

Informational
meeting
10.12.2011





Time for Tomatoes
Emeline LAVOCAT / Fabien SCZCEPANOWSKI /
Tristan GIRARD

Through the Eyes of Artists

9 billion people to feed by the year 2050...

In order to anticipate and contribute to providing a better response to the evolution of food requirements, Vilmorin relies on its capacity for research and international development

With this inevitable prospective vision of food as its starting point, Vilmorin has chosen to get involved in culinary design or in other words, "What will our eating habits be like tomorrow?"

Following several years of reflection, exploring the link between varietal and artistic creation, in 2009 Vilmorin decided to turn towards the talents of tomorrow.

And so Vilmorin has opted to display and support the "saplings" of the culinary design workshop at the Reims Higher School of Arts and Design, accompanied by Marc BRÉTILLOT (a pioneer in the discipline), in their work on tomorrow's food.

This year, their themes drew inspiration from passing time, taste, biodiversity, how to meet world food needs and practical consumption modes.

You can admire all the artistic works in the gallery of our website www.vilmorin.info

For more information: www.esad-reims.fr / www.marcbretillot.com

Opening photo "Time for Tomatoes"

Emeline LAVOCAT, Fabien SCZCEPANOWSKI, Tristan GIRARD. Time for Tomatoes

Cherry tomato distributor for public areas. This decorative "large capsule" is placed in a recreational area of the company.

The life cycle of a plant is a relaxing spectacle.

The fruit, which form a healthy snack, ripen on the plant, developing flavors to the full.

The age-old gesture of picking fruit is part of the ritual of tasting food.

Agenda

- 1/ Summary and highlights 2010-2011
- 2/ Results for fiscal year 2010-2011
- 3/ Development strategy
- 4/ Outlook for fiscal year 2011-2012
- 5/ Annexes

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1/ Summary and highlights 2010-2011

Raw on toast

Lucie HADIDA, Louise THIERCELIN et Rachel VENTURA

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Summary and highlights 2010-2011

A historic year for growth

- ▶ Sales of €1,192m up 9.6 %* ...
 - Dynamic growth of the vegetable seed and field seed activities
 - Market shares gained, as a consequence of the technical performance of the products and direct implantation on the target markets



- ▶ in a favorable agricultural environment
 - Rise in surface areas cultivated for the main crops in Vilmorin's commercial line-up (vegetables, corn, wheat and sunflower)
 - Good resistance of raw agricultural materials

* Like for like, compared with 2009-2010

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Summary and highlights 2010-2011

A historic year for growth

- ▶ Increase in the operating margin
 - 13.1% (+4 pts*)
 ... on line with the revised objective



- ▶ Net income group share
 - €91m (+€37m*)
 ... at its highest level historically

- ▶ A solid financial situation, marked by longer maturity of the funding lines and providing significant capacity for external growth
 - Gearing: 26%

* In comparison with 2009-2010

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Summary and highlights 2010-2011

A historic year for growth

► Opening up of growth opportunities on the corn market in South America

- Sales objective 2011-2012: €20m

GUERRA
SEMENTES

Acquisition of the corn assets of Sementes Guerra and structuring partnership

Brasmilho

Acquisition of the corn and sorghum activities of Brasmilho

► Sustained pursuit of investment in innovation, both internally and in partnerships

- Research budget: €154m (+ €17m*) which is 15.2% of professional sales
- Research budget including sales: €220m (+€20m*)

► Repositioning of the co-operation in field seeds with Longping High-Tech (LPHT) in China

* In comparison with 2009-2010

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2/ Results for fiscal year 2010-2011

“Collection 2050”

Magali WEHRUNG and Samuel TOURNIER

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Results for fiscal year 2010-2011

Accounting reference

- IFRS on June 30th 2011

Consolidation scope

- Su Tarim (Vegetable seeds. Turkey). December 2009
- Mesa Maize (Vegetable seeds. United States). May 2010
- Limagrain Cereal Seeds (Field seeds. United States). May 2010
- Limagrain South America (Field seeds. Argentina). June 2010
- Limagrain Guerra (Field seeds. Brazil). February 2011
- Sale of minority stakes (LPHT. China)

