



Vilmorin

cultivating the taste of life

Update of Vilmorin annual report 2005-2006

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1. Business activities

1.1. Professional vegetable seeds activities

■ Purchase of the minority interests of Hazera Genetics (Israel)

Following the acquisition in July 2006 of the participation held by Megadlei Zeraim Ltd and the take-over bid launched on the Tel Aviv Stock Exchange (TASE) in November 2006, Vilmorin purchased the float (10%) of its Israeli subsidiary Hazera Genetics. Consequently, Vilmorin now holds 100% of its subsidiary's stock.

Through this operation, Vilmorin now has the means to accompany the long-term, efficient development of Hazera Genetics, the world leader of tomato seeds intended for the fresh market. The following stages will involve greater cooperation with the professional companies in Vilmorin's vegetables division, and the encouragement of openings to partnerships outside the Group.

This transaction was entirely self-funded, and based on a global value for Hazera Genetics of €83 million. It will have an accretive effect as of the fiscal year 2006-2007.

■ Increase of Vilmorin's participation in Henderson Seeds (Australia)

With the approval of the family minority shareholders, Vilmorin reached an agreement to take control over the next two years of 100% of the stock of its Australian subsidiary Henderson Seeds. The aim of the operation is to consolidate Vilmorin's presence in the Pacific Ocean zone and to reorganize its facilities in this region.

In 2005-2006 Henderson achieved sales of nearly \$4.5 million AUD. Its business activities include research, production and sales of vegetable seeds (cabbage, broccoli...) in Australia and New Zealand, and exports too.

■ Acquisition of Ferax Seeds (South Africa)

The company Ferax, responsible for the distribution of a range of vegetable seeds for Nickerson Zwaan in South Africa, was acquired on July 1st 2006, and renamed Nickerson Zwaan South Africa.

Its contribution in terms of sales came to €700 000 for the 1st semester for fiscal 2006-2007.

1.2. Field seeds activities

■ Sale of the forage and amenity grass seeds businesses

In September 2006 Vilmorin signed a global agreement with the Danish seeds company DLF. This agreement concerned the sale of Vilmorin's forage and amenity grass seed businesses, the acquisition of the cereal businesses of Innoseeds, and the strengthening of commercial cooperation between the two companies in Europe.

> In the first part of the agreement, Vilmorin sold its forage and amenity grass seeds businesses in accordance with the following terms :

- sale to DLF of all the research and production activities for forage and amenity grass seeds, along with the wholesale distribution activity of pure varieties, representing sales estimated at more than €15 million.

Nevertheless, for certain European markets, Vilmorin has kept privileged and exclusive access to products from DLF's research programs which it will be distributing.

- dilution of Vilmorin's participation in the stock of the French company Top Green from 50% to 33%, to the benefit of DLF.

Founded in 2000, with sales in 2005-2006 of €15 million, Top Green is one of the main operators on the European market for professional amenity grass seeds, and will continue to ensure supplies for Vilmorin's home garden companies.

> In the second part of the agreement, Vilmorin took control of the research, production and sales of cereal seeds (mainly wheat and barley) of Innoseeds, a subsidiary of DLF.

The corresponding sales, including royalties, represent more than €16 million. The main countries covered commercially are Benelux, the UK, Germany, France, the Czech republic and Slovakia. The research activities are mainly based in the Netherlands and the Czech Republic.

This acquisition will allow Vilmorin to strengthen its position as European leader in the strategic crops of wheat and barley, and to benefit from further openings to Eastern Europe; moreover it also means Vilmorin has integrated a top class research program and become the European leader in protein peas.

From a financial point of view, all of these operations have participated in the optimization of the capital invested in Europe by the field activities and make an immediate contribution to improving its operating margin.

The agreements signed with DLF came into effect retroactively on July 1st 2006.

2. Corporate governance

2.1. Presentation of the Board Members

Following the operation to integrate Limagrain's field seeds activities within the scope of Vilmorin, the Board has been partially recomposed in order to ensure there is balanced representation between the different business activities.

Thus M. François DELOCHE, M. Raoul FAURE, M. Jean-Paul FAURE, and M. Jean-Denis POULET offered their resignation in order to allow for the appointment by co-optation of:

- M. Pierre PAGESSE to replace François DELOCHE -->06/30/2008
- M. Joël ARNAUD, to replace Raoul FAURE-->06/30/2008
- M. Philippe AYMARD to replace Jean-Paul FAURE--->06/30/2007
- M. Jean-Yves FOUCAULT to replace Jean-Denis POULET--->06/30/2008

Moreover, M. Gérard Renard and M. Daniel Chéron will remain respectively Chairman of the Board and Director.

The mandates of the members of the Board are as follows:

■ Chairman of the Board of Directors

Gérard Renard

Apart from his duties to represent Vilmorin & Cie, M. Gérard Renard holds functions as Vice-Chairman of Groupe Limagrain, President of the Chamber of Agriculture of the county of Puy-de-Dôme, member of the committee for the Regional Chamber of Agriculture of Auvergne, and President of the Puy-de-Dôme Inter-Chamber group.



- Chairman and CEO
Clause Tézier SA (France)
- Chairman of the Board of Directors
ABC (USA), Clause Tézier Iberica SA (Spain), Clause Tézier Italia Spa (Italy), Harris Moran Seeds Cie (USA), Nickerson Zwaan Ltd (United Kingdom) Vilmorin SA (France), Vilmorin Ibérica SA (Spain), Vilmorin Italia Srl (Italy), Vilmorin Inc. (USA),
- Chairman of the Board of Trustees
Nickerson Zwaan BV (Netherlands), Nickerson Zwaan GmbH (Germany)
- Member of the Board of Trustees
CH Van den Berg BV (Netherlands)
- Member of the Board
Coopérative Agricole Limagrain (France) (Vice-Chairman), Cylonie Ré SA (Luxembourg), Groupe Limagrain Holding SA (France), Hazera Genetics Ltd (Israel), Maïcentre SCICA (France), Marco Polo Seed Ltd (Thailand), Oxadis SA (France), Plant Development Australia Pty (Australia), Suttons Seeds Holdings Ltd (United Kingdom)
- Member of the Board Committee
Sélia SAS (France)
- Member of the Supervisory Board
Méristem Therapeutics SA (France), Vilmorin Luxembourg SA (Luxembourg)
- Member of the Consultative Committee
Flora Frey GmbH (Germany)
- Member of the Board of Management
Semillas Limagrain de Chile SARL (Chile)

■ Board Members

Daniel Chéron

- General Manager
Coopérative Agricole Limagrain (France), Sélia SAS (France)
- Director and CEO delegate
Groupe Limagrain Holding SA (France), Limagrain Agro-Industrie SA (France)



- Member of the Board
Cylonie Ré SA (Luxembourg), Genoplante Valor SAS (France), Limagrain Genetics Corp. (USA)
- Member of the Supervisory Board
Méristem Therapeutics (France)

Joël Arnaud

- Chairman and CEO
Limagrain Verneuil Holding SA (France), Limagrain Agro-Industrie SA (France)
- Vice-Chairman and Member of the Board
Coopérative Agricole Limagrain (France), Valgrain (Agricultural Co-operative) (France) (Limagrain representative), Syndicat des Producteurs (France) (Limagrain representative)
- Chairman of the Board
Limagrain Central Europe SA (France)
- Chairman of the Board of Trustees
Nickerson UK Ltd (United Kingdom)
- Member of the Board
Groupe Limagrain Holding SA (France), Maïcentre SCICA (France), Ulice SA (France), Soltis SA (France), Jacquet SA (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy), Le Groupement Domagri-Maïcentre GIE (France)
- Member of the Supervisory Board
Vilmorin Luxembourg SA (Luxembourg), Advanta BV (Netherlands)
- Member of the Board Committee
Sélia SAS (France), Limaclub SAS (France), Limagrain Céréales Ingrédients SAS (France)
- Member of the Board of Trustees
Limagrain GmbH (Germany)
- Member of the Board of Management
Semillas Limagrain de Chile (Chile) (GLH representative)



Philippe Aymard

- Chairman of the Board of Directors
Grains Auvergne Innovation (France) (Limagrain representative) (Union de Coop), Limaclub SAS (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy), Maïcentre SCICA (France),
- Chairman of the Board of Management
Cave Saint Verny SARL



- Chairman of the Supervisory Board
Eurodur SA (France), Advanta BV (Netherlands)
- Chairman of the Board of Trustees
Limagrain GmbH (Germany)
- Member of the Board of Directors
Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Le Groupement Domagri-Maïcentre GIE (France), Limagrain Agro-Industrie SA (France), Limagrain Central Europe SA (France), Limagrain Verneuil Holding SA (France), Société Meunière du Centre SA (France) (Limagrain Agro-Industrie representative), Ulice SA (France) (Limaclub representative),
- Member of the Board of Trustees
Nickerson UK Ltd (United Kingdom)
- Co-manager and founder
Dôme 2000 (France)
- Member of the Board Committee
AgReliant Genetics LLC (USA), Limagrain Genetics Corp. (USA), Limagrain Genetics Inc. (Canada), Limagrain Céréales Ingrédients S.A.S (France), Sélia SAS (France)
- Member of the Board of Management
Semillas Limagrain de Chile Ltd (Chile)

Jean-Yves Foucault

- Chairman and CEO
Jacquet SA (France), Pain Jacquet SA (France), Ulice SA (France)
- Chairman of the Board
Jacquet Belgium (Belgium) (Jacquet S.A representative)
- Chairman
Jacquet Panification SAS (France), Limagrain Céréales Ingrédients (France), Société de Viennoiserie Fine (SDVF) (France) SASU, Westhove SAS (France)
- Member of the Board

Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Limagrain Agro-Industrie SA (France), Maïcentre SCICA (France), Le Groupement Domagri-Maïcentre GIE (France)
- Member of the Board Committee
Sélia SAS (France), Limaclub SAS (France)
- Member of the Board of Management
Semillas Limagrain de Chile SARL (Chile)



François Heyraud

- Chairman and CEO
Oxadis SA (France)
- Chairman of the Board of Trustees
CH Van den Berg BV (Netherlands)
- Chairman of the Supervisory Board
Cnos Vilmorin (Poland)
- Chairman of the Board
Suttons Seeds (Holdings) Ltd (United Kingdom)
- Member of the Consultative Committee
Flora Frey GmbH (Germany)
- Member of the Board
ABC (USA), Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Top Green SAS (France), Maïcentre SCICA (France), Vilmorin SA (France), Vilmorin Italia SRL (Italy), Vilmorin Ibérica SA (Spain), Clause Tézier SA (France), Clause Tézier Ibérica SA (Spain), Clause Tézier Italia SPA (Italy)
- Member of the Board Committee
Sélia SAS (France)
- Member of the Board of Trustees
Nickerson Zwaan BV (Netherlands)
- Member of the Board of Management
Semillas Limagrain de Chile SARL (Chile) (Sélia representative)



Pierre Pagesse

Apart from his representation mandates on behalf of Vilmorin & Cie, M. Pierre Pagesse also holds the functions of Vice-Chairman of Génoplante (public-private research partnership in plant genomics), Member of the Board of INRA (National Institute for Agronomic Research) and Member of the Board of Arvalis (Plant Institute).

