



Informative Meeting – June 13th 2006



Agenda

Strategy

Presentation of field seeds activities

- Worldwide market
- European field seed activities
- North-American field seed activities
- Conclusion

Structure of the operation

New identity

The essential role of research

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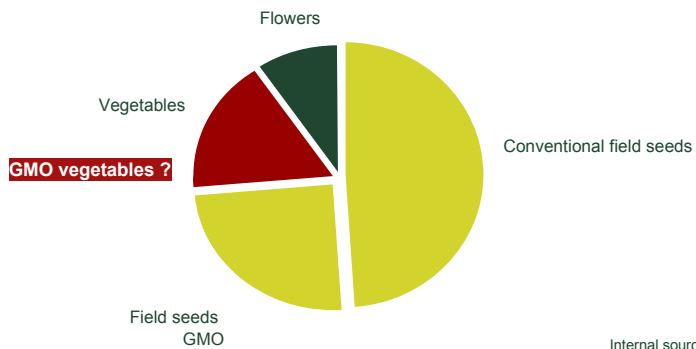
Strategy

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Strategy

A world seed market in the process of globalization

> Breakdown of the value of the market: \$20 billion



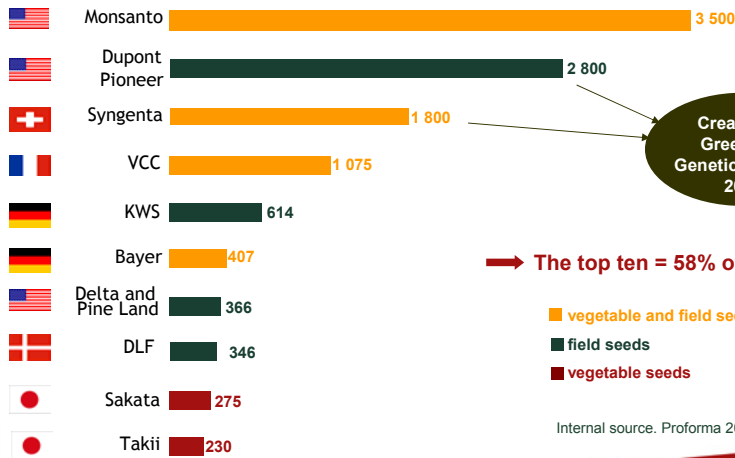
Internal source. Estimates 2005

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Strategy

A highly international, constantly growing seed market

> 2005 sales in million of \$



Creation of GreenLeaf Genetics in April 2006

→ The top ten = 58% of the market

- vegetable and field seeds
- field seeds
- vegetable seeds

Internal source. Proforma 2005 and corporate disclosure

Strategy

Ambitions

> **Strengthen our position as one of the world leaders in seed in a new market context**

- by anticipating the emergence of new seed groups
- by building partnerships with agrochemical companies
- by elaborating alternative strategies in order to gain access to upstream technologies

> **Pursue our expansion by exploiting new growth opportunities**

- nutrition and health
- biofuel
- bioplastics



> **Reinforce our unique model of organization and management, capable of federating independent seed companies**