Rates of the main currencies on 06/30/2011 (and 06/30/2010)

	Average rate	Closing rate
• \$	1.36 (1.39)	1.45 (1.23)
• ¥	113 (127)	116 (109)
• £	0.86 (0.88)	0.90 (0.82)
• ILS	4.92 (5.25)	4.94 (4.76)

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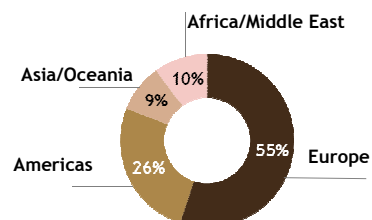
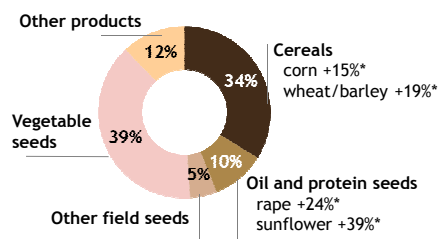
Results for fiscal year 2010-2011

Sales

- Sales: €1,192m (+ €128m) up by 12.1% including organic growth of 9.6%

- Vegetable seeds: €510m ▶ + 7.7%
- Field seeds: €599m ▶ + 13.8%

... above disclosed objectives



* Evolution with current data / 2009/10

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Results for fiscal year 2010-2011

Sales margin

- Sales margin: €535m (+ €52m) up 10.7% with current data

- Vegetable seeds: €286m ▸ + 11.1% with current data
- Field seeds: €214m ▸ + 14% with current data

... integrating a prudent approach to obsolescence costs (€22m)

Stocks	06.30.2010	06.30.2011
Gross value (in €m)	361	334
Provisions	11%	13.2%

... resulting in a drop of relative value of -0.6 points

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Results for fiscal year 2010-2011

Operating charges

- Marketing and sales: €185m (+€19m) up by 8.9% like for like

- Vegetable seeds: €82m ▸ + 14.9%
- Field seeds: €81m ▸ + 10.2%

... accompanying growth in business and reflecting the increase in development investment (prospection, sales network, technical support for products)

- Administration and other charges: +€11m up 7.2% like for like

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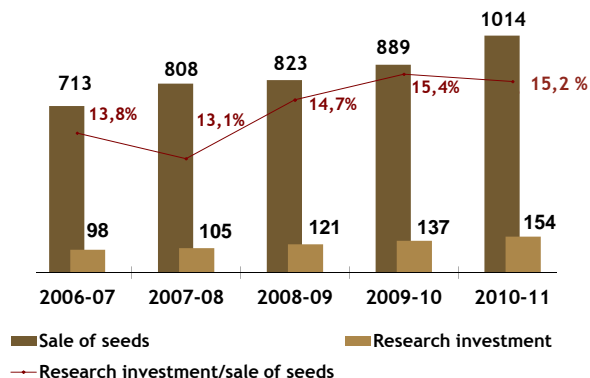


Results for fiscal year 2010-2011

Operating charges

- Research: €108m (+€9m) up 8% like for like, after the impact of the activation of development programs (€22m) and tax relief for research (€24m)

In €m



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Results for fiscal year 2010-2011

Operating income

- Operating income: €157m (+ €61m) corresponding to an operating margin of 13.1% (up 4 points)

- Vegetable seeds: €80m (+ €15m), an operating margin of 15.7% (up 1.3 points)
- Field seeds: €40m (+ €4m), an operating margin of 6.7% (stable)

... benefiting from the gross capital gain on the sale of the minority stake in the Chinese company LPHT (+ €30 m)

► restated margin = 10.6%

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Results for fiscal year 2010-2011

Other components of the result

- ▶ **Financial result: - €21m**
down €9m, characterized by stability in funding costs and the non recurrence of certain financial income items (exchange, sale of non-consolidated securities)

- ▶ **Income taxes: - €39m**
up by €11m
 - Current taxes: €36m
 - Deferred taxes: €3m
 ... with an overall tax rate of de 29%