- Chairman
Coopérative Agricole Limagrain (France)
- Chairman of the Board Committee
Sélia (SAS) (France)
- Chairman and CEO
Groupe Limagrain Holding SA (France)
- Chairman of the Board of Directors
Cylonie Ré (Luxembourg), Vilmorin Luxembourg SA (Luxembourg)
- Chairman of the Strategic Committee
Biogemma SAS (France)



- Member of the Supervisory Board
Advanta BV (Netherlands)
- Member of the Board
Limagrain Verneuil Holding SA (France), Le Groupement Domagri-Maïcentré GIE (France),
Ulice SA (France), Maïcentré SCICA (France)
- Member of the Board of Management
Semillas Limagrain de Chile (Chile) (Limagrain representative), Cave Saint Verny SARL
(France)
- Member of the Board Committee
Limaclub SAS (France) (Limagrain representative)
- Ex-officio member
LG Compagnons (Association) (France)

2.2. General Management

On February 5th, 2007, the Vilmorin Board of Directors, chaired by Gérard RENARD, appointed Adrian HUIGE to the functions of CEO delegate to replace Daniel CHERON.

After managing the Advanta Group for seven years, Adrian HUIGE joined Vilmorin in 2004; in particular, he contributed to the reorganization and integration of the Advanta European business activities into Vilmorin's field seeds activities.

The Board of Directors has confirmed its determination to pursue Vilmorin's strategic orientations and its development model along the same lines as before.

Now in charge of the general management of Groupe Limagrain, Daniel CHERON will continue to hold his mandate as Member of the Board of Vilmorin.

2.3. Executive Committee

Further to the integration of the field seeds activities within the scope of Vilmorin, the executive committee now comprises the 5 following members:

- M. **Adrian Huige**: CEO Delegate
- M. **Stanislas Crouzier**: VP for the professional vegetable seeds activities
- M. **Jean-Christophe Gouache**: VP for the field seeds activities
- M. **Daniel Jacquemond**: Chief Financial Officer
- M. **Emmanuel Rougier**: VP for Strategy and Development

2.4. Corporate governance

Information with regard to corporate governance appears on pages 46 to 49 of the annual report. The Chairman's report on how the Board of Directors functions and on internal control, and the Statutory Auditors' report on the Chairman's report appear on pages 64 to 68 of the annual report.

2.5. Conflicts of interest

To the knowledge of the company, no pact or agreement has been signed with the shareholders, customers, suppliers or any other category to which any one of the members of the Board of Directors or any one of the members of the management is party.

To the knowledge of the company, there is no potential conflict of interest between the duties held by the members of the Board of Directors and other members of the management with regard to the company and their private or personal interests.

To the knowledge of the company, no restriction has been accepted by the members of the Board of Directors and the other members of the management concerning the sale of their stake in the company's stock.

To the knowledge of the company, no sentence has been pronounced with regard to any of the company's mandatories which might have, or has had recently, any significant effect on his or her financial situation.

2.6. Control bodies

Incumbent Statutory Auditors

KPMG AUDIT Département de KPMG SA

1, cours Valmy

F-92923 Paris la Défense Cedex

Represented by Mme Catherine PORTA

Date appointed: 2002

Date of expiry of term of office: 2008 (AGM for the accounts of the fiscal year closing 06.30.08)

VISAS 4 Commissariat

56, Boulevard Gustave Flaubert

F-63000 Clermont-Ferrand

Represented by Mme Corinne BESSON

Date appointed: 2005

Date of expiry of term of office: 2011 (AGM for the accounts of the fiscal year closing 06.30.11)

Substitute Statutory Auditors

M. Jean-Luc DECORNOY

2 bis, rue de Villiers

F-92300 Levallois-Perret

Date: 2002

Date of expiry of term of office: 2008 (AGM for the accounts of the fiscal year closing 06.30.08)

M. Olivier DELARUE

56, Boulevard Gustave Flaubert

F-63000 Clermont-Ferrand

Date of appointment: 2005

Date of expiry of term of office: 2011 (AGM for the accounts of the fiscal year closing 06.30.11)

3. Vilmorin and its shareholders

3.1. Relations with shareholders and investors

■ Scheduled agenda for 2007-2008

05.11.07 (after close of the Paris Stock Exchange)	Publication of sales for the third quarter
08.07.07 (after close of the Paris Stock Exchange)	Publication of annual sales
10.09.07 (after close of the Paris Stock Exchange)	Publication of annual results
11.12.07 (after close of the Paris Stock Exchange)	Publication of sales for the first quarter
12.12.07	Annual General Meeting in Paris

3.2. Vilmorin's shares

3.2.1. Management and liquidity of the shares

On January 3rd 2006, Vilmorin signed an ongoing liquidity acquisition contract with Oddo Midcap in order to run the market for its securities.

This contract is renewed every year by tacit agreement and complies with the AFEI (Association Française des Entreprises d'Investissement) Deontology Charter, certified by the Autorité des Marchés Financiers on March 22nd 2005.

In order to implement this contract, the following resources were allocated by Vilmorin to the liquidity account:

- number of shares: 3 059 at a nominal value of €45.75
- cash: €597.54

On December 31st, 2006, the following resources appeared in the liquidity account:

- number of shares: 6078
- cash: €191 144.21

3.2.2. Interventions of the company on internally held shares

The Ordinary Annual General Meeting of December 12th 2006, deliberating on the provisions of article 225-209 and the following articles of the French Commercial Code, Title IV of Book II of the General Regulations of the Autorité des marchés financiers, and the instructions for their application, granted the Board of Directors the powers to intervene by purchasing or selling its own shares on the stock market at a maximum price of €85 per share, with the number of shares thus acquired being limited to a ceiling of 1 000 000 shares, representing a maximum potential commitment of €85 millions.

This purchasing program is authorized for a maximum period of 12 months.

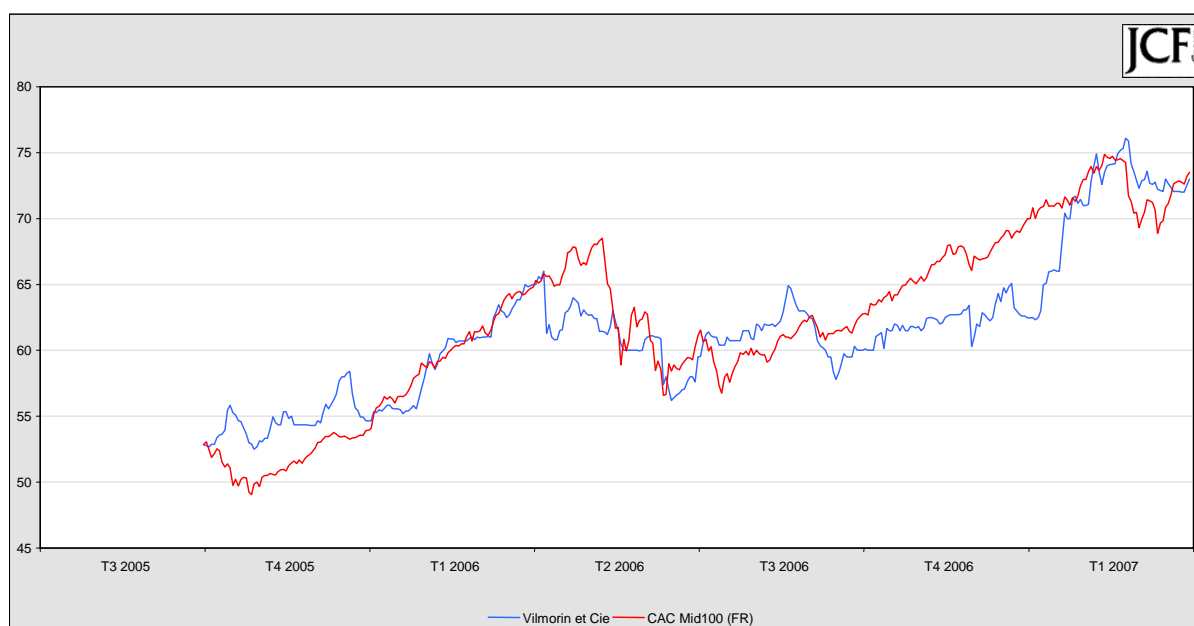
3.2.3. Quantities exchanged

Year	Month	Number of shares exchanged	Stock exchanged M€	Highest recorder rate €	Lowest recorded rate €
2006	October	175 537	10.700	62.25	59.85 (1)
	November	147 187	9.134	63.50	60.10 (1)
	December	111 080	7.050	65.40	61.50 (1)
2007	January	187 966	12.664	71.90	62.05 (1)
	February	142 540	10.596	76.89	70.60 (1)
	March	131 134	9.524	74.18	70.30 (1)

(1) Division by three of the nominal value of the shares as of 01.01.2006

Source: Euronext ParisBourse

3.2.4. Evolution of the Vilmorin share value over the past 18 months



Weekly closing rate (in euros).

■ Evolution of the rate

Evolution* since July 3rd 2006: + 36%

Evolution* since January 2nd 2007: + 29.5%

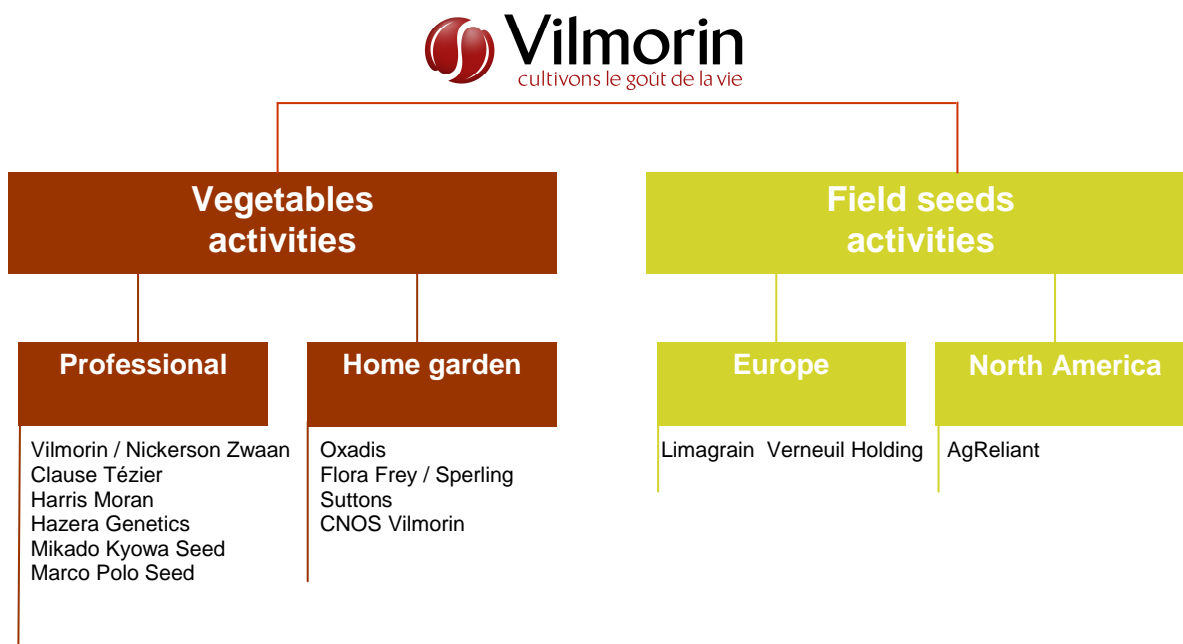
* Calculated from the close rate on Wednesday May 2nd, 2007.

