, please contact:

BNP Paribas Securities Services
Les Grands Moulins de Pantin
CTS – Service relations actionnaires
9, rue du Débarcadère
F-93 761 Pantin Cedex

Tel:

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This service is available every working day from 8.45 am until 6 pm.

6.4. RELATIONS WITH SHAREHOLDERS

6.4.1. KEEPING IN TOUCH

Since its introduction to the stock market in 1993, Vilmorin & Cie has done all it can to be as precise, reliable and transparent as possible on its strategy and development perspectives, taking the expectations of its different financial partners into consideration.

6.4.1.1. PUBLICATIONS AVAILABLE TO ALL THE FINANCIAL COMMUNITY

Every year Vilmorin & Cie publishes several tools for the purpose of the Company's shareholders and the financial community in general.

ANNUAL REPORT

The annual report is available both in French and in abridged form in English on Vilmorin & Cie's website. It is updated at the time of the disclosure of the half- yearly financial statements.

THE WEBSITE

All the information published by Vilmorin & Cie is accessible on its website: www.vilmorin.info. The aim of this website is to inform all the financial community on the financial performances of Vilmorin & Cie, but also on its activities, strategy, perspectives and news. Apart from all the regulatory financial information, there are areas of interest for journalists, institutional analysts and investors, and individual shareholders with the objective of meeting as best as possible the needs of each type of reader.

This information concerns, for example, presentations of the Company, financial analyses, evolution of the share value, financial presentations, press files, letters to the shareholders, etc. Presentations of the sales figures are also published on the website after meetings. The site can be consulted in English or in French.

6.4.1.2. RELATIONS WITH ANALYSTS, INSTITUTIONAL INVESTORS AND THE PRESS

In 2015-2016, eight financial analyst companies followed the share price: CM-CIC Securities, Kepler Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Natixis, Oddo Midcap, Portzamparc and Société Générale.

INFORMATIONAL MEETINGS AND SITE VISITS

Four informational meetings held for investors, analysts and journalists were organized in 2015-2016 concurrently with the disclosure of the results for the fiscal year and sales for the third quarter.

For example Vilmorin & Cie organized a visit of the facilities of the company Seed Co, based in southern Africa and in which it holds a minority stake⁽¹⁾. Nine journalists and analysts were thus given the chance, in March 2016, to discover this company, which is the largest seed company in Africa.

In June 2016, Vilmorin & Cie also organized a seminar in Auvergne for financial analysts who follow the share price. Besides the visit to the research laboratory devoted to work on transgenesis*, during these two days the eight analysts present discovered the seed business, from plant breeding to the distribution of seeds.

TELEPHONE CONFERENCES

Vilmorin & Cie organized four telephone conferences and presentations in 2015-2016 at the same time as the disclosure of its quarterly sales, and an external growth operation (acquisition of the vegetable seeds company Genica Research in February 2016). Commented presentations can be consulted in French on the Vilmorin & Cie website.

MEETINGS WITH INVESTORS

During the course of fiscal year 2015-2016 Vilmorin & Cie participated in seventeen meetings with investors and analysts in the form of conferences or roadshows, including several outside France (New York, London, Copenhagen, Frankfurt, etc.).

PRESS FILE

The press file for journalists is regularly updated for the Company's main financial disclosures.

(1) Vilmorin & Cie held 30.4% of the company on June 30, 2016.

MEMBERSHIP OF CLIFF

At the beginning of 2015, Vilmorin & Cie became a member of CLIFF, the French association of financial communication professionals.

6.4.1.3. RELATIONS WITH INDIVIDUAL SHAREHOLDERS

Vilmorin & Cie is concerned to maintain a healthy balance between private and institutional Shareholders.

For this purpose the Company takes specific action in favor of individual Shareholders. On June 30, 2016, the total of individual Shareholders of either nominative or bearer shares stood at more than 12,000.

PUBLICATIONS

Letters to the shareholders

The letter to the shareholders is printed in several thousand copies. Three letters were published during the past fiscal year, providing information on financial results, development perspectives, news files and information on the stock market. Since November 2014, the letters also include a file on innovation, a pillar of Vilmorin & Cie's strategy. Innovation focuses concerned strategic crops (melon, carrot, corn, wheat). During the Actionaria fair a letter was handed out to shareholders who visited the stand. And finally, in February 2016, Vilmorin & Cie published a special letter on the Annual General Meeting looking back on the highlights of this event.

The shareholder's guide

Every year Vilmorin & Cie publishes a shareholder's guide, the content of which is more concise than the annual report. Apart from a presentation of the Company's activity and strategy and the evolution of the share on the stock market, it presents five good reasons for becoming a Vilmorin & Cie shareholder.

The shareholder's guide is sent out by mail to almost 1,000 individual Shareholders and is also available on request from the company's finance department.

L'Essentiel

This summary document provides a brief overview of Vilmorin & Cie's business activity, its development model and track record on the Paris stock market. It is handed out at the Actionaria Fair and shareholders' meetings, and can be consulted and downloaded on Vilmorin & Cie's website.