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Results for fiscal year 2010-2011

Net income and contributions of each activity

- ▶ **Net income: €97m (+ €37m), of which a group share of €91m**
 - Vegetable seeds: €54m (+ €9m)
increasing in all Business Units
 - Field seeds: €26m (+ €3m)
integrating the net cost of development projects (new markets, new technologies) of €9m
- ▶ ... benefiting from the net capital gain on the sale of minority stakes (€29m)

▶ restated net income = €68 m

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Results for fiscal year 2010-2011

Balance sheet structure and cash-flows

► A stable, solid balance sheet structure

- Equity: €1,036m
- Net financial debt: €270m (including cash €372m)

... affected by differences in monetary translation (- €49m) on the net situation

Ebitda	€276m
Operating cash-flow	€38m
Free cash-flow	- €12m

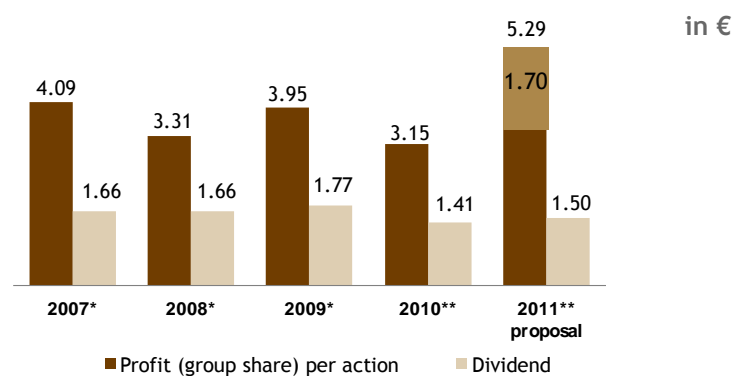
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Results for fiscal year 2010-2011

Dividends



■ Capital gain on the sale of minority stakes in China

Pay-out 40.5% 50.2% 44.8% 44.8% 28.4% (42.8% restated)

* Calculated on the basis of 13,391,857 shares ** Calculated on the basis of 17,218,101 shares

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3/ Development strategy:
progress check

Harvest of flavors

Arnaud COZERET and Romain DESGLANDS

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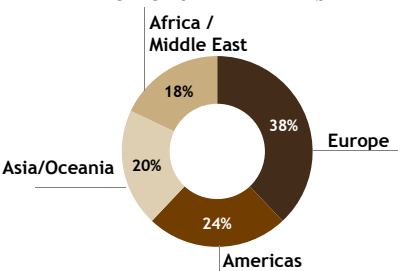
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Vegetable seeds: maintain world leadership

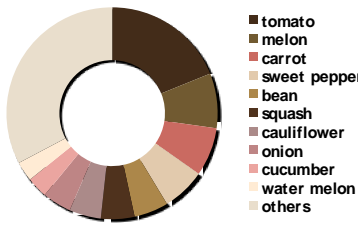
Perpetuate organic growth

► Strategic objectives

- Perpetuate organic growth by continuing to win market shares through the virtuous circle of innovation/proximity to markets
- Strengthen the positions of outsiders on certain crops and in certain geographical zones (particularly in Asia)



Sales of Vegetable seeds
per geographical area



Sales of Vegetable seeds
per crop

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Vegetable seeds: maintain world leadership

Perpetuate organic growth

Market context

- A world market characterized by accelerating growth (volume/value) estimated at 6%⁽¹⁾ per year since 2006
- Gradual conversion of emerging markets towards the use of commercial seeds
- Innovation, a growth factor: new varieties, seed technologies (pelleting, pre-germination, treatments ...)