3.2.5. Placement of shares

Limagrain, the reference shareholder for Vilmorin, set up a private placement on November 2006 to sell 800 000 shares (5.97% of Vilmorin's stock) through Groupe Limagrain Holding. This placement has been achieved within the framework of an extension of Vilmorin's float, in compliance with the commitments made by Limagrain at the time of the integration of the field seeds activities into Vilmorin's scope.

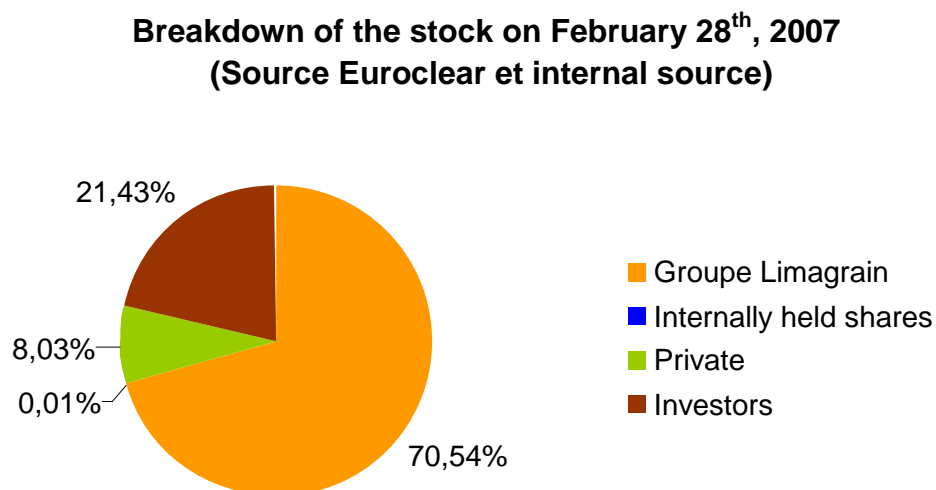
Further to this operation, Vilmorin's float stood at 28.7%, i.e. 3.8 million shares.

3.3. Financial organization chart on December 31st, 2006



3.4. The stock and the shareholders

■ Breakdown of the stock on February 28th, 2007



Stock comprising 13 391 857 shares with a nominal value of €15.25.

4. Financial and legal information

4.1. Legal procedures and arbitration

Litigation:

There is no litigation liable to have any significant impact on the financial statements of the companies in the consolidated scope of Vilmorin.

4.2. Half-yearly financial statements

4.2.1. Report of the Board of Directors on the half-yearly financial statements on December 31st, 2006

1 – Consolidated financial statements

The fiscal year of Vilmorin & Cie begins on July 1st and ends on June 30th.

It should be noted that the consolidated financial statements for the first semester show traditionally lower results than one year divided by two, because of the seasonal nature of the business; on average, sales for the first semester represent only a little more than one third of the annual sales whereas six months of expenses have already been committed.

The accounting principles and methods adopted in the half-yearly financial statements summarized on December 31st, 2006 are identical to those used to draw up the consolidated financial statements for June 30th, 2006.

In application of regulation n° 1606/2002 adopted on July 19th, 2002 by the European Parliament and the European Council, these financial statements have been drawn up in compliance with the IFRS (International Financial Reporting Standards) referential as adopted by the European Union on December 31st, 2006.

International accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations by SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee).

No change in accounting method or estimate has been applied by Vilmorin over the course of the semester.

The summarized half-yearly consolidated financial statements for the six month period closing on December 31st, 2006 have moreover been prepared in compliance with IAS standard 34, the specific IFRS standard that concerns interim financial information as adopted in the European Union.

For the fiscal year 2006-2007, Vilmorin has integrated the field seeds activities acquired from its reference shareholder, Limagrain. The pro-forma data for 2005-2006 have thus been established on the basis of this modification of the scope of activity.

We remind readers that on July 3rd, 2006, by way of contribution, Vilmorin received all the shares of the company Biofina, the holding that held all the field seeds activities of Groupe Limagrain. The total value of this contribution was determined in accordance with the net book value of Biofina, namely €241.2 million. In order to remunerate this contribution, Vilmorin issued 3 824 878 new shares taking its stock up to 13 391 857 shares with a total value of €204 225 819.25. We also remind readers that the company Biofina was absorbed by Vilmorin on August 8th, 2006.

Other significant evolutions in scope occurring during the semester were as follows:

- global integration of the Japanese company Mikado Seed Growers in May 2006 following its majority takeover in April 2006,
- deconsolidation of the French company Top Green following its majority takeover by DLF,
- global integration of the European straw cereals and protein pea businesses grouped together in Innoseeds, following their acquisition in September 2006 from the Danish group DLF,
- deconsolidation of the wholesale distribution businesses in forage and amenity grass seeds of Limagrain Verneuil Holding, a subsidiary of Vilmorin, following their sale to DLF,
- 100% takeover of the Israeli company Hazera Genetics previously held at the level of 54.7%.

NB: Comparisons with current data have been made in reference to the half-yearly pro-forma financial statements on December 31st, 2005.

Like for like comparisons have been made in reference to the half-yearly pro-forma financial statements on December 31st, 2005. restated at currency rates on December 31st, 2006 and for any modifications to the scope apart from those concerning the integration of the Limagrain field seeds activities.

Vilmorin's consolidated sales for the first semester 2006-2007 closing on December 31st, 2006 stood at €286.2 million, stable with current data compared to the same period for the previous fiscal year.

Like for like, they were up 1.9% compared to the previous fiscal year.

Sales for the vegetables division on December 31st, 2006 stood at €191.6 million, an increase of 3.4% compared with the first semester 2005-2006.

Restated like for like, the increase was 1.5%.

The first semester was characterized:

- on the one hand, by the commendable global performances of the professional department (€146.2 million), particularly in international sales, in spite of a temporary contraction in business on the North American market.
- and by a drop in sales in the home garden department (€45.4 million) due in particular to the refocusing of the flower bulb business on the French and German markets.

Sales for the field seeds division on December 31st, 2006 stood at €94.6 million, down 6.8% with current data compared to the previous fiscal year.

Restated like for like they increased by 2.7%:

- in Europe, the autumn sales campaign (cereal seeds, grass, rape) was marked by stability in the Western European markets, and by sustained development in Eastern Europe.
- for the North American market, sales are mainly recorded during the second semester of the fiscal year, due to the seasonal nature of the business; the order book for the coming spring season (corn and soybean seeds) currently shows an increase that is greater than objectives.

The commercial margin, determined using the cost of sales, came to 44.8% of total sales, an increase of 5.2 percentage points compared with December 31st, 2005.

This evolution is mainly due to the increase in the margin of the professional vegetables business and to that of the field seeds business.

Net operating charges (excluding reorganization costs and the result from the sales of fixed assets) stood at €155.8 million, a level comparable to that of the pro-forma financial statements of December 31st, 2005. Nevertheless, only €0.3 million of reorganization costs were recorded for this semester, compared with €7.6 million for the first semester 2005-2006.

The operating income, which on December 31st, 2006 showed a loss of €25.5 million, represented in fact an improvement (with reference to the pro forma financial statements) of €20.4 million.

Moreover, the financial result showed a net charge of €10.7 million and income tax a net income of €7.7 million.

Therefore, net income for the first six months showed a loss of €30.3 million. The Group share of the net loss was €25.6 million, an improvement of €8.8 million compared with the pro-forma financial statement of December 31st 2005.

At the end of December 2006, the balance sheet structure was highly influenced by the seasonal yearly business cycle, and also by the previously mentioned variations in scope.

Net of cash, indebtedness on December 31st, 2006 stood at €446.2 million; as for equity, the Group share was €531 million, and minority interests €90.6 million.

2 – Corporate financial statements

On December 31st, 2006, the net corporate income of Vilmorin was €29.5 million, compared with €26.9 million for the previous year. This income mainly comprised the dividends received from the subsidiaries from profits for fiscal 2005-2006.

3 – Outlook

On the basis of the information presented above and the level of business achieved during the third quarter, Vilmorin can confirm that, for fiscal 2006-2007, its objectives to increase margins and income should be achieved in the same proportions as for previous years.

4.2.2. Half-yearly financial statements

1- Consolidated income statement for the 1st semester on December 31st 2006

In millions of euros	Notes	12.31.06	12.31.05 pro- forma	12.31.05 published
• REVENUE FROM ORDINARY ACTIVITIES		286.2	286.6	185.3
Cost of goods sold		- 157.9	- 172.9	- 97.7
Marketing and sales costs		- 70.0	- 70.7	- 39.5
Research and development costs		- 40.1	- 39.9	- 19.6
Administrative and general costs		- 55.0	- 56.2	- 37.0
Other income and operating charges	12	11.3	7.2	4.3
• OPERATING INCOME		- 25.5	- 45.9	- 4.2
Interest costs	13	- 7.6	- 7.4	- 2.6
Other income and financial costs	14	- 3.1	2.9	2.4
Profit from associated companies		- 1.8	- 0.8	-
Income taxes		7.7	10.6	3.0
• PROFIT FROM CONTINUING OPERATIONS		- 30.3	- 40.6	- 1.4
• PROFIT FROM DISCONTINUED OPERATIONS		-	4.7	4.7
• NET INCOME FOR THE PERIOD		- 30.3	- 35.9	3.3
<i>Group share</i>		- 25.6	- 34.4	2.3
<i>Minorities share</i>		- 4.7	- 1.5	1.0
Net income (Group share) for one share in €		- 1.91	-2.57	0.24
Diluted net income (Group share) for one share in €		- 1.91	-2.57	0.24

2- Consolidated balance sheet – assets – 12.31.06

In millions of euros	Notes	12.31.06	06.30.06 pro- forma	06.30.06 published
Goodwill	3	273.9	272.2	22.1
Other intangible assets	4	392.1	383.6	155.0
Tangible fixed assets	5	132.8	143.0	88.0
Financial fixed assets		43.2	31.1	12.1
Equity shares		8.4	8.4	6.8
Deferred taxes		10.0	11.3	3.6
• Total assets less current liabilities		860.4	849.6	287.6
Inventories		339.4	294.3	164.7
Trade receivables and other receivables	6	296.5	363.7	180.9
Cash and cash equivalents	7	121.6	168.9	92.1
• Total current assets		757.5	826.9	437.7
Total assets		1 617.9	1 676.5	725.3

3- Consolidated balance sheet – liabilities – 12.31.06

In millions of euros	Notes	12.31.06	06.30.06 pro- forma	06.30.06 published
Share capital	8	204.2	204.2	145.9
Reserves and income – Group share	8	326.8	373.6	176.9
• Share capital – Group share		531.0	577.8	322.8
Minority interests	9	90.6	137.9	47.6
• Consolidated equity		621.6	715.7	370.4
Provisions for employee benefits	10	33.5	33.4	19.7
Non-current financial debts	11	329.3	138.1	44.1
Deferred income taxes		88.7	90.4	35.1
• Total non-current liabilities		451.5	261.9	98.9
Other provisions	10	22.6	27.8	11.7
Accounts payable		277.0	295.8	126.4
Deferred income		6.7	2.4	0.6
Current financial debts	11	238.5	372.9	117.3
• Total current liabilities		544.8	698.9	256.0
Total liabilities		1 617.9	1 676.5	725.3