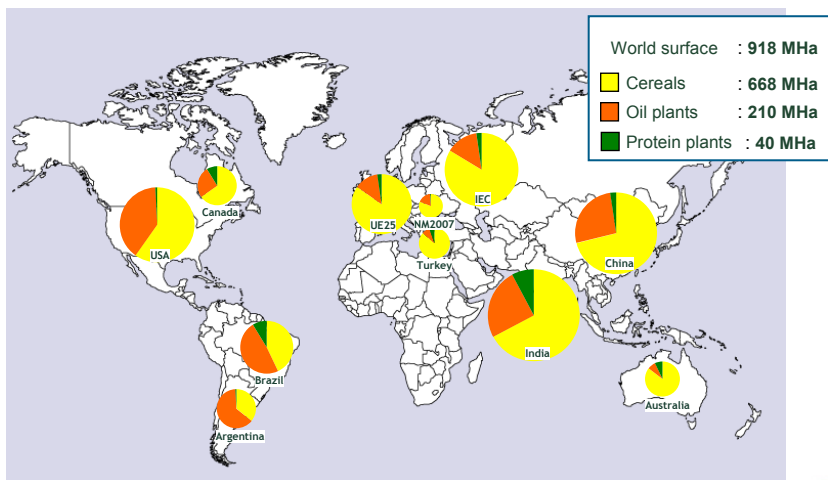


Presentation of field seed activities

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Worldwide market

A field seed market dominated by cereals and oil-protein plants

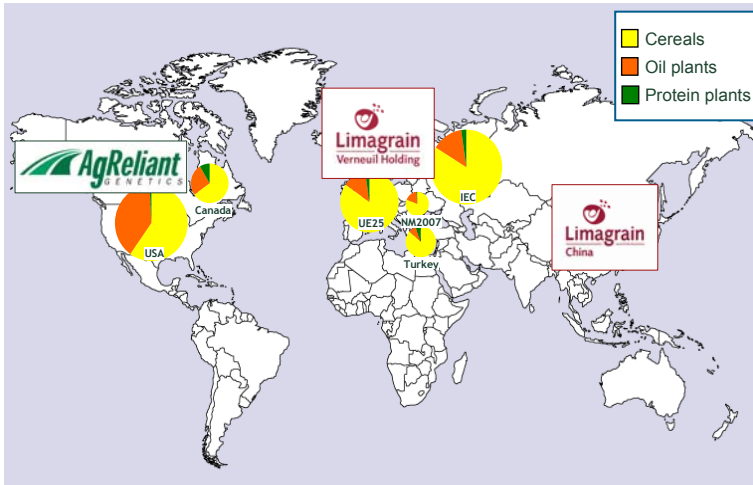


Source : FAO 2004

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Worldwide market

A strategy of development emphasizing growth and valorization of markets



Source : FAO 2004

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Limagrain Verneuil Holding

Key facts

> **Creation:** in 2000 by combining the business activities of the companies Force Limagrain, Maïs Angevin, Nickerson and Verneuil Semences, in partnership with 11 French cooperatives

> **Staff*:** 1 436

> **Sales*:** 308 M€



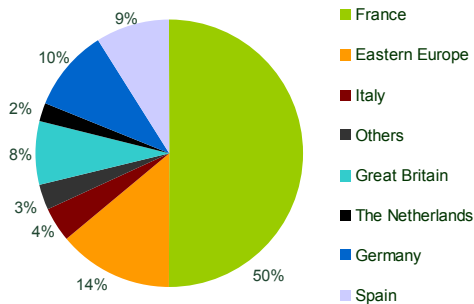
* on 06.30.05

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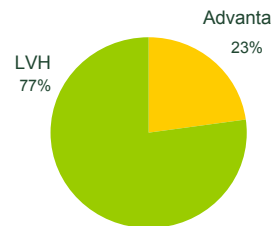
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Limagrain Verneuil Holding

A significant presence in large agricultural markets, reinforced by the integration of Advanta and marked by the successful development in large markets in Eastern Europe



Sales*
per geographic area



Sales* distribution
LVH / Advanta

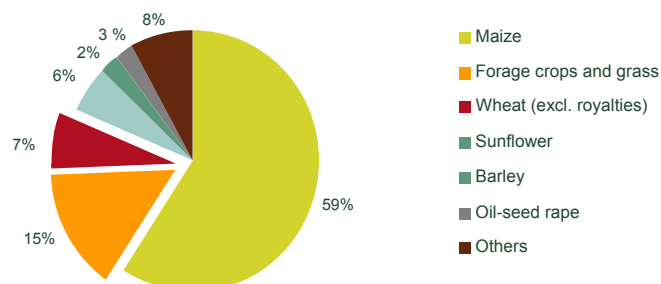
* on 06.30.05

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Limagrain Verneuil Holding

A diversified product portfolio centred mainly on maize and cereals



Sales* per product

* on 06.30.05

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The European market

Very strong competitive positions on strategic species...