Strategic advantages

- A multi-crop portfolio
- Local implantations on the main target markets
- A competitive position of world leader for crops with high added value
- No. 2 overall worldwide
- No. 1, 2 or 3 worldwide for tomato, melon, carrot, sweet pepper, cauliflower

Vegetable seeds in 2010-2011

- Sales: €510m. +7.7% ⁽²⁾
- Research centers: 47
- Operating margin: 15.7%

⁽¹⁾ Source: P. Mc Dougall ⁽²⁾ Like for like, compared with 2009-2010

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Vegetable seeds: maintain world leadership

Progress check on the development plan



2009-2010

2010-2011

Coming fiscal years

- ▶ Extension of genetic resources: lettuce, tomato, sweet pepper, sweet corn, onion through the acquisition of research programs and companies
- ▶ Consolidation of positions on key markets through internal and external growth: Brazil, India, China, Turkey (acquisition of Su Tarim)

- ▶ Consolidate certain products / markets combinations considered to be strategic, including through acquisitions
- ▶ Pursue, for growing markets, product innovation and the acceleration of research processes
- ▶ Strengthen the marketing approach of chains

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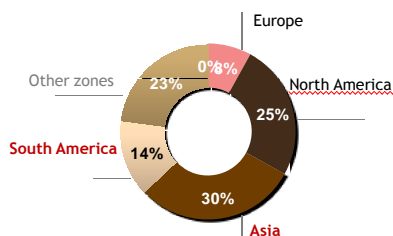


Corn. Internationalize European and North American positions

Heading towards new frontiers

► Strategic objectives

- Using solid European and North American positions, access a wider fast-developing world market
 - ✓ Current potential market (Europe + North America): 33% of world corn acreage
 - ✓ Potential market tomorrow (Asia + South and North America + Europe) : 77% of world corn acreage
- Valorize and enrich existing plant breeding by setting up implantations in new zones: Brazil, India and China
- Amortize upstream research programs currently being developed



Corn: world surface areas 2010

Sources: USDA, Eurostat, FNPSMS, internal.2010

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Corn. Internationalize European and North American positions

Heading towards new frontiers

► Market context

- No. 1 crop produced in world: 824m T
- No. 1 seed market in world in value: 40% of the world market
- Fast growing corn market, due to the adoption of GMOs
 - ✓ 29% of cultivated corn acreage in the world is GM
 - ✓ 48% of the value of the world GM market is corn seed

Strategic advantages

- Strong use of biotechnologies (molecular marking, dihaploidization...)
- Among the top competitive positions on each of the existing markets
 - No. 3 in Europe
 - No. 4 in the United States

Corn in 2010-2011

- Sales: €338m (+15%*)
- Research centers: 35

* Current data in comparison with 2009-2010 Sources: USDA, Eurostat, P. Mc Dougall, ISAAA. 2010

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Corn. Internationalize European and North American positions

Progress check on the development plan



2009-2010

2010-2011

Coming fiscal years

Brazil

- Acquisition of the corn assets of Sementes Guerra and Brasmilho.

China

- Repositioning of the strategic partnership with Longping High-Tech
- Registration of a first commercial corn variety at national level

Brazil

- Acquisition of complementary breeding programs to cover the target market

China

- Development and introduction of a flow of promising varieties

India

- Reinforcement of our current implantation in field seeds through a structuring partnership on a fast developing corn market

Reinforcement and broadening of trait development programs

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Wheat: become the world reference

United States, No. 1 target market

► **Strategic objectives**

- Maintain position of No. 1 in Europe
- Contribute to converting an on-farm seeds market that performs poorly and has little value to a market with GM commercial seed, and then high-yield hybrids


	Rate of use of on-farm seeds	Yield (T/ha)
United States	76%	3
Europe	50%	53

- Extend the future cover of the North American market to other major wheat markets: South America, Asia and Australia

Source: USDA 2011

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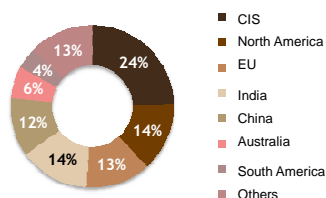


Wheat: become the world reference

United States, No. 1 target market

Market context

- No. 1 cereal grown in the world: 223m ha ⁽¹⁾



Wheat: world acreage 2010

- Insufficient yields to meet world food needs, because of the use of on-farm seeds

Strategic advantages

- Historic presence and acknowledged expertise
- Diversified access to world genetic resources
- No. 1 in Europe (EU 27)