4- Variation in consolidated equity

In millions of euros	Group share					Minority interests	TOTAL
	Capital	Premiums	Income and other reserves	Currency translation	Total		
07.01.05	145,9	29,3	123,9	1,5	300,6	41,0	341,6
Currency translation				-6,2	-6,2	-1,5	-7,7
Gains and losses recorded directly in equity			0,6		0,6	0,8	1,4
Net income			43,8		43,8	5,4	49,2
Total gains and losses for the fiscal year	0,0	0,0	44,4	-6,2	38,2	4,7	42,9
Variation of treasury shares			0,2		0,2		0,2
Dividends paid out			-15,5		-15,5	-0,8	-16,3
Variations in scope						2,3	2,3
Effect of share purchase commitments							
Variation in capital of the parent company							
Others			-0,7		-0,7	0,4	-0,3
06.30.06	145,9	29,3	152,3	-4,7	322,8	47,6	370,4
Currency translation				0,4	0,4	1,2	1,6
Gains and losses recorded directly in equity			0,8		0,8	0,2	1,0
Net income			-25,6		-25,6	-4,7	-30,3
Total gains and losses for the fiscal year			-24,8	0,4	-24,4	-3,3	-27,7
Dividends paid out			-21,7		-21,7	-0,1	-21,8
Variations in scope					0,0	48,3	48,3
Effect of share purchase commitments					0,0	-0,7	-0,7
Variation in capital of the parent company	58,3	182,9			241,2		241,2
Costs linked to the contributon operation deducted from the premium		-1,3			-1,3		-1,3
Repercussions of the contribution of the Group Limagrain field seeds business			15,0		15,0		15,0
Others			-0,6		-0,6	-1,2	-1,8
12.31.06	204,2	210,9	120,2	-4,3	531,0	90,6	621,6

5- Consolidated cash flow statement for the 1st semester

In millions of euros	12.31.06	12.31.05 pro-forma	12.31.05 published
1 – TRADING OPERATIONS			
Income for the period	- 30.3	-35.9	3.3
Results of companies consolidated under equity method after dividends	1.7	0.8	-
Depreciation and amortization	35.7	39.9	12.7
Net non-current provisions	0.5	-	-
Variation in deferred taxes	-0.2	2.1	0.9
Income from capital operations	-2.2	-12.3	- 12.3
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)	-7.7	-	-
Profits on the disposal of financial assets	- 0.1	-	-
• CASH FLOW	- 2.6	-5.4	4.6
Variation in working capital needs with comparable scope			
o Inventory	- 63.8	-91.2	- 40.2
o Trade debts	68.9	79.0	25.8
o Short-term debts	-133.3	22.6	12.1
• CASH FROM OPERATING ACTIVITIES	- 130.8	10.4	2.3
2 – INVESTMENT OPERATIONS			
Sale of fixed assets	7.4	7.5	7.0
Acquisition of fixed assets			
o Intangible fixed assets	- 39.0	-34.5	- 15.2
o Tangible fixed assets	- 10.5	-9.5	- 3.4
o Financial fixed assets (6)	- 288.4	-5.9	- 3.7
Decrease in other fixed financial fixed assets	-7.5	2.3	2.3
Cash flow acquired through scope entries (1)	78.2	-6.1	- 1.3
Cash flow conceded through scope exits (1) (4)	1.5	11.1	11.1
Variation in fixed financial assets (5)	20.8	-	-
Net increase/decrease in cash and cash equivalents	- 3.0	-1.6	- 2.3
• CASH FLOWS FROM INVESTING ACTIVITIES	- 240.5	-36.7	- 5.5
3 – CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in equity (6)	240.0	4.8	-
Increase in financial liabilities (6)	182.5	44.6	13.5
Dividends received on non consolidated participations	0.4	-	-
Dividends paid out	- 21.8	-15.4	- 15.5
• NET CASH USED IN FINANCING ACTIVITIES	401.1	34.0	- 2.0
4 – NET EFFECT OF CURRENCY TRANSLATION	- 0.3	0.5	0.5
5 – NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	29.5	2.8	- 4.7
6 – CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (2)	92.1	185.0	86.3
7 – CASH AND CASH EQUIVALENTS AT END OF PERIOD (2)	121.6	187.8	81.6

(1) - Net of cash acquired or conceded

(2) - Including active current accounts of 36.5 M€ on 12.31.05 and 0.5 M€ on 12.31.06

(3) - Including the gross capital gains of Ferry Morse for the sum of + 10.2 M€ on 12.31.05.

(4) - Selling price net of taxes of the company Ferry Morse on 12.31.05

(5) - In relation with the operation carried out in conjunction with the seeds company DLF as described in Note A

(6) - In relation with the integration of the field seeds division as described in Note A

6- Notes appended to the consolidated financial statements for the half year as summarized on 12.31.2006 (In millions of euros)

A – HIGHLIGHTS

Vilmorin's scope underwent the following main changes during the 1st semester:

a. Integration of Groupe Limagrain's field seeds business

By way of contribution, Vilmorin integrated all the securities of the company Biofina, the holding that controlled all of Groupe Limagrain's field seeds business. The value of this contribution was fixed in accordance with the net book value of Biofina, namely 241.2 M€. As remuneration for this contribution, Vilmorin issued 3 824 878 new shares, thus raising its capital to 13 391 857 shares with a total value of 204 225 819.25 €.

All the characteristics of this operation are available in the document concerning this operation registered on June 1st 2006 under number E06-079 with the l'Autorité des marchés financiers, and are accessible on the company's website (www.vilmorin.info) and that of the Autorité des marchés financiers (www.amf-france.org).

As a result of this increase in capital, Groupe Limagrain held 78.6% of the new group on July 3rd 2006 as opposed to 70% beforehand.

Vilmorin and Groupe Limagrain had fixed the objective of getting its floating capital back to a level comparable to its level before the operation. The reclassification of nearly 6% of the capital in November 2006 enabled Limagrain to reduce its capital to 71% and to open out the share of the capital held by minority shareholders to 29%.

Note D1 "pro-forma financial information" of the appendix describes all the facets and repercussions of this operation on the Vilmorin group.

b. Participation in Hazera Genetics

In July 2006, Vilmorin purchased the participation that Megadlei Zeraim Ltd held in Hazera Genetics Israel. Consequently, Vilmorin's stake rose to 90%.

Furthermore, in November 2006 the company purchased all the remaining shares (around 10%) through a takeover bid on the Tel Aviv Stock Market. Henceforth, Vilmorin holds 100 % of the shares of Hazera Genetics.

This operation generated a surplus in the purchaser's interest share in the net fair value of the acquired proportions of the identifiable assets, liabilities and potential liabilities of the purchased shares, compared with the acquisition cost of the shares of around 7.6 M€. This surplus has been accounted for directly in the income statement of December 31st 2006.

c. Strategic alliance with Avesthagen

In December 2006 Vilmorin purchased a stake of 4.56% in the company Avestha Gengraine Technologies Pvt. Ltd (Avesthagen).

This participation will soon result in a strategic agreement between Vilmorin and Avesthagen, and the creation of joint ventures set up to develop a vegetable and field seeds unit on the Indian market.

Furthermore, in full respect of their respective existing partnerships, Vilmorin and Avesthagen recently launched a cooperation project in biotechnology applied to plant breeding. In particular, this project involves running joint research programs and mutual access to the proprietary technology platforms of the two companies.

d. Global agreement with the Danish seeds company DLF.

In September 2006 Vilmorin signed a global agreement with the Danish seeds company DLF.

Vilmorin transferred its forage and amenity grass seed research and production activities as well as wholesale distribution (the sale of pure varieties to wholesalers) to DLF. However, for a certain number of markets, Vilmorin kept privileged and exclusive access to products that come out of DLF's research and for which Vilmorin will maintain responsibility for distribution.

As compensation, Vilmorin acquired the cereals business of Innoseeds, which means that commercial cooperation between the two companies in Europe will be strengthened.

Vilmorin took control of the research, production and sales activities for cereal seeds (mainly wheat and barley) grouped within Innoseeds, a subsidiary of DLF. This acquisition thus enabled Vilmorin to strengthen its position as European leader in these activities.

The main countries covered commercially are Benelux, the United Kingdom, Germany, France, the Czech Republic and Slovakia. The research activities are mainly based in the Netherlands and the Czech Republic.

B - CONSOLIDATION METHODS AND PRINCIPLES

a. Accounting methods and principles and declaration of compliance

The accounting methods and principles adopted in the summarized consolidated financial statements for the first semester closing on December 31st 2006, are identical to those adopted in the consolidated financial statements established on June 30th 2006.

b. Accounting referential

In application of regulation n°1606/2002 adopted on July 19th 2002 by the European Parliament and the Council of Europe, the summarized consolidated half-yearly financial statements of Vilmorin closed on December 31st 2006 have been prepared in compliance with the IFRS referential (International Financial Reporting Standards) as adopted in the European Union.

International accounting standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

No change in accounting method or estimate has been adopted by Vilmorin during the course of this semester.

The company's summarized consolidated financial statements for the first half-year were approved on April 11th 2007 by the Board of Directors.

c. Specific principles applied to the intermediate financial statements

In compliance with the provisions of IAS standard 34, there is no recording in the half-yearly financial statements of any anticipation or deferral of costs incurred by Vilmorin other than as might be carried out in the case of an annual closing of accounts. Consequently, the level of costs concerning the period of the year in which they were incurred, might well differ from one semester to another. Similarly, sales for a six-month period are subject to highly significant seasonal effects, to the extent that the first semester of the fiscal year generally represents less than 35% of total sales for the year. Yet research and development costs, as well as distribution costs, are not subject to seasonal effects in any significant way.

Commitments to employees for advantages that continue after the termination of their contract are not recalculated for the intermediate situation, but accounted for on the basis of estimates made at the beginning of the period.

For the intermediate financial statements, taxes are calculated by applying the average annual rate estimated for the fiscal year to the accounting result for the period for each entity or fiscal group.

The summarized half-yearly consolidated financial statements of Vilmorin for the 6 month period closing on December 31st 2006 have been prepared in compliance with IAS standard 34, a specific IFRS standard that concerns intermediate financial disclosure as adopted in the European Union.

Since these statements constitute a summary, they do not include all the information required by the IFRS referential for the establishment of annual financial statements, and should therefore be interpreted in relation to the consolidated financial statements of Vilmorin for the fiscal year ending June 30th 2006 established in compliance with the IFRS referential as adopted by the European Union.

C –CONSOLIDATION SCOPE

a. Composition of Vilmorin's share ownership

On December 31st 2006 the company Vilmorin was held by:

- | | | |
|----|---|--------|
| 1. | Different companies belonging to Groupe Limagrain
(Groupe Limagrain Holding, Société Coopérative Agricole Limagrain,
Limagrain Agro-Industrie and Sélia | 71.75% |
| 2. | Public | 28.80% |
| 3. | Internally held shares | 0.05% |

b. Evolution of the consolidation scope during the course of the 1st semester.

1. On July 3rd 2006, by way of contribution, Vilmorin received all the securities of the company Biofina, the holding controlling all of Groupe Limagrain's field seeds business.

The total value of this contribution was determined according to the net book value of Biofina of 241.2 million euros. Thus, Vilmorin issued 3 824 878 new shares to increase its capital to 13 391 857 shares with a total value of 204 225 819.25 euros.