	N°1	N°2	N°3	N°4
Cereals	Limagrain Verneuil Holding	RAGT	KWS	Desprez
Maize	Pioneer	Limagrain Verneuil Holding	KWS	Monsanto
Sunflower	Syngenta	Monsanto	Limagrain Verneuil Holding	Euralis

Internal source 2005

... and oil-seed rape to be developed



Aim : systematically to hold market shares superior to 20% for these species

Limagrain Verneuil Holding

Stakes and aims

- > Consolidate the success of Advanta's integration
- > Pursue expansion on Eastern Europe markets
- > Organize the arrival of genetically modified plants in Europe
- > Accentuate research partnerships
- > Capitalize on brands by anticipating the evolution of networks and of the European agricultural market



Key facts

> **Creation:** joint-venture 50/50 created in 2000 in partnership with KWS

> **Staff**:** 581 of which 7% in Canada

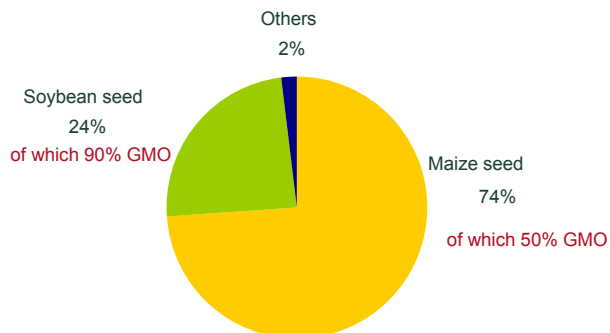
> **Sales at 100 %*:** 198 M\$



* Fiscal year 2004-2005 at 100 %

** on 06.30.05

An activity integrating more and more GMO technologies and benefiting in 2004-2005 from the integration of Producers Hybrids

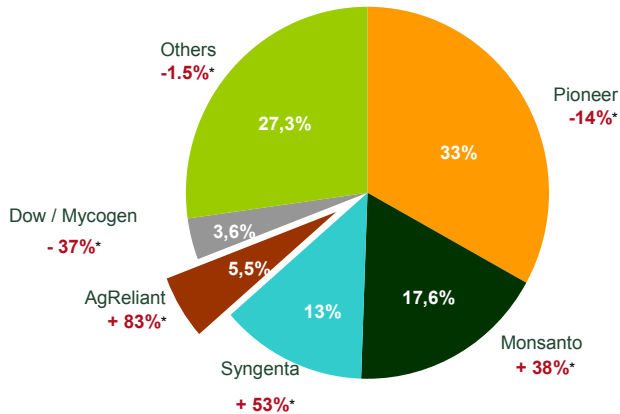


Sales* distribution per product

* Fiscal year 2004-2005 at 100 %

North-American market

AgReliant: a strong growth dynamic



Internal source. 2005

* Evolution of market shares between 2000 and 2005

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AgReliant

Goals

> **Pursue organic growth in an original model based with a multi-brand strategy**

