

November 2011

Annual Financial Report

**Annual financial
statements
Fiscal year 2010-2011**

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CHAIRMAN'S REPORT ON THE FUNCTIONING OF THE BOARD OF DIRECTORS AND INTERNAL CONTROL >

Under the responsibility of the Board of Directors, it is the role of the General Management to define and implement adequate and efficient internal control procedures. In application of article L225-37 of the French Commercial Code, it is my responsibility, as Chairman of the Board of Directors, to report on:

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

Conditions for preparing and organizing the work of the Board of Directors

Vilmorin & Cie ("Vilmorin") directly holds the majority of the companies in the consolidation scope of its accounts.

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

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

The Board of Directors comprises nine members.

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

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

Taking these criteria into account, the Board of Directors appointed Didier MIRATON as independent Director.

Compliance of our previous analysis with criteria to qualify for independence and for the prevention of any risks of conflict of interest set out in the code of corporate governance for listed companies, published in December 2008 by AFEP/MEDEF, was checked during the course of this fiscal year.

Your Board of Directors has decided to maintain its corporate governance code as its reference, adapting it to specific cases to define its own practices, owing to the particular structure and organization of the governance of its reference shareholder.

For example, in December 2008 it adopted the recommendations of AFEP/MEDEF concerning the remuneration of corporate officers.

Moreover, during the course of the first semester of 2010, the Board of Directors set up an Audit and Risk Management Committee chaired by its independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the statutory Auditors and other external auditors.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors has fixed the medium-term objective of analyzing whether and how to gradually implement all the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin.

During the course of the fiscal year 2010-2011 your Board of Directors met six times, following a work schedule that is established on an annual basis. The attendance rate of its members was 89%.

The duration laid down in the by-laws for the term of office of the Directors is three fiscal years, and this term of office is renewable.

Your Board of Directors closed the corporate accounts and the consolidated accounts of Vilmorin and the associated reports during its meeting of October 10th 2011.

Procedures for internal control and risk management set up by the company

- **General provisions for internal control**

Vilmorin is in total agreement with the definition of internal control as proposed by the AMF, and has adopted an approach that aims to implement its framework reference. This reference defines internal control as a provision implemented to insure:

- compliance with laws and regulations,
- application of the instructions and orientations fixed by the General Management,
- efficient functioning of internal corporate processes, particularly those that have been implemented to protect its assets,
- the reliability of financial information,
- and more generally, contributes to maintaining control of its activities, and ensuring the efficiency of its operations and use of its resources.

As with any control system, it can only provide an absolute guarantee if these risks are totally eliminated and can only provide reasonable assurance with regard to the successful achievement of its objectives.

Internal control is applied as a central function in the group, and concerns all the subsidiaries.

As a holding structure, the company Vilmorin & Cie plays a central role in steering internal control. Besides insuring the coherence of general policies, its role is to co-ordinate, advise and control its subsidiaries. In order to do so, in particular within its Corporate Finance Department it has an internal audit service and a financial control service.

An internal auditing charter has been implemented, based on the definitions, the “Code of Ethics” and the “statements of professional practice of internal auditing” of the IIA (Institute of Internal Auditors). Moreover, reporting standards have been defined in accordance with a new standard format integrating different levels of analysis and a summary of how to follow different recommendations.

During the course of fiscal year 2010-2011, audits were conducted in direct association with the group’s risks mapped, and included an inspection of internal control. These missions resulted in follow-up on recommendations.

The subsidiaries define and implement operational procedures adapted to their specific situations.

Rules for managing and defining functions and procedures in the companies and the group constitute the reference for implementing and applying rules for internal control.

Furthermore, a system to delegate powers has been set up in each company.

- Implementation of a risk management system

General principles for the management of risks

During fiscal year 2008-2009, Vilmorin set up a risk management committee. Since that time, the global approach to risk management in Vilmorin has been based on:

- a steering committee for global risk management, responsible for determining orientations in risk management, validating methodologies, work plans and control schedules, and also reporting back to the Executive Committee and the Audit and Risk Management Committee, specifically instigated by the Board of Directors,
- an operational co-ordination committee responsible for implementing a practical approach to risk management with controls, and defining minimum standards to respect for each identified topic, checking that they are properly applied.