In compliance with the provisions of the general regulations of the Autorité des Marchés Financiers, pro forma information is presented in Note D1 (pro-forma information) in the appendix. The company Biofina was absorbed on August 8th 2006 by Vilmorin.

2. Following its acquisition, the company Ferax, now known as Nickerson Zwaan South Africa, entered the scope on July 1st 2006. Its contribution to consolidated sales came to 700 K€ for the 1st semester.
3. The cereals companies or activities of Innoseeds entered the scope as of July 1st 2006.
4. Vilmorin's forage activities exited the scope as of July 1st 2006.
5. Following the agreements reached with the Danish seeds group DLF, the company Top Green S.A.S. is consolidated using the equity method, whereas it was previously consolidated using the proportional integration method.
6. As indicated in Note A "Highlights" Vilmorin has held 100% of the Hazera Group as of December 31st 2006.
7. Henderson, based in Australia is now held at 74.05% as opposed to 61.08% on June 30th 2006.
8. Finally, it should be noted that in Germany, the company Carl Sperling has been merged with its parent company Flora Frey.

Company	Country	% Voting rights	% Financial control	Consolidation method
VILMORIN ET COMPAGNIE	France	Parent company	Parent company	IG
AMERICAN BIO CORPORATION	USA	100,00	100,00	IG
ADVANTA A/S	Denmark	100,00	79,96	IG
ADVANTA BV	Netherlands	100,00	79,96	IG
ADVANTA HOLDING UK LTD	United Kingdom	100,00	79,96	IG
ADVANTA PACIFIC LLC	USA	100,00	100,00	IG
ADVANTA RESEARCH LTD	United Kingdom	100,00	79,96	IG
ADVANTA SEEDS UK LTD	United Kingdom	100,00	79,96	IG
ADVANTA SEEDS TRUSTEES LTD	United Kingdom	100,00	79,96	IG
AGRELIANT INC	Canada	50,00	50,00	IP
AGRELIANT LLC	USA	50,00	50,00	IP
ANADOLU	Turkey	47,48	47,46	EQ
ASAMIA COLD STORAGE LTD	Israel	100,00	100,00	IG
ALLIANCE SEMILLAS DE ARGENTINA	Argentina	100,00	100,00	IG
ALLIANCE SEMILLAS DE CHILE	Chile	51,00	51,00	IG
BIOGEMMA SA	France	55,01	55,01	IG
BIOGEMMA UK LTD	United Kingdom	100,00	55,01	IG
BIOSEEDS	Netherlands	20,00	20,00	EQ
BIOTECH MAH MANAGEMENT	Israel	50,00	50,00	IP
CLAUSE HARRIS-MORAN TEZIER	South Africa	98,00	98,00	IG
CNOS-VILMORIN	Poland	51,00	47,85	IG
CLAUSE TEZIER AUSTRALIA	Australia	100,00	99,97	IG
CLAUSE TEZIER DO BRAZIL	Brazil	100,00	99,97	IG
CLAUSE TEZIER IBERICA	Spain	100,00	99,97	IG
CLAUSE TEZIER INDIA	India	100,00	99,97	IG
CLAUSE TEZIER ITALIA	Italy	100,00	99,97	IG
CLAUSE TEZIER S.A.	France	99,97	99,97	IG
CYLONIE	Luxembourg	100,00	99,99	IG
EERSTE EURO GRAAN BV	Netherlands	100,00	79,96	IG
EURODUR	France	43,96	35,15	IP
FLORA FREY GMBH	Germany	93,83	93,83	IG
FLORA GEISSLER	Switzerland	100,00	99,99	IG
GENOPLANTE VALOR	France	18,32	29,33	EQ
GIE SEMENCES DE BRIE	France	50,00	39,98	IP
HAZERA CANARIA	Spain	100,00	100,00	IG
HAZERA ESPANA	Spain	100,00	100,00	IG
HAZERA GENETICS LTD	Israel	100,00	100,00	IG
HAZERA HOLDING INTERNATIONAL BV	Netherlands	100,00	100,00	IG
HAZERA MAURITIUS LTD	Mauritius	100,00	100,00	IG
HAZERA SEEDS INC	USA	100,00	100,00	IG
HAZERA TOHUMCULUK VE TICARET AS	Turkey	99,99	99,99	IG
HENDERSON	Australia	74,05	74,05	IG
HARRIS MORAN SEEDS	USA	100,00	100,00	IG
INNOSEEDS GMBH	Germany	100,00	79,96	IG
INNOSEEDS SA	France	100,00	79,96	IG
INNOSEEDS SRO	Czech Republic	100,00	79,95	IG
KYOWA	Japan	59,03	59,03	IG

LIMAGRAIN CENTRAL EUROPE SA	France	99,99	79,95	IG
LIMAGRAIN ADVANTA BELGIUM	Belgium	100,00	79,96	IG
LIMAGRAIN ADVANTA NEDERLAND BV	Netherlands	100,00	79,96	IG
LIMAGRAIN BULGARIA EOOD	Bulgaria	100,00	79,95	IG
LIMAGRAIN CESKA REPUBLIKA S.R.O.	Czech Republic	100,00	79,95	IG
LIMAGRAIN GENETICS CORP	USA	100,00	100,00	IG
LIMAGRAIN GMBH	Germany	100,00	79,96	IG
LIMAGRAIN IBERICA	Spain	100,00	79,96	IG
LIMAGRAIN GENETICS INC	Canada	100,00	100,00	IG
LIMAGRAIN ITALIA SPA	Italy	100,00	79,96	IG
LIMAGRAIN MAGY ARORSZAG KFT	Hungary	100,00	79,95	IG
LIMAGRAIN MOLDOVA SRL	Moldavia	100,00	79,95	IG
LIMAGRAIN POLSKA	Poland	100,00	79,95	IG
LIMAGRAIN ROMANIA SA	Roumania	96,79	77,38	IG
LIMAGRAIN SLOVENSKO SRO	Slovakia	100,00	79,95	IG
LIMAGRAIN TOHUMCULUK	Turkey	67,00	53,57	IG
LIMAGRAIN DOO	Serbia	100,00	79,95	IG
LIMAGRAIN VERNEUIL HOLDING	France	79,96	79,96	IG
MIKADO SEED GROWERS	Japan	100,00	54,99	IG
MIKADO SEED HOLDING	Japan	54,99	54,99	IG
MOMMERSTEEG INTERNATIONAL BV	Netherlands	100,00	79,96	IG
MARCO POLO SEEDS NUSANTARA	Indonesia	90,00	90,00	IG
MARCO POLO SEEDS THAILANDE	Thailand	100,00	100,00	IG
NICKERSON UK LTD	United Kingdom	100,00	79,96	IG
NICKERSON SUGAR BEET	United Kingdom	100,00	79,96	IG
NICKERSON INTERNATIONAL RESEARCH GEIE	France	100,00	79,96	IG
NICKERSON ZWAAN BV	Netherlands	100,00	99,96	IG
NICKERSON ZWAAN GMBH	Germany	100,00	99,96	IG
NICKERSON ZWAAN INDIA	India	100,00	99,96	IG
NICKERSON ZWAAN LTD	United Kingdom	100,00	99,96	IG
NICKERSON ZWAAN SPO	Poland	100,00	99,96	IG
NICKERSON ZWAAN SOUTH AFRICA	South Africa	100,00	99,96	IG
OXADIS SA	France	99,99	99,99	IG
PLANT DEVELOPMENT AUSTRALIA	Australia	100,00	100,00	IG
PK WOLDIJK BEHEER BV	Netherlands	100,00	79,96	IG
PLANT SELECT	Czech Republic	100,00	79,95	IG
SEMILLAS HARRIS MORAN	Mexico	100,00	100,00	IG
SHARPES SEEDS LTD	United Kingdom	100,00	79,96	IG
SOLTIS	France	40,00	31,98	EQ
SOYGENETICS	USA	37,00	37,00	EQ
CARL SPERLING AND CO GMBH	Germany	100,00	93,83	IG
SUTTONS	United Kingdom	100,00	100,00	IG
TOP GREEN	France	33,33	33,33	EQ
UNISIGMA GIE	France	46,00	36,78	EQ
VAN DEN BERG	Netherlands	80,00	79,99	IG
VCC JAPAN	Japan	100,00	100,00	IG
VCC SEEDS LTD (ISRAEL)	Israel	100,00	100,00	IG
VILMORIN IBERICA	Spain	99,78	99,74	IG
VILMORIN ITALIA	Italy	100,00	99,96	IG
VILMORIN INC	USA	100,00	100,00	IG
VILMORIN LUXEMBOURG	Luxembourg	99,99	99,99	IG
VILMORIN SA	France	99,96	99,96	IG

- IG : Global Integration
- IP : Proportional Integration
- EQ : Equity Method

D – NOTES TO THE SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SEMESTER

Note 1 – Pro-forma financial information on the integration of the field seeds business

1 – REMINDER OF THE FACTS

The shares of the holding company Biofina were transferred to Vilmorin through the contribution operation approved on July 3rd 2006 by the Extraordinary General Meetings of Limagrain Agro-Industrie and Vilmorin (Information document n°E 06-079 available on the company's website (www.vilmorin.info) and that of the Autorité des marchés financiers (www.amf-france.org).

Prior to this contribution, the shares of the following companies were contributed and/or transferred to Biofina during the course of the third quarter of the fiscal year closing on June 30th 2006.

- 55.01% of the company Biogemma
- 100.00% of the company Limagrain Genetics Inc
- 38.96% of the company Limagrain Genetics Corp
- 79.96% of the company Limagrain Verneuil Holding
- 49.99% of the company Groupe Limagrain Luxembourg, in which Vilmorin already held 49.99% of the shares.

The simplified balance sheet of the holding Biofina on June 30th 2006 following the contribution operations stood as follows:

Assets in millions of euros			Liabilities in million of euros	
Acquisition by contribution	Limagrain Verneuil Holding shares	241.2	Equity	241.2
Acquisition by the transfer of shares	<u>Shares:</u> North America (Limagrain Genetics Inc, Limagrain Genetics Corp) Biogemma Groupe Limagrain Luxembourg	122.4	Debts	122.4

The capital of the holding company Biofina stood at 241.2 M€ following a stock increase on April 27th 2006 as remuneration for the contribution of the shares of Limagrain Verneuil Holding.

The debts correspond to the acquisition of the Limagrain Genetics Inc, Limagrain Genetics Corp, Biogemma and Groupe Limagrain Luxembourg shares at a cost of 122.4 M€.

On August 8th 2006, Vilmorin absorbed the holding Biofina through complete transfer of assets and liabilities. Consequently, Vilmorin became the direct holder of the stock held in Biofina's subsidiaries and its debts.

2 – SIMPLIFIED CONSOLIDATION SCOPE OF THE ACTIVITIES CONTRIBUTED

The main companies in the field seeds business sector included in the scope of pro-forma financial information consolidated on June 30th 2006 are as follows:

Company name	% control	% interest	Consolidation method
Limagrain Verneuil Holding & its subsidiaries, including	79.96	79.96	IG
<i>Advanta BV and its subsidiaries</i>	<i>100.00</i>	<i>79.96</i>	<i>IG</i>
<i>Limagrain Central Europe and its subsidiaries</i>	<i>99.99</i>	<i>79.95</i>	<i>IG</i>
Limagrain Genetics Corp	100.00	100.00	IG
Limagrain Genetics Inc	100.00	100.00	IG
AgReliant LLC	50.00	50.00	IP
AgReliant INC	50.00	50.00	IP
Soygenetics	37.00	37.00	EQ
Biogemma and its subsidiaries	55.01	55.01	IG
Groupe Limagrain Luxembourg and its subsidiary	99.99	99.99	IG

3 – MAIN ACCOUNTING RULES AND METHODS APPLIED TO THE BUSINESS CONTRIBUTED

The rules and methods applied to the business contributed are identical to those described in the Reference Document registered by Vilmorin with the AMF on November 9th 2006 under the reference D 06-1051.