MEETINGS

Thematic conference

Organized for the first time in 2014, the thematic conference is intended for current and also potential shareholders who wish to delve deeper into one of Vilmorin & Cie's strategic topics.

This morning of privileged exchanges gives the shareholders the opportunity to understand Vilmorin & Cie's strategy better, through a pedagogical presentation. The objective is to inform and explain, while encouraging dialog with plenty of time devoted to questions and answers. Key topics are dealt with such as innovation, GMOs*, international strategy and Vilmorin & Cie's activities in Africa.

Shareholders' meetings

In 2015-2016, Vilmorin & Cie met several hundred shareholders who participated in two meetings organized in Rouen and Lille. The Company will continue to organize these privileged moments of exchange with its shareholders during the course of 2016-2017. They provide an opportunity to present the Company, its business activity and its strategy, while answering numerous questions.

The Actionaria Fair

Vilmorin & Cie, a faithful participant in the Actionaria Fair in Paris for more than 10 years, was present at this event in November 2015, with very positive results once again both in terms of participation and the quality of the exchanges.

It is an important event in the Company's communication strategy with regard to individual Shareholders, and Vilmorin & Cie's management, financial communication team and members of the Consultative Committee for Shareholders were all present. This year, Actionaria was marked by Vilmorin & Cie's presence at the Chairmen's Agora and a Midcap conference on the theme of "*Midcaps, driving regional economic development*". The Company will be present once again for the 2016 fair.

Annual General Meetings of Shareholders

Vilmorin & Cie's Annual General Meeting, a highlight in its relations with its shareholders, is a time of listening and exchanging, shared with the Board of Directors.

The Shareholders can thus participate actively in the group's important decisions by voting, whatever the number of shares held.

Shareholders have the possibility of voting on the Internet, before the Annual General Meeting, on the secure platform VOTACCESS. Shareholders who so wish can also benefit from an electronic notification, i.e. to receive their invitation to attend the Annual General Meeting by e-mail.

The Annual General Meeting deliberating on the annual financial statements for 2015-2016 will take place on December 9, 2016 in Paris. Detailed information concerning General Meetings is presented page 199.

THE CONSULTATIVE COMMITTEE FOR SHAREHOLDERS

The Consultative Committee for Shareholders (CCS) was formed in the spring of 2010 with the objective of contributing to the development strategy for individual shareholders. It makes proposals to Vilmorin & Cie on the expectations of individual shareholders and thus on improving financial communication.

The duration of the mandate for individual Shareholder members on the Committee is for two years and they may be re-elected.

Within the framework of the partial renewal of Vilmorin & Cie's Committee, during the course of fiscal year 2015-2016 three new individual Shareholders were integrated. Recruitment is carried out on the basis of application files received, then selection by the Directors and the financial communication team. On June 30, 2016, the Committee comprised:

- Six individual Shareholders representing the Shareholders:
 - Jean-Claude BONHOMME (Auvergne-Rhône-Alpes – 63),
 - Jean GERMAN (Ile-de-France – 78),
 - Marie-Florence LAMY (Normandie – 76),
 - Christian MAMY (Ile-de-France – 78),
 - Pierre-Yves PELISSIER (Ile-de-France – 95),
 - Francine SAUCIER (Ile-de-France – 75).
- Two Directors from Limagrain:
 - Philippe BLATEYRON,
 - Sébastien VIDAL.

It is managed by:

- Vilmorin & Cie's Chief Financial Officer: Daniel JACQUEMOND,
- the financial communication team: Valérie MONSÉRAT, Head of Financial Communication and Investor Relations, and Clémence DATURI, Financial Communication Officer and Individual Shareholder Relations.

The Committee met three times during fiscal year 2015-2016 at different sites of the group and at the site of one of Vilmorin & Cie's customers, a lettuce plant producer in Villefranche-sur-Saône (69). Its work has helped to make recommendations on communications devoted to individual Shareholders (Actionaria Fair, General Meetings, the thematic conference for individual Shareholders, etc.) and exchange on topics concerning the group's strategy and perspectives.

MEMBERSHIP OF THE INDIVIDUAL INVESTORS' FEDERATION AND INVESTMENT CLUBS (F2IC)

Vilmorin & Cie has been an active member of the Individual Investors' Federation and Investment Clubs (F2IC) since 2005.

It participates in shareholder meetings organized by the Federation, and also distributes its letters to shareholder investment clubs.

6.4.2. SCHEDULED AGENDA FOR 2016-2017

The dates are provided as an indication and are subject to modification.

- November 8, 2016: Disclosure of sales at the end of the first quarter⁽¹⁾
- November 18 and 19, 2016: Actionaria Fair at the Palais des Congrès in Paris
- December 9, 2016: Annual General Meeting of Shareholders in Paris
- December 13, 2016: Detachment of the dividend
- December 15, 2016: Payment of the dividend
- February 15, 2017: Disclosure of sales and results for the first semester⁽¹⁾
- April 25, 2017: Disclosure of sales at the end of the third quarter⁽¹⁾
- July 31, 2017: Disclosure of sales for the fiscal year⁽¹⁾
- October 18, 2017: Disclosure of results for the fiscal year⁽¹⁾

(1) Disclosure after trading on the Paris stock market.