Wheat in 2010-2011

- Sales: €31m ⁽²⁾ (+ 20%) with the addition of €21m royalties
- Research centers: 22

⁽¹⁾ Source: USDA, 2010 ⁽²⁾ Like for like

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Wheat: becoming the world reference

Progress check on the development plan in the United States



2009-2010 2010-2011

Coming fiscal years

- Access to specific local genetic resources
 - Acquisition of diversified American gene pools
- Privileged access traits
 - Strategic partnership with Arcadia Biosciences: drought tolerance, optimization of the use of nitrogen
- Establishment of a dedicated team and structure in North America: JV (65/35) Vilmorin - Arcadia

- Marketing of our first proprietary varieties
- Continuation of breeding
 - Local and international germplasm (world wheat gene pool)
- Reinforcement of scientific collaboration with universities
- ➔ Emergence of technologies on the market: 2020

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4/ Outlook for fiscal year 2011-2012

“Collection 2050”

Magali WEHRUNG and Samuel TOURNIER

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Outlook for fiscal year 2011-2012

An economic and financial environment that is once again disturbed but agricultural markets are positive

- **Vegetable seeds**
 - Pursue growth beyond estimated trends for market progression, while controlling the persistent consequences of sanitary and political crises
- **Field seeds**
 - Adapt demand to supply by providing seeds lower in number than the objectives of production plans
 - Europe
 - ✓ Pursue market share gains in rapeseed and sunflower
 - ✓ Consolidate corn positions
 - United States
 - ✓ Continue to increase seed sales beyond market growth
- **Garden products**
 - Finalize strategic reflection on the repositioning of the Garden products activities

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Outlook for fiscal year 2011-2012

- ▶ Continue to implement the strategic plan
 - Vegetable seeds: reinforce certain combinations crops / geographical area within the organization through external growth operations
 - Corn: consolidate organization in India and broaden upstream research partnerships
- ▶ Commit to the following objectives for fiscal year 2011-2012 with determination and confidence

Consolidated sales

Growth, like for like,
of more than 7%

Current operating margin = 11%

Integrating an estimated
total research
investment of €165m


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Plasticine vegetables

Justine JIMENEZ-CUETO



5/ Annexes

- Consolidated sales
- Sales for Vegetable seeds
- Sales for Field seeds
- Quarterly breakdown
- Income statement
- Free Cash-Flow
- Balance sheet structure
- Key figures per division
- Dividend proposal

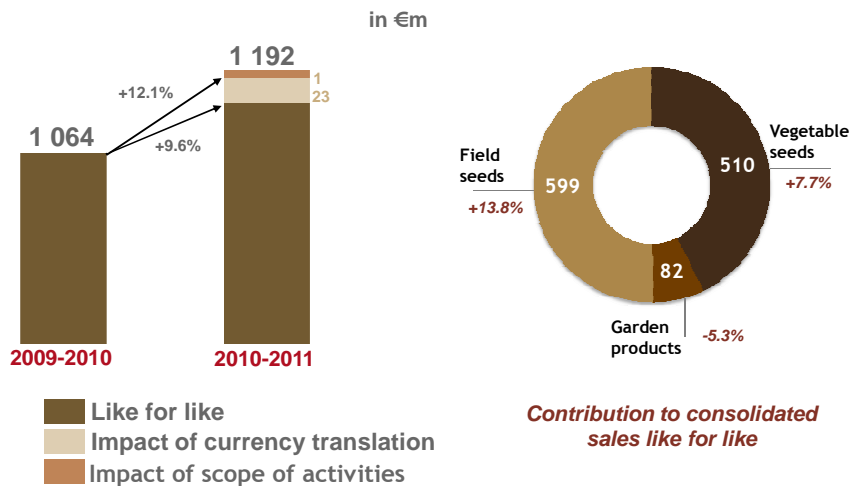
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Consolidated financial statements on June 30th 2011