The consolidated accounts closing on June 30th 2006 and on December 31st 2006 for the companies included in the scope of the company Vilmorin and used as the basis for establishing the pro-forma financial information have been prepared in accordance with the IFRS international accounting standards on December 2006 as adopted in the European Union and known to date.

4 –ACCOUNTING FOR THE CONTRIBUTION OPERATIONS

4.1 – Accounting for the contribution operations in the corporate financial statements of Vilmorin

In the corporate financial statements, in compliance with regulation CRC n° 2004-01 of May 4th 2004, the contribution of participation securities representative of the control of these participations is assimilated to a partial contribution of assets that constitute a business area.

In this particular situation, the operation to contribute securities involves companies that are all under the same control.

In such cases, regulation CRC n° 2004-01 stipulates that the contributions must be accounted for at their net book value.

These contributions have been remunerated through an increase in the stock of Vilmorin to the benefit of Limagrain Agro-Industrie, the holding company for the securities of the company Biofina.

4.2 – Accounting for the contribution operations in the consolidated financial statements of Vilmorin

In accordance with IFRS standards, for Vilmorin, this operation is explicitly excluded from the scope of application of the standard IFRS 3 that stipulates in paragraph 3 that the standard does not apply to business combinations involving entities or activities under the same control.

In cases where IFRS standards are unclear as to the accounting procedures applicable to a given transaction, standard IAS 8 stipulates that "management must use its judgment in developing and applying an accounting policy that results in information that is relevant and reliable".

In order to do so, Vilmorin's management has chosen to account for the transaction by assessing at their fair value the assets and liabilities of the entities that were contributed.

Consolidation of the subsidiaries held by Vilmorin has generated goodwill through these pro-forma considerations which have been accounted for by the group referred to as "Biofina consolidated". Such goodwill has been determined on the basis of the latest financial statements available, namely on June 30th 2006.

a. Date of integration into the consolidated financial statements of Vilmorin

Vilmorin consolidated the field seeds business into its accounts on July 1st 2006 because of the date of the General Board Meetings of Limagrain Agro-Industrie and Vilmorin which approved the project on July 3rd 2006.

b. Cost of acquisition

The cost of acquisition comprises the acquisition price fixed by contract, plus the acquisition expenses net of taxes.

c. Quota of equity acquired

The quota of equity acquired on July 1st 2006, determined in compliance with the IFRS referential and Vilmorin's accounting rules stands at 302.4 million euros.

d. Global acquisition differential

The difference between the cost of acquisition and the quota of field seeds business contributed at fair value of assets and liabilities acquired has been recorded in the accounts in acquisition differential for a total value of 76 million euros on July 1st 2006.

5 –PRO-FORMA FINANCIAL INFORMATION ON JUNE 30TH 2006 AND DECEMBER 31ST 2005

The balance sheet and the income statement for the new "Vilmorin" + "Biofina" pro-forma scope for June 30th 2006 and December 31st 2005 are presented in the following manner:

- "Pro-forma consolidated Biofina" and "published consolidated Vilmorin" present their income statement according to allocation.
- The elimination of intra-group operations carried out between the two consolidation scopes has been taken into account in order to establish this pro-forma financial information.

6 – CALCULATION OF GOODWILL RESULTING FROM THE OPERATION

In millions of euros	
• Quota of equity acquired for the field seeds business (Biofina consolidated)	302.4
• Acquisition price (contribution + acquisition of the securities)	363.6
○ Goodwill generated by the operation	61.2
○ Adjustment of the goodwill linked to the fair value recording of the operation in the accounts	15.0
• Goodwill resulting from the operation	76.2

7 – PRO-FORMA BALANCE SHEET AND INCOME STATEMENT ON 06.30.2006 AND 12.31.2005

1. Pro-forma balance sheet on 12.31.2005

PRO-FORMA 12.31.05	Biofina Consolidate d Pro-forma	Vilmorin Consolidate d Published	New scope Vilmorin + Biofina
BALANCE SHEET ASSETS (in K€)			
Goodwill (1)	254 961	18 479	273 440
Other intangible fixed assets	225 989	155 074	381 063
Tangible fixed assets	56 199	81 174	137 373
Equity shares	5 095	6 042	11 137
Financial assets	16 769	13 339	30 094
Deferred taxes	4 735	7 987	12 723
TOTAL ASSETS LESS CURRENT LIABILITIES	563 748	282 095	845 830
Inventories	162 456	201 997	364 453
Trade receivables and other receivables	125 003	151 611	276 298
Cash and cash equivalents	111 389	81 599	187 813
TOTAL CURRENT ASSETS	398 848	435 207	828 564
TOTAL ASSETS	962 596	717 302	1 674 394

(1) - Goodwill calculated on the basis of the financial statements closing June 30th 2005

BALANCE SHEET LIABILITIES (in K€)			
Share capital - Group share	218 144	289 025	507 169
Minority interests	97 456	43 121	140 577
CONSOLIDATED EQUITY	315 600	332 146	647 746
Non-current financial debts	107 711	47 408	155 105
Provisions for employee benefits	15 783	18 540	34 324
Deferred taxes	56 000	41 966	97 966
TOTAL NON-CURRENT LIABILITIES	179 494	107 914	287 395
Current financial debts	308 061	131 150	434 029
Other provisions	10 683	9 079	19 763
Accounts payable	144 678	135 547	279 915
Deferred income	4 080	1 466	5 546
TOTAL CURRENT LIABILITIES	467 502	277 242	739 253
TOTAL LIABILITIES	962 596	717 302	1 674 394

2. Pro-forma income statement on 12.31.2005

PRO-FORMA 12.31.05	Biofina Consolidate d Pro-forma	Vilmorin Consolidate d Published	New scope Vilmorin + Biofina
INCOME (in K€)			
Net sales	81 844	185 280	266 846
Other income from ordinary activities	19 700	74	19 773
REVENUE FROM ORDINARY ACTIVITIES	101 544	185 354	286 619
MARGIN ON COST OF GOOD SOLD	26 070	87 619	113 689
Marketing and sales costs	-31 172	-39 483	-70 656
Research and development costs	-20 234	-19 638	-39 872
Administrative and general costs	-19 119	-37 090	-56 209
Other income and operating charges	10 326	351	10 677
Income from the sale of tangible and intangible fixed assets	96	4 066	4 162
Reorganization costs	-7 644	-4	-7 648
Impairment of goodwill and other intangible assets	0	-34	-33
OPERATING INCOME	-41 677	-4 213	-45 890
Interest costs	-4 728	-2 650	-7 378
Financial revenue	1 044	4 352	5 396
Other profits and financial costs	-564	-1 950	-2 514
FINANCIAL INCOME	-4 248	-248	-4 496
PROFIT FROM ASSOCIATED COMPANIES	-818	-24	-842
INCOME FROM CONTINUING OPERATIONS BEFORE TAXES	-46 743	-4 485	-51 228
Income taxes	7 486	3 086	10 572
PROFIT FROM CONTINUING OPERATIONS	-39 257	-1 399	-40 656
PROFIT FROM DISCONTINUED OPERATIONS	0	4 716	4 716
NET INCOME FOR THE PERIOD	-39 257	3 317	-35 940
<i>Group share</i>	<i>-36 709</i>	<i>2 274</i>	<i>-34 435</i>
<i>Minorities share</i>	<i>-2 548</i>	<i>1 043</i>	<i>-1 505</i>

3. Pro-forma balance sheet on 06.30.2006

PRO-FORMA 06.30.06	Biofina Consolidate d Pro-forma	Vilmorin Consolidate d Published	New scope Vilmorin + Biofina
BALANCE SHEET ASSETS (in K€)			
Goodwill (1)	250 135	22 101	272 236
Other intangible fixed assets	228 574	154 980	383 554
Tangible fixed assets	55 049	88 009	143 057
Equity shares	1 617	6 761	8 378
Financial assets	19 027	12 055	31 083
Deferred taxes	7 607	3 659	11 266
TOTAL ASSETS LESS CURRENT LIABILITIES	562 009	287 565	849 574
Inventories	129 640	164 645	294 285
Trade receivables and other receivables	183 050	180 999	363 731
Cash and cash equivalents	76 774	92 080	168 854
TOTAL CURRENT ASSETS	389 464	437 724	826 870
TOTAL ASSETS	951 473	725 289	1 676 444

(1) - Goodwill calculated on the basis of the financial statements closing June 30th 2006

BALANCE SHEET LIABILITIES (in K€)			
Share capital - Group share	254 948	322 818	577 765
Minority interests	90 388	47 568	137 956
CONSOLIDATED EQUITY	345 336	370 386	715 721
Non-current financial debts	94 029	44 097	138 127
Provisions for employee benefits	13 740	19 707	33 447
Deferred taxes	55 246	35 107	90 353
TOTAL NON-CURRENT LIABILITIES	163 015	98 911	261 927
Current financial debts	255 628	117 246	372 874
Other provisions	16 069	11 674	27 742
Accounts payable	169 665	126 470	295 818
Deferred income	1 760	602	2 362
TOTAL CURRENT LIABILITIES	443 122	255 992	698 796
TOTAL LIABILITIES	951 473	725 289	1 676 444

4. Pro-forma income statement on 06.30.2006

PRO-FORMA 06.30.2006	Biofina Consolidate d Pro-forma	Vilmorin Consolidate d Published	New scope Vilmorin + Biofina
INCOME (in K€)			
Net sales	392 658	497 080	888 875
Other income from ordinary activities	32 878	424	33 296
REVENUE FROM ORDINARY ACTIVITIES	425 536	497 504	922 171
MARGIN ON COST OF GOOD SOLD	155 260	247 823	402 981
Marketing and sales costs	-62 704	-83 667	-146 370
Research and development costs	-40 643	-39 264	-79 908
Administrative and general costs	-38 309	-71 548	-109 857
Other income and operating charges	13 877	-3 041	10 938
Income from the sale of tangible and intangible fixed assets	-264	3 927	3 663
Reorganization costs	-22 211	-854	-23 064
Impairment of goodwill and other intangible assets	-2 728	-899	-3 627
OPERATING INCOME	2 278	52 477	54 756
Interest costs	-9 967	-5 198	-15 165
Financial revenue	2 022	3 236	5 258
Other profits and financial costs	-1 496	-1 756	-3 253
FINANCIAL INCOME	-9 441	-3 718	-13 160
PROFIT FROM ASSOCIATED COMPANIES	-315	1 636	1 321
INCOME FROM CONTINUING OPERATIONS BEFORE TAXES	-7 478	50 395	42 917
Income taxes	4 886	-6 693	-1 807
PROFIT FROM CONTINUING OPERATIONS	-2 592	43 702	41 110
PROFIT FROM DISCONTINUED OPERATIONS	0	5 509	5 509
NET INCOME FOR THE PERIOD	-2 592	49 211	46 619
<i>Group share</i>	<i>-1 369</i>	<i>43 814</i>	<i>42 445</i>
<i>Minorities share</i>	<i>-1 223</i>	<i>5 397</i>	<i>4 174</i>

Note 2 – Segment information

Segment information is presented on the basis of the internal organization of Vilmorin, reflecting the different levels of risks and profitability to which it is exposed.