6.4.3. CONTACTS

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ANNUAL GENERAL MEETING OF DECEMBER 9, 2016

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7.1. MEETING AGENDA

RESOLUTIONS OF AN ORDINARY NATURE

FIRST RESOLUTION

Approval of the annual corporate financial statements and full discharge to the Board of Directors

SECOND RESOLUTION

Regulatory agreements

THIRD RESOLUTION

Application of the profits

FOURTH RESOLUTION

Approval of the annual consolidated financial statements and full discharge to the Board of Directors

FIFTH RESOLUTION

Fixing the amount for attendance fees

SIXTH RESOLUTION

Renewal of the term of office of a Director

SEVENTH RESOLUTION

Renewal of the term of office of a Director

EIGHTH RESOLUTION

Renewal of the term of office of a Director

NINTH RESOLUTION

Non-approval of the nomination of a Director and his non-replacement

TENTH RESOLUTION

Approval of the appointment of a Director

ELEVENTH RESOLUTION

Purchase and sale by the Company of treasury shares

TWELFTH RESOLUTION

Issue of bonds and other assimilated debt securities

THIRTEENTH RESOLUTION

Decision on the components of the remuneration granted for fiscal year 2015-2016 to Mr. Philippe AYMARD, Chairman and CEO

FOURTEENTH RESOLUTION

Decision on the components of the remuneration granted for fiscal year 2015-2016 to Mr. Emmanuel ROUGIER, Delegate CEO

RESOLUTIONS OF AN EXTRAORDINARY NATURE

FIFTEENTH RESOLUTION

Issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

SIXTEENTH RESOLUTION

Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

SEVENTEENTH RESOLUTION

Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to the company's capital stock or capital stock in a company in which it directly or indirectly holds more than half the capital stock, by private placement under article L. 411-2, II of the French Monetary and Financial Code

EIGHTEENTH RESOLUTION

Global limit of the total amount to be issued

NINETEENTH RESOLUTION

Increase in the capital stock reserved for employees

TWENTIETH RESOLUTION

Cancelation of the obligation stipulated in the by-laws to hold qualifying shares

TWENTY-FIRST RESOLUTION

Correlative modifications to the by-laws

RESOLUTION OF AN ORDINARY NATURE

TWENTY-SECOND RESOLUTION

Delegation of powers

7.2.

RESOLUTIONS

OF AN ORDINARY NATURE

FIRST RESOLUTION

APPROVAL OF THE ANNUAL CORPORATE FINANCIAL STATEMENTS AND FULL DISCHARGE TO THE BOARD OF DIRECTORS

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements, the Annual General Meeting of Shareholders (AGM) approves the corporate financial statements for the fiscal year closing on June 30, 2016 as presented to the meeting, and the general running of the Company as described in the above-mentioned financial statements and reports, and also approves the non-deductible expenses governed by article 39-4 of the French Tax Code.

SECOND RESOLUTION

REGULATORY AGREEMENTS

After hearing the special report of the Statutory Auditors on operations governed by article L.225-38 of the French Commercial Code, the AGM approves the conclusions of the above-mentioned report and the new convention which is presented in it.

THIRD RESOLUTION

APPLICATION OF THE PROFITS

The AGM, following the proposal of the members of the Board of Directors, decides to apply the profits of 32,699,597.24 Euros in the following manner:

■ Net profits on June 30, 2016	32,699,597.24 Euros
■ Application to legal reserve	1,634,979.86 Euros
■ Profits available on June 30, 2016	31,064,617.38 Euros
■ Initial carry forward	6,758.85 Euros
■ Dividends to distribute	22,917,292.20 Euros
■ Final carry forward	8,154,084.03 Euros

The Company does not benefit from the distribution of dividends on any treasury shares it holds. Any dividends corresponding to these shares will be added to the sum carried forward.
The dividend is fixed at 1.10 Euros per share.

The AGM decides that the dividends will be detached on December 13, 2016 and will be paid on December 15, 2016.

FOURTH RESOLUTION

APPROVAL OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND FULL DISCHARGE TO THE BOARD OF DIRECTORS

After hearing the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements, the AGM approves the consolidated financial statements for the fiscal year closing on June 30, 2016 as presented to the meeting, and the general running of the group of consolidated companies as described in the above-mentioned financial statements and reports.

As a result they give full discharge to the members of the Board of Directors for their management for fiscal year 2015-2016.

FIFTH RESOLUTION

FIXING THE AMOUNT FOR ATTENDANCE FEES

After acknowledging the report of the Board of Directors, the AGM decides, in compliance with article 24 of the by-laws, to fix the attendance fees for its Directors for fiscal year 2015-2016, at 45,000 Euros.