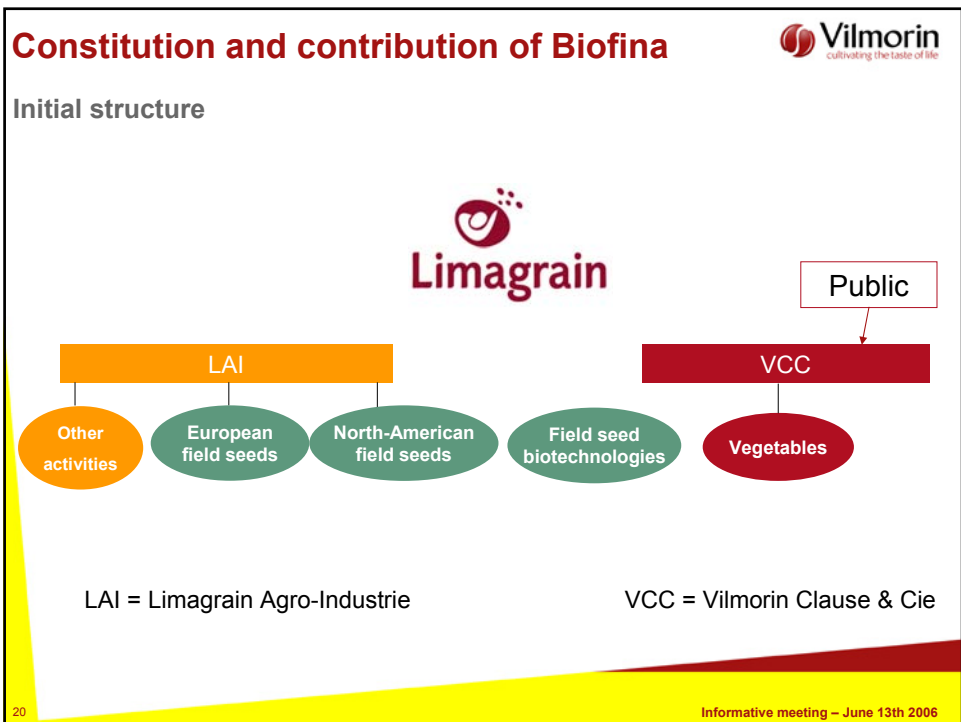
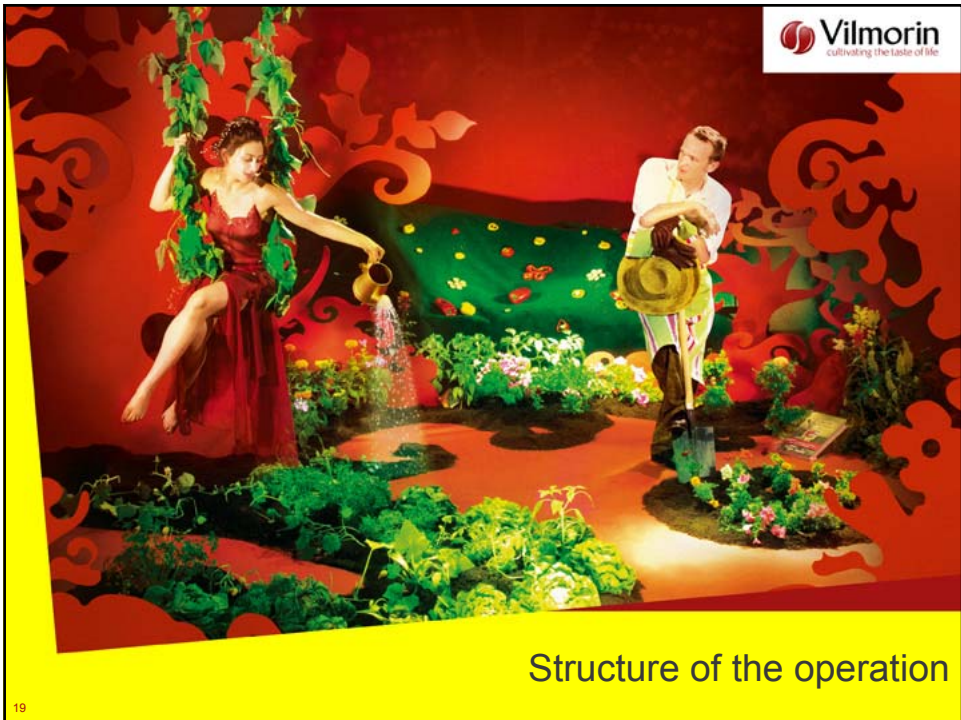
> **Seizing external growth opportunities**

Targeted acquisition of regional companies so as to cover the whole corn belt area
(latest acquisition: Producers Hybrids in December 2004)

> **Accentuating investment in research**, by playing on the complementarity of the germplasm between Limagrain and KWS and by developing our own upstream technologies

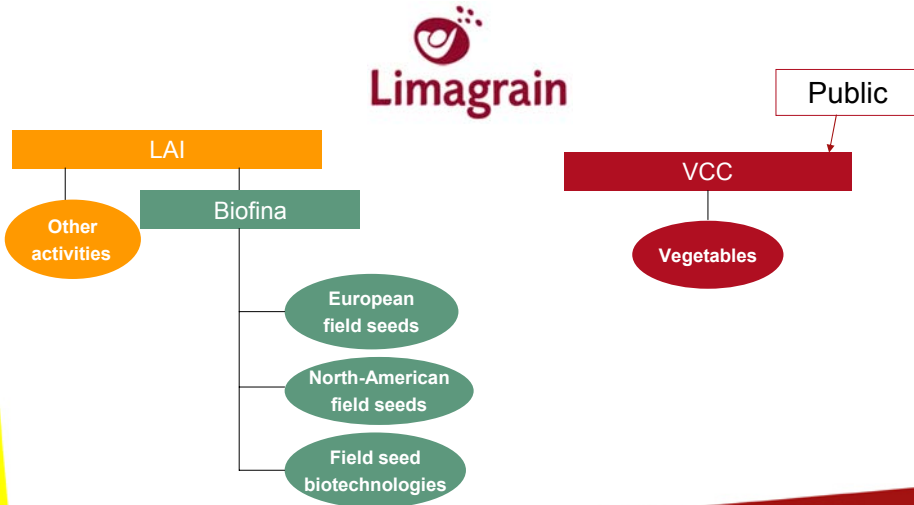
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Constitution and contribution of Biofina