Consolidated sales*



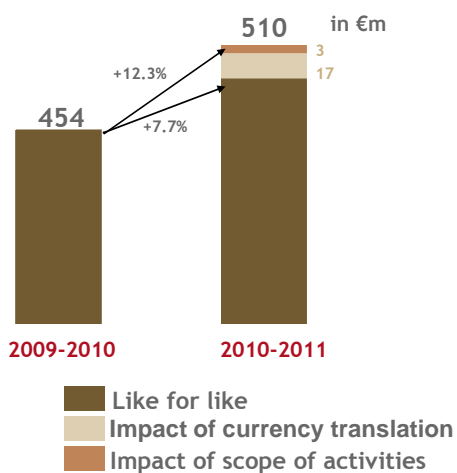
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Sales on June 30th 2011

Sales* for Vegetable seeds



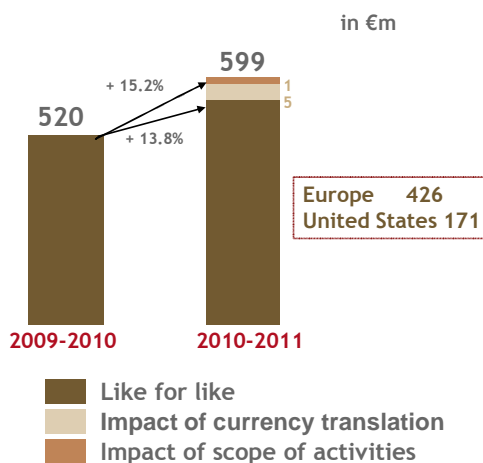
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Sales on June 30th 2011

Sales* for Field seeds



• Very good level of activity in the context of favorable agricultural markets (increase in cultivated cereal acreage and rising prices of agricultural raw materials)

• Progression of sales in all strategic crops: corn (Europe and United States), sunflower, rapeseed and corn

* Revenue from ordinary activities

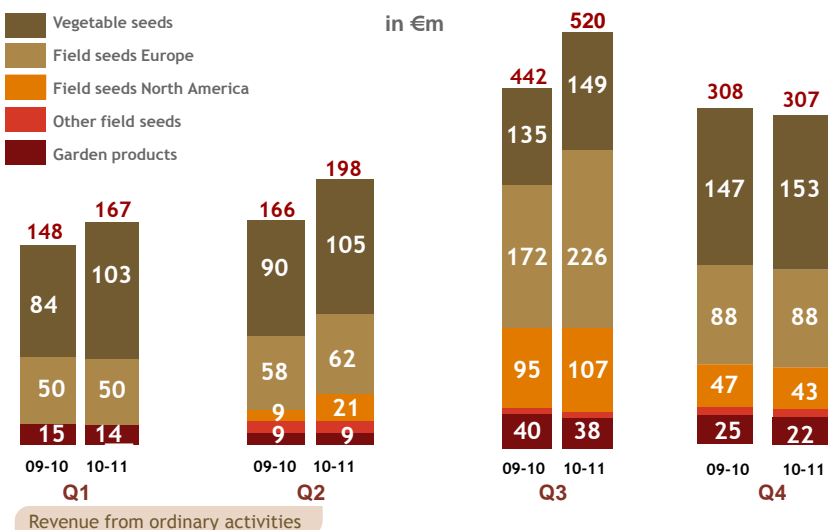
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Consolidated financial statements on June 30th 2011

Quarterly breakdown



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Consolidated financial statements on June 30th 2011

Income statement

In €M	06.30.10	06.30.11	Variation
Sales	1 063.8	1 192.1	+12.1%
Margin on sales	483.6	535.1	+€51.5m
Margin on sales rate	45.5%	44.9%	-0.6 pt
Operating income	97.2	156.7	+€61.2m
Operating margin	9.1%	13.1%	+4 pts
Financial income	(12.2)	(21.4)	-€9.2m
Profit from associated companies	0.5	0.6	+€0.1m
Income taxes	(27.8)	(38.7)	-€10.9m
Discontinued operations	2.5	-	-€2.5m
Net income	60.1	97.3	+€37.2m
Net income Group share	54.2	91.0	+€36.8m

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Consolidated financial statements on June 30th 2011