SIXTH RESOLUTION

RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The AGM acknowledges that Mr. Jean-Yves FOUCAULT's term of office as Director expires on this day, and approves the renewal of his term of office for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2019.

SEVENTH RESOLUTION

RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The AGM acknowledges that Ms. Miriam MAES' term of office as Director expires on this day, and approves the renewal of her term of office for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2019.

EIGHTH RESOLUTION

RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The AGM acknowledges that Mr. Pascal VIGUIER's term of office as Director expires on this day, and approves the renewal of his term of office for the duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2019.

NINTH RESOLUTION

NON-APPROVAL OF THE NOMINATION OF A DIRECTOR AND HIS NON-REPLACEMENT

In compliance with the provisions of article L.225-24 of the French Commercial Code, the AGM decides not to approve the nomination, as Director of the Company, of Mr. Jean-Christophe JUILLIARD, provisionally approved by the Board of Directors at its meeting of February 16, 2016 to replace Mr. Daniel CHERON for the duration of his unfinished term and decides not to proceed with his replacement.

TENTH RESOLUTION

APPROVAL OF THE APPOINTMENT OF A DIRECTOR

The AGM approves the appointment, as Director of the Company, of Mr. Sébastien VIDAL co-opted by the Board of Directors at its meeting of February 16, 2016, to replace Mr. François HEYRAUD for the duration of his unfinished term, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30, 2017.

ELEVENTH RESOLUTION

PURCHASE AND SALE BY THE COMPANY OF TREASURY SHARES

After acknowledging the report of the Board of Directors, the AGM gives authorization to the Board of Directors, with the faculty of sub-delegation, in compliance with the provisions of article L.225-209 et seq. of the French Commercial Code, of Title IV, Book II of the General Regulation of the Autorité des marchés financiers

(authority governing French markets) and the implementing directive of Regulation n°2273/2003 of the European Commission dated December 22, 2003, to purchase or delegate the purchase of the Company's shares with the aim of:

- ensuring liquidity and managing the market for shares through a fully independent investment service provider, with whom a liquidity contract has been signed in compliance with applicable legislation,
- handing over shares when rights are exercised with regard to securities that provide access by whatever means, immediately or when due, to Company shares,
- holding or handing over shares for the purposes of exchange or payment for external growth operations, in compliance with recognized market practices and regulations in force,
- following any other practice that is authorized or recognized by the law or by the Autorité des marchés financiers or any other objective compliant with regulations in force.

The AGM fixes the maximum purchasing price at 90 Euros per share, and fixes the maximum number of shares liable to be purchased at one million shares, representing a maximum potential sum of 90 million Euros, on condition legal limits are also respected.

Shares may be acquired, sold or transferred at any moment, except during periods of public issue of the Company's capital stock, and by any means, on the market, outside the market, by multilateral trading facilities, by private agreement, including through blocks of securities or bids, optional mechanisms, derivatives, call options or securities, respecting applicable regulatory conditions.

This authorization is granted for a period of eighteen months commencing as of the date of this AGM, replacing the authorization granted by the AGM of December 11, 2015 regarding the unused proportion on this date.

The AGM grants full powers to the Board of Directors, with the faculty to delegate, to apply the present authorization, place an order on the stock market, sign any agreements, carry out any formalities and declarations with any organizations, and in more general terms, to do all that is required to implement the decisions it has taken with regard to the present authorization.

The Board of Directors shall inform the AGM of any operations carried out, in compliance with applicable regulations.

TWELFTH RESOLUTION

ISSUE OF BONDS AND OTHER ASSIMILATED DEBT SECURITIES

After acknowledging the report of the Board of Directors, the AGM delegates full authority to the Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 400 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies, on condition that the global limit fixed in the eighteenth resolution be respected.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the stock and/or the interest accrued for these securities.

Full authority is granted to the Board of Directors to proceed with these issues in the limits fixed above, in compliance with legal provisions and with the by-laws, and in particular to:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan, within the limits authorized above,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium,
- fix, according to market conditions, the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

Within the framework of this resolution, the Board of Directors may, in application of article L.228-40 of the French Commercial Code, delegate to its CEO, or with his agreement, to one or several CEO Delegates, or to one of its members, the powers that it has received for the purpose of the present authorization.

The present authorization is given for a maximum duration of eighteen months. It supersedes the authorization previously granted by the AGM of December 11, 2015.

THIRTEENTH RESOLUTION

DECISION ON THE COMPONENTS OF THE REMUNERATION GRANTED FOR FISCAL YEAR 2015-2016 TO MR. PHILIPPE AYMARD, CHAIRMAN AND CEO

After acknowledging the report of the Board of Directors, which states that Mr. Philippe AYMARD exercises his functions without any compensation, the AGM approves the absence of compensation granted for fiscal year 2015-2016 to Mr. Philippe AYMARD, Chairman and CEO.