The first level of segment information as defined by the standard IAS 14, is organized by business segment.

The breakdown adopted by Vilmorin for the different business segments is as follows:

- The Professional vegetable seeds segment
- The Home Garden seeds segment
- The Field Seeds segment

The presentation of a third business segment is the result of the contribution of the field seeds business of Groupe Limagrain on July 1st 2006

Information per business segment on December 31st 2006

In millions of euros	Field Seeds	Professional Vegetables	Home Garden Vegetables	Others (1)	Inter-segment eliminations (2)	TOTAL
Revenue from ordinary activities	94.6	150.7	41.2		-0.3	286.2
Operating income	-29.4	4.8	-4.0	3.1		-25.5
Net Income for the period	-35.0	4.6	-3.7	3.6	0.2	-30.3

(1) – These concern holding companies such as Vilmorin & Cie, American Bio Corporation, Cylonie, Groupe Vilmorin Luxembourg, and VCC Japan.

(2) – Eliminations correspond to sales between business groups.

Note 3 – Goodwill

1 - Evolution of gross values

In millions of euros	Total
On June 30th 2005	23.8
Change in scope	1.3
Acquisitions, increases	1.5
Exits	
Reclassifications	1.4
Currency translations	- 0.3
On June 30th 2006	27.7
Change in scope (1) (2)	257.1
Acquisitions, increases	2.7
Currency translations	- 0.6
On December 31st 2006	286.9

(1) – Goodwill contributed (incl. extra goodwill) for a total of 257.1 M€ concerns the following:

○ Field seeds Europe	158.1 M€
○ Field seeds North America	62.3 M€
○ Research	27.7 M€
○ Others	9.0 M€

	257.1 M€

(2) – The amount of extra goodwill through the contribution of the field seeds activities of Groupe Limagrain came to 76.2 M€ (refer to Note D1 § 6)

2 - Evolution of amortization and losses in value

In millions of euros	Total
On June 30th 2005	4.7
Change in scope	
Provisions	0.9
Currency translations	
On June 30th 2006	5.6
Change in scope	7.4
Provisions	0.1
Currency translations	- 0.1
On December 31st 2006	13.0

3 – Evolution of net values

In millions of euros	12.31.06	06.30.06	06.30.05
Gross goodwill	286.9	27.7	23.8
Loss in value	- 13.0	- 5.6	- 4.7
Total	273.9	22.1	19.1

Note 4 - Intangible fixed assets

1 – Evolution of gross values

(in millions of euros)	Development costs	Germplasm	Software	Patents licences	Brands	Other intangible fixed assets	Current fixed assets	Total
On 07.01.05	105,9	53,6	21,8	13,2	40,3	1,0	0,4	236,2
Acquisitions and increases	28,4		1,2			0,6	0,2	30,4
Exits			-0,2			-0,3		-0,5
Variations in scope and others		2,8	-0,3					2,5
Currency translations	-2,0	-1,5	-0,3		-0,3			-4,1
Reclassification		-1,4	0,5	-0,8			-0,4	-2,1
On 06.30.06	132,3	53,5	22,7	12,4	40,0	1,3	0,2	262,4
Acquisitions and increases	37,1		0,1	0,9		0,4	0,3	38,8
Exits				-0,2				-0,2
Variations in scope and others	173,1	147,7	5,3	28,0	4,7		3,0	361,8
Currency translations	-0,6	-0,2	-0,2	0,2	-0,1			-0,9
Reclassification			2,7				-2,7	0,0
On 12.31.06	341,9	201,0	30,6	41,3	44,6	1,7	0,8	661,9

(1) - Further to the integration of the fields seeds business (c.f. Note D1)

2 – Evolution of amortization and losses in value

(in millions of euros)	Development costs	Germplasm	Software	Patents licences	Brands	Other intangible fixed assets	Total
On 07.01.05	59,9	2,6	10,2	8,2	1,1	0,8	82,8
Provisions	23,1		3,5	0,8		0,2	27,6
Exits			-0,2			-0,3	-0,5
Value losses							0,0
Variations in scope and others			-0,3				-0,3
Currency translations	-1,2	-0,1	-0,1				-1,4
Reclassification				-0,8			-0,8
On 06.30.06	81,8	2,5	13,1	8,2	1,1	0,7	107,4
Provisions	29,5	0,1	2,2	1,0		0,1	32,9
Exits							0,0
Value losses							
Variations in scope and others	107,0	1,1	4,7	17,4			130,2
Currency translations	-0,6		-0,1	0,1			-0,6
Reclassification			-0,1				-0,1
On 12.31.06	217,7	3,7	19,8	26,7	1,1	0,8	269,8

(1) - Further to the integration of the fields seeds business (c.f. Note D1)

3 – Evolution of net values

(in millions of euros)	Development costs	Germplasm	Software	Patents licences	Brands	Other intangible fixed assets	Current fixed assets	Total
On 07.01.05	46,0	51,0	11,6	5,0	39,2	0,2	0,4	153,4
On 06.30.06	50,5	51,0	9,6	4,2	38,9	0,6	0,2	155,0
On 12.31.06	124,2	197,3	10,8	14,6	43,5	0,9	0,8	392,1

Note 5 - Tangible fixed assets

1 – Evolution of gross values (including financially leased fixed assets)

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
07.01.05	15,8	91,0	31,1	47,9	6,8	18,0	4,1	214,7
Acquisitions and increases	0,3	1,0	1,6	1,8	0,2	1,4	6,2	12,5
Exits	-0,7	-1,5	-0,2	-0,8	-0,4	-0,5		-4,1
Variations in scope and others	3,9	3,1		-1,8	-0,4	0,5		5,3
Currency translations	-0,6	-1,7	-0,1	-0,7	-0,2	-0,5	-0,1	-3,9
Reclassification		1,9	1,0	1,6	0,3		-5,4	-0,6
06.30.06	18,7	93,8	33,4	48,0	6,3	18,9	4,8	223,9
Acquisitions and increases		1,9	0,6	1,4	0,1	1,1	5,4	10,5
Exits	-0,7	-7,0	-2,9	-2,3	-0,3	-1,0		-14,2
Variations in scope and others (1)	5,1	46,8	15,5	51,6	7,3	16,8	2,1	145,2
Currency translations	-0,5	-1,1	0,1	-0,4	-0,1	0,1	-0,1	-2,0
Reclassification	0,1	2,1	0,4	2,4		-0,8	-5,5	-1,3
12.31.06	22,7	136,5	47,1	100,7	13,3	35,1	6,7	362,1

(1) - Further to the integration of the fields seeds business (c.f. Note D1)

2 – Evolution of amortization and losses in value (including financially leased fixed assets)

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Total
07.01.05	0,8	52,1	21,6	37,3	5,5	13,0	130,3
Provisions	0,1	3,7	1,8	2,6	0,6	1,3	10,1
Exits		-1,1	-0,2	-0,7	-0,4	-0,4	-2,8
Value losses							0,0
Variations in scope and others		2,1		-1,4	-0,4	0,4	0,7
Currency translations		-0,9	-0,1	-0,5	-0,2	-0,4	-2,1
Reclassification		-0,4	-0,1	0,2			-0,3
06.30.06	0,9	55,5	23,0	37,5	5,1	13,9	135,9
Provisions		2,5	1,2	2,7	0,6	1,3	8,3
Exits		-3,8	-2,8	-1,8	-0,2	-0,7	-9,3
Value losses		-0,1	0,1	0,2			0,2
Variations in scope and others (1)	0,4	25,1	12,9	40,4	5,8	11,4	96,0
Currency translations		-0,5	0,1	-0,3			-0,7
Reclassification			-0,2	0,3	-0,2	-1,0	-1,1
12.31.06	1,3	78,7	34,3	79,0	11,1	24,9	229,3

(1) - Further to the integration of the fields seeds business (c.f. Note D1)

3 – Evolution of 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
07.01.2005	15,0	38,9	9,5	10,6	1,3	5,0	4,1	84,4
06.30.2006	17,8	38,3	10,4	10,5	1,2	5,0	4,8	88,0
12.31.2006	21,4	57,8	12,8	21,7	2,2	10,2	6,7	132,8

4 – Further information: financially leased fixed assets

In millions of euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Total
07.01.2005	1,8	4,9	0,3	-	-	7,0
06.30.2006	1,8	4,4	0,2	0,1	0,1	6,6
12.31.2006	1,8	4,4	0,5		0,1	6,8

Note 6 – Trade receivables

Trade receivables comprise the following:

In millions of €	12.31.06	06.30.06	06.30.05
Customer receivables	215.4	162.2	167.1
Advance payments to customers	9.9	2.4	2.5
Personnel and social security	2.3	0.8	0.9
Tax receivables	53.1	8.0	9.2
Other operating receivables	15.1	6.6	6.3
Prepayments	12.7	8.0	6.2
Gross Total	308.5	188.0	192.2
Customer receivables	-11.8	-7.0	-6.6
Other operating receivables	-0.2	-0.1	-0.1
Total provisions	-12.0	-7.1	-6.7
Net book values	296.5	180.9	185.5
Variation for the fiscal year (1)	115.6	-4.6	

(1) – The evolution of trade receivables can be explained by the integration of the field seeds business, for which trade receivables balance was positive by 183 million euros on July 1st 2006, counterbalanced by an important seasonal effect of sales resulting a reduction of outstanding customers compared to June 30th 2006.

Note 7: Cash and cash equivalents

1 – Evolution of fair values

In millions of euros	12.31.06	06.30.06	06.30.05
• Financial current accounts	0.5	29.4	26.9
• Placement securities held for the purpose of transaction	17.0	32.9	26.8
• Cash and bank in hand	104.1	29.8	32.6
Total	121.6	92.1	86.3
Variation for the fiscal year	29.5	5.8	8.5

2 – Further information

In millions of euros	Total
Fiscal year 2005-2006	
• Change in scope	- 1.0
○ Acquisition of Mikado Seed Growers 1.3	
○ Sale of Ferry Morse - 2.3	
• Variations	8.2
• Currency fluctuations	- 1.4
Total	5.8
12.31.06	
• Change in scope	79.9
• Variation for the period	- 50.1
• Currency fluctuations	- 0.3
Total (1)	29.5

(1) – The evolution of the cash situation and equivalents can be explained mainly by the integration of the field seeds business, for which the cash balance was positive by 76 million euros on July 1st 2006, counterbalanced by seasonal effects and finally the purchase of Hazera's minority interests, which involved a considerable drop in cash.

Note 8 – Shareholders' equity - Group share

In millions of euros	12.31.06	06.30.06
Parent stock (1)	204.2	145.9
Issue premium	210.9	29.3
Parent legal reserves	7.7	6.5
Other reserves and parent carry forward	17.5	17.8
Consolidation reserve and other (2)	120.6	84.2
Currency translation reserve	-4.3	-4.7
Income for the fiscal period	-25.6	43.8
Total	531.0	322.8

Variation for the period (3)	208.2
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(1) - Vilmorin's stock comprises 13 391 857 shares each with a nominal value of 15.25 euros giving a total value of 204 225 819.25 euros.