Regrouping of field seed activities in an ad-hoc structure

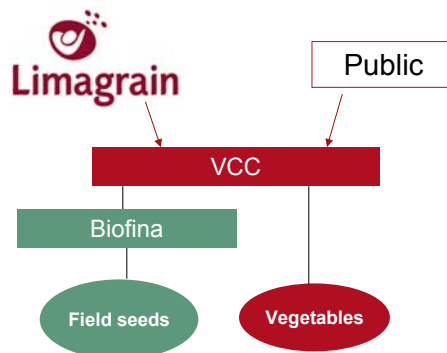


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Constitution and contribution of Biofina

Final structure



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Details of the operation

> Contribution by LAI to VCC of its all participation in Biofina

> Value and recording of the contribution

determined according to the net value of Biofina in LAI's accounts = 241.2 M€

> Remuneration of the contribution

fixed according to a relative evaluation weighting of 2,5 between VCC and Biofina



Issue by VCC to LAI of 3 824 878 new shares corresponding to a stock increase of

58.3 M€

and to a bonus contribution of

182.9 M€

namely an equity increase of

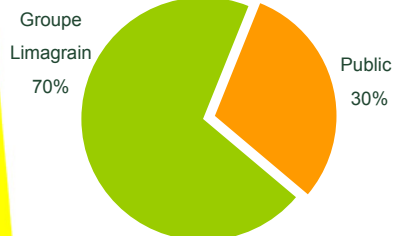
241.2 M€

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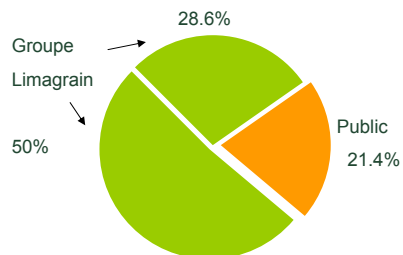
VCC shareholders

Before



9 566 979 shares

After



13 391 857 shares

basis pro-forma 07.03.2006

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Pro-forma VCC + Biofina accounts on 06.30.2005

Income statement

in M€	VCC	VCC + Biofina
Sales	489.6	873.9
Commercial margin	253.0 51.7%	403.3 46.1%
Operating income	43.7 8.9%	73.4 8.4%
Financial income	2.0	0.5
Tax	(19.9)	(16.0)
Net income	34.8	57.9
Group share	32.3	51.8

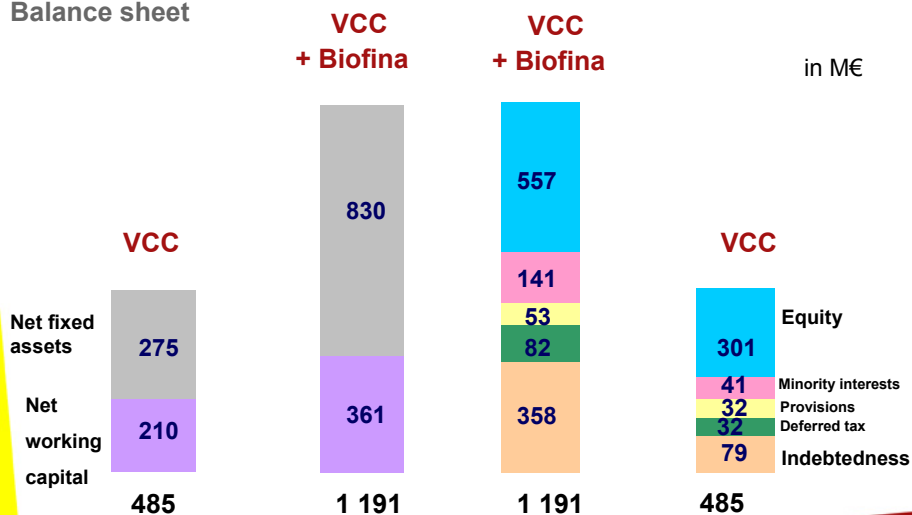
Basis 06.30.2005 IFRS

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Pro-forma VCC + Biofina accounts on 06.30.2005