FOURTEENTH RESOLUTION

DECISION ON THE COMPONENTS OF THE REMUNERATION GRANTED FOR FISCAL YEAR 2015-2016 TO MR. EMMANUEL ROUGIER, DELEGATE CEO

After acknowledging the report of the Board of Directors, which states that the total remuneration granted for fiscal year 2015-2016 to Mr. Emmanuel ROUGIER for his mission as Delegate CEO came to 332,000 Euros, approves this remuneration including its different components.

7.3. RESOLUTIONS OF AN EXTRAORDINARY NATURE

FIFTEENTH RESOLUTION

ISSUE, WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS, OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS IMMEDIATELY AND/OR WHEN DUE, TO COMPANY SHARES OR TO SHARES IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS MORE THAN HALF THE CAPITAL STOCK, OR DEBT SECURITIES IN PARTICULAR SUCH AS BONDS WITH AN OPTION OF CONVERSION AND/OR EXCHANGE FOR NEW OR EXISTING SHARES

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors, and in compliance with the provisions of articles L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

■ delegates to the Board of Directors, for the duration of twenty-four months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, with pre-emptive shareholder subscription rights - with the issue of ordinary shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential share and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

■ decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation cannot be greater than 300 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the Company's shares, on condition that the global limit fixed in the eighteenth resolution be respected.

■ decides that the securities issued providing access to ordinary shares in the Company may, in particular, consist in debt securities, or be associated to the issue of such securities.

In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 300 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

■ decides that in the conditions stipulated by law, the shareholders may exercise their pre-emptive right to subscription, without reduction. Moreover the Board of Directors may institute, for the benefit of the shareholders, a pre-emptive subscription right with deduction which may be exercised proportionately to their rights and within the limit of the number requested.

If subscriptions without reduction, or where appropriate with reduction, have not absorbed all the issue of shares or securities providing access to the capital stock as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

■ acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the Company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the ordinary shares to which these securities otherwise give the right.

■ decides that stock purchase warrants in the Company may be issued either by subscription offers, or by free allotment to those who already hold shares.

Where autonomous stock subscription warrants are allocated free, the Board of Directors will be entitled to stipulate that any odd lots of allotment rights are not negotiable, and that the corresponding securities may be sold.

■ grants full powers to the Board of Directors to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the Company, and to determine how, where relevant, they can be bought back on the stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allocate ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.

- decides, furthermore, that when securities for issue consist in, or are associated to, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or optional cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

SIXTEENTH RESOLUTION

ISSUE, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS IMMEDIATELY OR WHEN DUE, TO COMPANY SHARES OR SHARES IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS MORE THAN HALF THE CAPITAL STOCK, OR DEBT SECURITIES IN PARTICULAR SUCH AS BONDS WITH AN OPTION OF CONVERSION AND/OR EXCHANGE FOR NEW OR EXISTING SHARES

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of article L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L. 225-135, L.225-136, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- delegates to the Board of Directors, for the duration of twenty-four months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, without pre-emptive shareholder subscription rights - with the issue of ordinary shares and securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables.
The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.
- Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.
- decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation, cannot be greater than 200 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the Company's shares, on condition that the global limit fixed in the eighteenth resolution be respected.
- decides that the securities issued providing access to ordinary shares in the Company may, in particular, consist in debt securities, or be associated to the issue of such securities. In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.
The nominal amount for any such issued debt securities shall not exceed 200 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.
- acknowledges that the present delegation gives full preference to others if the shareholders renounce their pre-emptive right to subscribe the ordinary shares in the Company to which these securities, on the basis of this delegation, otherwise give the right.
- decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution, while granting the Board of Directors the powers to institute, for the benefit of the shareholders, a pre-emptive subscription right with or without deduction which does not grant the right to the creation of negotiable rights.
- decides that the issue price of the new shares issued will at least be equal to the minimum set in regulatory provisions applied on the date of issue, which today is the weighted average of the quoted price of the Company's shares for the last three sessions of the Eurolist d'Euronext Paris stock market preceding the date this price is fixed, reduced where necessary by the maximum discount of 5% stipulated by legislation in force.
- decides that the Board of Directors will be responsible, with the faculty of sub-delegation, for fixing the price of issuing ordinary shares or securities granting the right to the Company's capital stock.

■ decides that if the subscriptions of shareholders and the public have not absorbed all the issue of shares or securities as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

■ grants full powers to the Board of Directors to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the Company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allot ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.

■ decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or facultative cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.

When securities for issue consist in, or are associated, to debt securities, the Board of Directors will decide whether they are subordinated or not, will fix their rate of interest and how this interest is to be paid, whether they are perpetual floating or not, their fixed or variable price of redemption, with or without premium, the possibility of reducing or increasing the par value of the securities, and all other methods of issue and amortization according, in particular, to market conditions and the conditions in which these securities grant the right to shares in the Company. Where appropriate, the securities to be issued may be associated with warrants granting the right to the allotment, acquisition or subscription of bonds or other debt securities, or may stipulate that the Company may issue debt securities, whether fungible treasury bonds or not, to pay for interest that has been suspended by the Company, or take the form of complex bonds as defined by the stock market authorities.