(2) – Including equity notes issued by the company Limagrain Verneuil Holding for a total of 11.5 million euros recorded as equity instruments (c.f. principles and methods)

(3) – The variation over the period is explained mainly by the stock increase and the issue premium following the integration of the field seeds business, counterbalanced by the distribution in dividends and the loss for the semester.

Note 9 – Shareholders' equity - Minority interests

In millions of euros	12.31.06	06.30.06
Consolidation reserve	95.5	43.6
Currency translation reserve	-0.2	-1.4
Income for the fiscal period	-4.7	5.4
Total	90.6	47.6

Variation for the period (1)	43.0
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(1) – The variation for the period essentially comes from the purchase by Vilmorin of Hazera's minority interests and the integration of the field seeds business.

Note 10 – Provisions

1 – Non-current provisions for employee benefits

In millions of euros	Provisions for employee benefits
07.01.05	20,1
Change in scope	-0,5
Variation of provisions	0,5
Provisions	2,3
Write-back not used	-1,0
Write-back used	-0,8
Reclassification	0,2
Currency translations	-0,6
06.30.06	19,7
Change in scope (1)	13,3
Variation of provisions	0,5
Provisions	1,7
Write-back not used	-0,3
Write-back used	-0,9
Reclassification	
Currency translations	
12.31.06	33,5

(1) – Information on the non-current share can be found in paragraph 2

2 – Other current provisions

In millions of euros	Comercial litigation	Other risks and litigation	Streamlining costs	Employee benefits	Other provisions	Total
06.30.05	1,9	0,3	4,5	0,6	5,1	12,4
Change in scope					0,6	0,6
Variation of provisions	1,1	0,1	-1,8	0,1	-0,5	0,0
Provisions	1,9	0,2	1,1	0,2	0,8	
Write-back not used	-0,1		-0,1		-0,3	
Write-back used	-0,7	-0,1	-2,8	-0,1	-1,0	
Reclassification						0,0
Currency translations	-0,1		-0,1		-0,1	-0,3
06.30.06	2,9	0,4	2,6	0,7	5,1	11,7
Change in scope (1)	0,1	0,3	10,6		4,9	15,9
Variation of provisions	-0,7	2,5	-6,2	0,0	-0,1	-4,5
Provisions	0,9	2,7	0,3			
Write-back not used	-0,3	-0,1	-2,7		-0,1	
Write-back used	-1,3	-0,1	-3,8			
Reclassification						0,0
Currency translations			-0,1			-0,1
12.31.06	2,3	3,2	6,9	0,7	9,9	23,0

(1) – Following the integration of the field seeds business (c.f. Note D1), provisions increased by 15.9 million euros. These provisions mainly concern the reorganization measures adopted as a result of the integration of the Advanta group.

Note 11 - Financial debts

1 – Composition of the financial debts

1.1 – Non-current financial debts

In millions of euros	12.31.06	06.30.06	06.30.05
Hybrid bonds	1.9		
Bank loans	209.8	25.6	28.0
Minority redemption commitments	4.5	3.5	5.4
Lease/hire purchase	9.3	9.0	9.5
Other financial debts	3.8	6.0	0.1
Total	229.3	44.1	43.0
Variation for the fiscal year	185.2	1.1	

1.2 – Current financial debts

In millions of euros	12.31.06	06.30.06	06.30.05
Bank loans	330.6	100.3	91.3
Lease/hire purchase	0.6	0.9	0.8
Current accounts	4.4	16.0	29.8
Other financial debts	0.1		
Interest incurred	2.8	0.1	0.5
Total	338.5	117.3	122.4
Variation for the fiscal period	221.2	-5.1	

1.3 – Net financial indebtedness

In millions of euros	12.31.06	06.30.06	06.30.05
Non-current financial debts	229.3	44.1	43.0
Current financial debts	338.5	117.3	122.4
Cash and cash equivalents	-121.6	-92.1	-86.3
Total	446.2	69.3	79.1
Variation for the fiscal period	376.9	-9.8	

2 – Further information

Analysis of the evolution of the financial debt

In millions of euros	Non-current financial debts	Current financial debts	Total
01.07.05	43.0	122.4	165.4
Increase	6.1		6.1
Decrease	-3.4	-6.3	-9.7
Variations in scope	2.0		2.0
Reclassification	-3.5	3.5	0.0
Currency translations	-0.1	-2.3	-2.4
30.06.06	44.1	117.3	161.4
Increase (1)	213.0	253.5	466.5
Decrease (1)	-102.3	-305.3	-407.6
Variations in scope (2)	94.1	255.6	349.7
Reclassification	-20.3	20.3	0.0
Variation in fair value	-0.1	0.0	-0.1
Exercise of options on securities	1.0	0.0	1.0
Currency translations	-0.2	-2.9	-3.1
31.12.06	229.3	338.5	567.8

(1) – Following the integration of the field seeds business, Vilmorin took out a syndicated loan of 300 million euros in order to cover:

- Redemption of the loan of 104 million euros granted by Groupe Limagrain Holding to Limagrain Verneuil Holding for the acquisition of the Advanta group in 2005.
- Redemption of Biofina's financial debt of 122.4 million euros to Groupe Limagrain Holding.
- And the balance used to finance the current needs of the new Vilmorin scope previously covered by Groupe Limagrain Holding.

As a result of this new syndicated loan, Vilmorin was able to transfer part of its current financial debt into a non current financial debt.

(2) - In particular as a result of the integration of the field seed business (c.f. Note D1)

Note 12 - Other income and operating charges

Evolution of other income and operating charges

In millions of euros	12.31.06	12.31.05 pro-forma	12.31.05 published
Litigation (1)	-1.4	9.7	-0.8
Income from the sale of fixed assets	2.3	4.2	4.0
Government subsidies recorded in the income	0.2	0.1	
Streamlining costs (2)	-0.3	-7.6	
Loss of value on fixed assets	-0.1		
Other charges and income (3)	10.6	0.8	1.1
Total	11.3	7.2	4.3

(1) – The line "litigation" on 12.31.2005 includes the insurance benefit of 13 million euros received by Biogemma as a result of the fire that destroyed a laboratory on July 2nd 2005.

(2) – Pro-forma streamlining costs of 7.6 million euros on 12.31.2005 correspond to the costs incurred by LVH of acquiring the Advanta group on February 15th 2005.

(3) – Including 7.7 million negative goodwill from the acquisition of Hazera.

Note 13 – Interest costs

Evolution

In millions of euros	12.31.06	12.31.05 pro-forma	12.31.05 legal
Interest on loans and bank overdrafts (1)	-7.4	-7.1	-2.4
Interest on financial leasing agreements	-0.2	-0.3	-0.2
Total interest costs	-7.6	-7.4	-2.6

(1) – In particular because of the integration of the field seeds business (c.f. Note D1)

Note 14 – Other financial income and charges

Evolution

In millions of euros	12.31.06	12.31.05 pro-forma	12.31.05 legal
Gains or losses on the sales of securities and dilution profits	-0.3	-2	-1.9
Interest received	-1.8	2.1	1
Provisions for the amortization of securities and other financial assets	-0.1	3.3	3.3
Exchange gains/losses	-0.9	-0.5	
Total	-3.1	2.9	-0,2

Note 15 - Deferred taxes

1 – Evolution of book values

In millions of euros	Deferred tax assets	Deferred tax liabilities	Impact on the income
On 06.30.05	5.3	37.2	0.8
Variations in scope	-1.1	1.6	
Variation influencing the income for the fiscal period	0.1	-1.1	1.2
Reclassification and others	-0.5	-2.3	
Currency translations	-0.2	-0.3	
On 06.30.06	3.6	35.1	1.2
Variations in scope (1)	7.9	56.2	
Variation influencing the income for the fiscal period	-1.0	1.2	0.2
Reclassification and others	-0.3	-3.8	
Currency translations	-0.2		
On 12.31.06	10.0	88.7	0.2

(1) - Following the integration of the field seeds business (c.f. Note D1), deferred tax liabilities correspond mainly to the deferred tax liabilities for germplasm.

Note 16 – Off balance sheet commitments

1 - Guarantees

In millions of euros	Guarantees received	Guarantees given
Endorsements, sureties, guarantees	1.9	21.5
Other commitments	0.7	0.3

Endorsements, sureties, and guarantees given involve a letter of intent for the annual payment of rent covering the remaining duration of a long-term commercial lease taken out by the company Suttons

The company Limagrain Agro Industrie granted a fiscal guarantee to Vilmorin on the companies Limagrain Genetics Inc and Limagrain Verneuil Holding, at the time of the sale and/or contribution of these companies.

There is no overdue payment to date.

2 - Reciprocal commitments (In millions of euros)

Forward purchasing of currency	26.4
Interest rate cover operations	50.0
Lease agreements on furniture and fittings	3.1
Real estate lease agreements	0.5
Simple rental agreements	39.6
Other commitments	12.5
Total	132.1

3 - Debts with real sureties

In millions of euros	Debts guaranteed	Total amount of sureties granted	Book value of the assets provided as a guarantee
Medium-term loans guaranteed by real sureties	57.9	107.4	107.4

4 – Commitments of the company Cylonie

As part of a captive set-up, the reinsurance company Cylonie Re has given and received the following commitments:

- ➔ First, it has given a reinsurance commitment to the benefit of a third party insurance company for a total amount of 43 million US dollars for a period that expires on June 30th 2007. To date, 18 million US dollars have been used.

As a surety for this commitment, it set up a cash pledge to a third party holder for the value of 14.7 million US dollars on December 31st 2006. This sum appears in the line "Financial assets".

- ➔ It also received a reinsurance commitment issued by a third party reinsurance company for a maximum amount of 30 million US dollars on December 31st 2006 for a period that expires on June 30th 2009.
- ➔ In addition, Cylonie Re has widened its cover to include insurance for damages and operating loss.

4.3. Recent evolutions and future perspectives

4.3.1. Recent evolutions

■ Merger of Mikado Seed Growers and Kyowa Seed (Japan)

Vilmorin and the respective shareholders of Mikado Seed Growers and Kyowa Seed finalized negotiations to combine the forces of their two companies.

Further to the legal merger, which became effective on January 1st, 2007, Vilmorin now holds 58% of the stock of the new merged company known as Mikado Kyowa Seed.

■ Purchase of a stake in Avesthagen (India)

Within the framework of the strategic alliance signed with the Indian biotechnology laboratory, Avestha Gengraines Technologies Pvt. Ltd ("Avesthagen"), Vilmorin invested in a stake of €5 million, as part of the stock increase achieved by Avesthagen with the support of its industrial partners and financial investors.

At the same time, Vilmorin and Avesthagen have just set up two joint ventures intended to develop a top class vegetable unit and field seeds unit on the Indian market, particularly through external growth.

Moreover, Vilmorin and Avesthagen recently launched a biotechnology cooperation agreement applied to plant breeding, while respecting their respective partnerships. This agreement specifically involves running joint research programs and mutual access to each other's proprietary technology platforms.

4.3.2. Future perspectives

On the basis of the information presented above and the level of business achieved during the third quarter, Vilmorin can confirm that, for fiscal 2006-2007, its objectives to increase margins and income should be achieved in the same proportions as for previous years.