Income statement - operating charges

In €m	06.30.10	06.30.11	Variation
Marketing and sales	(166.0)	(184,8)	+8.9% *
Research and development	(98.5)	(107.5)	+8% *
Administration and other charges	(109.7)	(120.8)	+7.2% *
Impairments	(2.7)	(0.5)	+€1.8m
Reorganization operations	(4,8)	(2.3)	+€2.5m
Sales of assets	(4.6) (CL)	37,5 (CG)	+€42,1m
Net operating charges	(386.4)	(378.4)	

* With constant scope and currency

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Consolidated financial statements on June 30th 2011

Free cash-flow

In €m	2009-2010	2010-2011
Net indebtedness at the beginning of FY	378	248
EBITDA	206	276
Variation of working capital needs	(22)	(22)
Other operating items	(30)	(67)
Net industrial investments	(44)	(37)
Activated development costs	(100)	(111)
Operating cash-flow	10	38
Net financial investments	(38)	17
Capital and other equity contributions	203	(12)
Dividends	(24)	(35)
Net financial charges	(16)	(20)
Free cash-flow	136	(12)
Other restatements (IFRS/ Currency...)	(6)	(11)
Net indebtedness at the end of FY	248	270

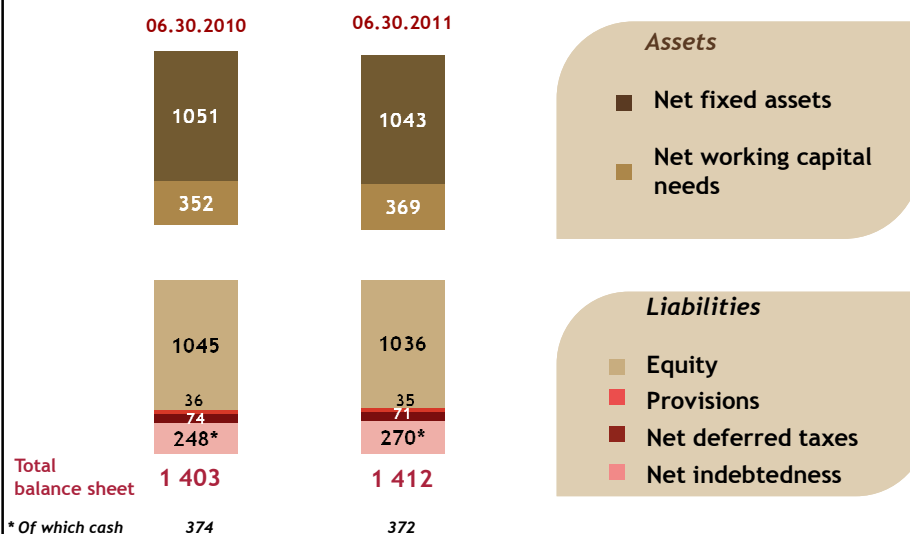
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Consolidated financial statements on June 30th 2011

Balance sheet structure



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Consolidated financial statements on June 30th 2011

Key figures per division (contribution to consolidated sales)

In €m	Sales*		Operating income		Net income	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Vegetable seeds	454.3	510.3	65.4	80.2	44.8	54.2
Field seeds	519.7	598.6	35.8	39.8	22.8	26.4
Garden products	88.3	81.9	2.6	6.5	1.1	4.3
Holdings	1.5	1.3	(6.7)	30.2	(8.6)	12.4
Consolidated	1 063.8	1 192.1	97.2	156.7	60.1	97.3

* Revenue from ordinary activities

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Consolidated financial statements on June 30th 2011

Dividend proposal

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Consolidated income (€m)	57.3	51.1	60.2	60.1	97.2
Income Group share (€M)	54.8	44.3	53.0	54.2	91.0
Profit Group share per share (€)	4.09	3.31	3.95	3.15	5.29
Dividend per share (€)	1.66	1.66	1.77	1.41	1.50
Pay out	40.6 %	50%	44.8%	44.8%	28.4% *
Total distributed (€m)	22.2	22.2	23.8	24.3	25.8
Share price 06/30 (€)	99.1	119.8	69.6	68.2	85.0

* Excluding capital gain China: 42%

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cultivons le goût de la vie



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