The Board of Directors may decide, during the life cycle of the securities concerned, to modify the provisions presented above, on condition that applicable formalities are respected.

■ decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase,

and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.

■ finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

SEVENTEENTH RESOLUTION

ISSUE, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS IMMEDIATELY OR WHEN DUE, TO THE COMPANY'S CAPITAL STOCK OR CAPITAL STOCK IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS MORE THAN HALF THE CAPITAL STOCK, BY PRIVATE PLACEMENT UNDER ARTICLE L. 411-2, II OF THE FRENCH MONETARY AND FINANCIAL CODE

After acknowledging the report of the Board of Directors and special report of the Statutory Auditors and in compliance with provisions of article L.225-129 et seq. of the French Commercial Code, and in particular articles L.225-129-2, L. 225-135, L.225-136, and L.228-91 et seq., the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

■ delegates to the Board of Directors, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed with an increase in capital stock, in one or several operations, in the proportion and at the time it deems most opportune, respecting the provisions of article L. 233-32 of the French Commercial Code, whether in France or another country, by private placement under article L. 411-2, II of the French Monetary and Financial Code, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of ordinary shares or securities providing access immediately and/or when due to the Company's capital stock, as governed by articles L. 228-91 et seq. of the French Commercial Code and which may be subscribed to either in cash, or by compensation of receivables.

Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

■ delegates to the Board of Directors, with the faculty of sub-delegation, in conditions fixed by the law, its authority to proceed with the issue of securities providing access immediately and/or

when due to existing or new ordinary shares and/or debt securities of a company in which the Company directly or indirectly holds more than half the capital stock, or which directly or indirectly holds more than half the capital stock of the company, on condition that the issues of securities have been approved by the company in which the rights are exercised.

- decides that the maximum nominal amount for capital stock increases that may be effected immediately or when due by virtue of this delegation is 20% of the capital stock on the day of the decision by the Board of Directors. This amount will be included in the amount of the total ceiling provided for in the eighteenth resolution, or, where relevant, in the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock. In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.
- fixes the duration of the validity of the delegation of authority concerned by the present resolution to twenty-six (26) months, starting from the day of this AGM.
- decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution.
- acknowledges that if subscriptions have not absorbed the entire issue, the Board of Directors will be able to limit the amount of the operation to the amount of subscriptions received, on condition that this amount reaches at least three-quarters of the issue initially declared.
- acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the Company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the shares to which these securities otherwise give the right.
- decides that the price for the subscription of shares and/or securities issued by virtue of the present delegation will be determined in compliance with the provisions of articles L.225-136 and R.225-119 of the French Commercial Code.
- decides that the Board of Directors, with the faculty of sub-delegation, and in compliance with legislative provisions, will have full powers to exercise the present delegation, in particular to determine the issue dates and conditions, and the form and characteristics of the securities to be created, to fix the issue prices and conditions, to fix the amounts to be issued, to fix the date of entitlement, albeit retroactive, for the securities to be issued, to determine how the issued ordinary shares or other securities should be paid up, and the conditions in which these securities will grant a right to the Company's ordinary shares, to set the conditions where

appropriate, for their buyback on the Paris stock market and their possible cancellation, to anticipate the possibility to suspend the exercise of share allotment rights attached to the securities to be issued and to fix the mechanism for the protection of the interests of holders of securities providing future access to the share capital, in compliance with all legal and regulatory provisions.

- decides, moreover, that when the securities to be issued comprise, or are associated with, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to determine whether they are perpetual floating or not, their remuneration and, where applicable, the compulsory or optional events of suspension or non-payment of interest, their duration and the possibility of a reduction or increase in the nominal value of the securities, and the other issue and amortization methods.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- decides that the Board of Directors may also, with the faculty of sub-delegation, acknowledge the completion of each share capital increase and make any related amendments, and generally enter into any agreement in particular to successfully complete the proposed issues envisaged, taking all steps necessary to carry out any formalities for the issue, the quotation, and for the financial servicing of securities issued pursuant to this delegation and for the exercise of the rights attached thereto.
- finally decides that this delegation cancels and replaces the unused portion of any earlier delegations to the same effect.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

EIGHTEENTH RESOLUTION

GLOBAL LIMIT OF THE TOTAL AMOUNT TO BE ISSUED

After acknowledging the report of the Board of Directors, the AGM decides that any capital increases resulting from the use of delegations involving the authorization to issue shares and other securities granted in the fifteenth, sixteenth and seventeenth resolutions above, whether immediate, deferred or potential, and also any issue of securities according to the provisions of the twelfth resolution above, shall not globally exceed the total nominal value

of 500 million Euros, or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies; to this sum may be added, where relevant for capital increases as described above, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to the capital stock, in accordance with legal and regulatory provisions.

NINETEENTH RESOLUTION

INCREASE IN THE CAPITAL STOCK RESERVED FOR EMPLOYEES

After hearing the reports of the Board of Directors and the Statutory Auditors, the AGM, deliberating within the framework of article L.225-129-6 of the French Commercial Code, decides to increase the capital stock reserved for employees participating in a company or group savings plan.