Balance sheet



Basis 06.30.2005 IFRS

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2005-2008 Biofina guiding principles

> A fiscal year 2005-2006 marked by the implementation of the Advanta integration plan into LVH and by the launch of the Biogemma reorganization

↳ global costs of reorganization estimated at more than 17 M€ and taken fully into account in the current fiscal year

> 2006-2007 fiscal year will be the first year of redeployment

- economies of scale in the new European organization LVH Advanta planned at more than 12 M€
- pursuit of AgReliant organic growth on the North-American market
- first stages of the reconfiguration of upstream research organization

> An average growth of activity of 3% in Europe and 5% in North-America on the basis of a moderate investment plan (10 M€ excluding research)

2005-2008 Biofina guiding principles

> Confirmation of the goals of the vegetable seed activity

- Professional : pursuit of sustained organic growth
- Home Garden : priority given to the improvement of operating profitability

> 2007-2008 key figures

- sales > €1 billion
- operating margin \approx 10 %
- Investment budget 30 M€ excluding research



Governance and management

> Board of Directors

- keeping the current structure at the beginning
- current reflection on a partial recomposition of the Board of Directors with the co-option of an independent Director in particular
- Gérard RENARD will remain Chairman of the Board of Directors

> Executive Committee

- Jean-Christophe GOUACHE, CEO Field Seed Division joins the Executive Committee
- Daniel CHERON, Director and CEO, continues to chair it



New identity



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The essential role of research

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The essential role of research

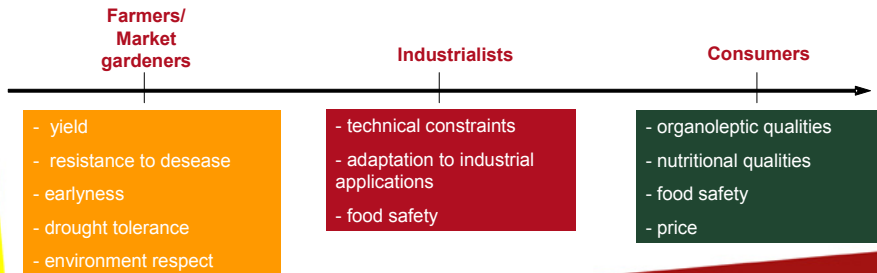
Vegetable seeds and field seeds : common stakes...

...linked with the improvement of plants

- strategic importance of mastering upstream technologies
- enrichment of seeds

...linked with the market

- anticipating demand
 - answering needs
- by integrating the following research areas :



The essential role of research

Organization

> Key figures

- budget: 100 M€ each year that is to say 11% of total sales*
150 M€ each year by integrating all the programs financed in partnerships (Keygene, Biogemma, Génoplante, AgReliant ...)
- research stations**: more than 60
- staff: more than 1 000 technicians i.e. 22% of total staff

* basis proforma 06.30.2005

** excluding experimentation stations

The essential stake of research

Orientations (1/3)

> Pursuing investment in improvement through plant breeding and enriching genetic resources

- internal development: creation of new breeding stations
- know-how of breeders
- acquisition of seed companies

> Intensifying investment in biotechnology

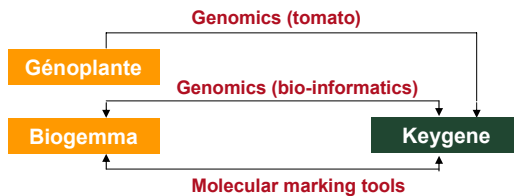
- Internal development: new breeding tools (markers ...) and agronomic traits
- spreading partnerships: agrochemical traits with agrochemists, biotechnology laboratories

The essential stake of research

Orientations (2/3)

> Organize complementarities

- biotechnologies



- tools application



The essential role of research

Orientations (3/3)

> Benefiting from new growth opportunities

GMO seeds in field seeds, and then in vegetables



Biofuel



Bioplastics



Conclusion

Benefits of the operation

> Accentuate existing partnerships and optimize upstream research synergies

> Better spread of risk

> Greater size for greater effectiveness

- Research partnerships
- External growth

> Develop new potential for growth

- Nutrition and health
- Genetically modified plants
- New markets for industrial applications



 **Vilmorin**
cultivating the taste of life

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