The AGM delegates to the Board of Directors the powers necessary to take decisions to proceed with the increase in the capital stock, in one or several operations, in the proportion and at the time it deems most opportune, through the issue of shares in the capital stock or securities providing access to the Company's capital stock, without pre-emptive rights to the subscription of shares; the capital increase is reserved for the Company's employees still under contract, or those with work contracts in companies that are associated according to the definition of L.225-180 of the French Commercial Code, that participate in the company or group savings plan, and that satisfy any conditions that are laid down by the Board of Directors.

The amount of increase in the capital stock liable to be made through the delegation presented above may not exceed ten million Euros in nominal value; to this sum may be added, where relevant, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to these shares, in accordance with legal provisions in force.

The issue price for new shares, to be fixed by the Board of Directors, cannot be lower by more than 20% than the average rate recorded for the Company's shares on the Paris stock market during the legal period and in the conditions laid down by the law in force at the date considered; current legislation states this period to be the twenty days the Paris stock market is open preceding the day of the decision taken by the Board of Directors to fix the date when subscriptions are open.

The Board of Directors is granted full powers, in conditions fixed by the law, to implement this present delegation, or postpone this implementation a later date, within the limits and methods that it fixes in advance, to:

- determine the companies whose employees may benefit from the issue subscription offer, for the purposes of the present delegation,

- fix the conditions of seniority in particular necessary to benefit from these subscription offers,
- determine the issue dates and methods adopted,
- fix the issue prices and conditions,
- fix the amounts to be issued,
- fix the date of entitlement, albeit retroactive, for the securities to be issued,
- determine how the shares should be paid up and the time granted to the beneficiaries to pay up their subscription,
- decide whether the subscriptions can be made directly and/or indirectly through mutual funds,
- fix, for security issues covered by the present delegation, the methods and conditions of participation in a company or group savings plan, determine their regulations or, for pre-existing plans, and modify their regulations.

Finally, the Board of Directors may, where appropriate, deduct any charges from the premium or premiums associated to capital increases, in particular any costs generated by security issues, and more generally to take any useful measures to reach agreements in order to succeed with such issues, record any stock capital increases resulting from an issue made within the framework of the present delegation, and modify the by-laws accordingly.

The present authorization is granted for the maximum duration of twenty-four months. It supersedes the authorization previously granted by the AGM of December 11, 2015.

TWENTIETH RESOLUTION

CANCELATION OF THE OBLIGATION STIPULATED IN THE BY-LAWS TO HOLD QUALIFYING SHARES

After acknowledging the report of the Board of Directors, in compliance with the provisions of article L.225-25 of the French Commercial Code, the AGM decides to cancel the obligation stipulated in the by-laws for Directors to hold qualifying shares, and therefore to make the corresponding transfers and redeem these shares.

TWENTY-FIRST RESOLUTION

CORRELATIVE MODIFICATIONS TO THE BY-LAWS

After acknowledging the report of the Board of Directors, and as a consequence of the previous resolution, the AGM, decides to remove article 18 from the by-laws and to renumber the following articles, with article 19 becoming article 18, article 20 becoming article 19, and so forth.

7.4.

RESOLUTION OF AN ORDINARY NATURE

TWENTY-SECOND RESOLUTION

DELEGATION OF POWERS

The AGM grants full powers to the bearer of a copy or extracts of the minutes recording the present deliberations with the aim of completing all legal and administrative formalities as required.



8

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8.1. STATUTORY AUDITORS

8.1.1. CONTROL BODIES

8.1.1.1. INCUMBENT STATUTORY AUDITORS

KPMG AUDIT, DÉPARTEMENT DE KPMG SA

2, avenue Gambetta - Tour Eqho - CS 60055
F-92066 Paris La Défense Cedex
Represented by Mr. Laurent GENIN
Date of renewal: 2014
Date of expiry of term of office: 2020 (AGM deliberating on the financial statements closing on June 30, 2020)

VISAS 4 COMMISSARIAT

56, boulevard Gustave Flaubert – F-63010 Clermont-Ferrand
Represented by Mr. Claude AUBERT
Date of renewal: 2011
Date of expiry of term of office: 2017 (AGM deliberating on the financial statements closing on June 30, 2017)

8.1.1.2. SUBSTITUTE STATUTORY AUDITORS

SALUSTRO REYDEL

2, avenue Gambetta - Tour Eqho - CS 60055 –
F-92066 Paris La Défense Cedex
Date of appointment: 2014
Date of expiry of term of office: 2020 (AGM deliberating on the financial statements closing on June 30, 2020)

Mr. OLIVIER DELARUE

56, boulevard Gustave Flaubert – F-63010 Clermont-Ferrand
Date of appointment: 2011
Date of expiry of term of office: 2017 (AGM deliberating on the financial statements closing on June 30, 2017)

8.1.2. FEES OF THE STATUTORY AUDITORS, OTHER AUDITORS AND MEMBERS OF THEIR NETWORK

In Euros	06.30.16			06.30.15		
	KPMG	Visas 4	Total	KPMG	Visas 4	Total
STATUTORY AUDITORS						
Vilmorin & Cie	170,013	37,957	207,970	148,341	34,609	182,950
Globally integrated subsidiaries	782,640	20,000	802,640	797,728	18,951	816,679
OTHER SERVICES						
Legal, fiscal, social	99,419	-	99,419	119,974	-	119,974
TOTAL	1,052,072	57,957	1,110,029	1,066,042	53,560	1,119,602

8.2. PUBLICLY AVAILABLE DOCUMENTS

Historical financial information, the annual report, the letters to the Shareholders, the documents of the Annual General Meetings (Notice of the Meeting, minutes of the AGM) in French, the Company's by-laws and all the components of the "regulated information" as laid down in article 221-1 of the General Regulations of the Autorité des

marchés financiers (in particular press releases, half-yearly and yearly disclosures) can be consulted on the website www.vilmorin.info in the section Publications. The documents can also be consulted at the head office at: 4 Quai de la Mégisserie - F-75001 PARIS.

8.3. INCORPORATION WITH REFERENCE TO HISTORICAL FINANCIAL INFORMATION

Pursuant to article 28 of regulation (CE) No. 809/2004 of the Commission of April 29, 2004, the following information is included with reference to the "document de référence" for 2015-2016:

■ the activity report, Vilmorin & Cie's consolidated financial statements and the reports of the Statutory Auditors on the consolidated financial statements for fiscal year 2014-2015 as presented on pages 84 thru 95 and 132 thru 207 of the "document de référence" filed with the Autorité des marchés financiers on October 30, 2015 under the reference No. D.15-0984,

■ the activity report, Vilmorin & Cie's consolidated financial statements and the reports of the Statutory Auditors on the consolidated financial statements for fiscal year 2013-2014 as presented on pages 81 thru 93 and 125 thru 197 of the "document de référence" filed with the Autorité des marchés financiers on October 31, 2014 under the reference No. D14-1032.

The information included in these documents, other than those referred to above, have, where necessary, been replaced and/or updated by information included in the "document de référence" for fiscal year 2015-2016. The documents referred to above, and the Annual Reports in English corresponding to the same fiscal years, are available on the Vilmorin & Cie website, www.vilmorin.info, and that of the Autorité des marchés financiers, www.amf-france.org.

8.4. GLOSSARY

B

BIOLOGICAL FIGHT: The fight against crop pathogens using their natural predators.

BIOTECHNOLOGY: The application of science and engineering to the use of living organisms in their natural or modified forms.

BREEDERS: Companies and professionals who create new varieties.

C

CHARACTER: Item of the description of the phenotype of a living organism or a species.

CRITICALITY: Cumulative effect of the probability of a risk occurring and the gravity of the damage it would cause.

G

GENETIC RESOURCES: Group of genes from various plant species.

GENETICALLY MODIFIED ORGANISM (GMO): Organism (plant or micro-organism) whose genome has been voluntarily modified by man using a technique, transgenesis, combining in vitro culture and genetic engineering.

GENOME: All the genetic material in the chromosomes of a particular organism.

GENOMICS: The study of genes, their resulting proteins, and the role played by the proteins in the body's biochemical processes.

GERMPLASM: Genetic heritage.

H

HYBRID: Heterozygous offspring of two genetically different parents. This conventional breeding method involves cross-fertilizing plants (parents) of the same species in order to obtain a plant (hybrid) bearing certain characteristics of the two varieties initially chosen. In theory the hybrid is more robust than its two parents.

I

INPUTS: Agricultural inputs involve the different products provided to the soil and crops, including in particular, fertilizers, amendments, chemical products, seeds, etc.

M

MOLECULAR MARKING: Following the presence or absence of a particular trait in a plant by studying its genome (without the need to grow the plant to check whether the trait is present or absent).

O

ORGANOLEPTIC: Relating to perception by the use of a sensory organ (for example taste and smell).

P

PLANT BREEDING: Combining selected parental plants to obtain the next generation with the best characteristics.

S

SALES FROM PROPRIETARY VARIETIES: Sales made on varieties coming out of the research programs of Vilmorin & Cie.

SEED MULTIPLICATION FARMER: Farmer specialized in large-scale multiplication or production of seed, with a view to selling the seed.

STACKING: The process of introducing several traits (not necessarily GM) into one plant or plant type by either selective (human) or natural breeding methods.

T

THINK TANK: A group or an institution organized for intensive research and solving of problems, especially in the areas of technology, and social or political strategy.

TRAITS: The expression of a gene or genes providing the plant with resistance to various aggressions from pests, weed-killers, etc. The phenotype is a description of one or more traits.

TRANSGENESIS: Integration into a living organism of a gene that confers upon the organism a new property that it will transmit to its descendants.

Sources :
> www.gnis-pedagogie.org
> www.larousse.fr
> Wikipedia
> Internal. Vilmorin & Cie.

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