Identification of the main risks

Risk identification implies that risks should be mapped. Risk mapping was initiated during the course of fiscal 2008-2009 involving the Executive Committee and the main managers of each of the sectors of activity.

The risk mapping process is based on a formal methodology that can be used to define a shared language and assessment criteria harmonized between the sectors of activity, the short-term objective being to see how progress can be made by mobilizing teams on a certain number of action plans. It was passed on to the Audit and Risk Management Committee during the course of fiscal year 2009-2010.

This mapping has been further developed through the appointment of risk managers and the final review of risk analysis data sheet.

As mentioned above it is used to program the internal audit. Missions have thus been conducted on control of the working capital needs, procedures for the protection of intellectual property and the risk of laundering. Moreover studies have been presented to the Audit and Risk Management Committee on specific risks for example such as the risk of technological dependence.

At the same time as this process to identify and manage risks, the reference document was updated in 2010-2011 in order to take into account new standards concerning the Information Systems Security Policy (ISSP) and the environment. The ISSP has already been audited and assessed on different occasions. The full reference document is to undergo exhaustive self-assessment in 2011-2012.

Analysis of the main risks

During fiscal year 2010-2011 Vilmorin's business covered different sectors of activity, both on professional and consumer markets, entailing various risks caused by the highly seasonal nature of its business, a relative dependence on the whims of the weather, and the importance of the high-tech products and processes used. Suitable solutions are implemented to insure that these risks are reasonably controlled.

▪ Risks with regard to production

Controlling such risks is essential to insure the appropriate supply of markets, and also adequate inventory management

In particular, this is a major concern that is taken into account when the production plans are laid down, involving all those concerned in each of the companies. Its implementation involves several different parameters, such as the life span of the products, the state of previous harvests, the potential impact of weather conditions or the agronomic value of the products.

▪ Risks with regard to the climate

Meteorological uncertainty may have an effect on activities intended for professional markets.

In both field seeds and vegetable seeds, the diversified and internationally spread production networks mean that this risk can be covered better and that regular, high quality seed production can be insured.

▪ Risks with regard to products and processes

The products sold by the subsidiaries of Vilmorin are intended either for a professional clientele or a consumer clientele for gardening products.

In both cases, any product non-conformance may have severe financial consequences, often extending far beyond the sales price of the products. Such consequences may well be amplified by the multiplying effect of all agricultural production, by the wide distribution of consumer products, or by the complexity of the regulations applicable to different aspects (products, environment, etc.).

As far as the processes and production tools go, the subsidiaries of Vilmorin are concerned in many respects: fire risks, legally controlled product treatment, approved installations, environmental risks, information technology security, etc.

Faced with these different issues, Vilmorin has set up a number of processes:

- scrupulous respect for any applicable regulations,
- rigorous quality control procedures,
- the introduction of specialized teams to deal with crisis situations,
- the development of a prevention policy to provide greater safety for persons and equipment.

▪ Risks inherent in research

For Vilmorin, maintaining and developing original, quality research programs is the best possible guarantee for its future prosperity.

On top of the risks linked to the physical protection of its specialized facilities, germplasm and know-how, Vilmorin needs to insure at all times that its programs have a reasonable chance of succeeding.

The means adopted to reach these objectives primarily involve:

- making sure the facilities, germplasm and know-how are all physically secure (fencing, access restriction, duplication of resources, etc.),
- the protection of secrets and know-how,
- a suitable policy with regard to access to genetic resources and intellectual protection,
- regular consultation to ensure that strategic orientations are pertinent when compared with the competition, market needs and scientific evolution

▪ Risks regarding clientele

Vilmorin is not globally confronted with an excessive concentration of its clientele, and with the risk of a brutal drop in business, particularly since the relative reduction of its consumer activities as a proportion of its total business. Moreover debt recovery risks are moderate.

Vilmorin's subsidiaries are all capable of dealing with this question, providing solutions adapted to their own circumstances.

▪ Legal risks

In order to conduct their business, Vilmorin and its subsidiaries occasionally have to settle disputes of various kinds.

Such disputes are immediately analyzed in detail with regard to risk and responsibility and are dealt with accordingly in liaison with Vilmorin's legal department.

With the exception of provisions already made for disputes on June 30th 2010, Vilmorin had not identified any dispute that might affect its financial situation significantly.

▪ Risks regarding exchange rates, interest rates, cash and markets

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

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

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

On 30th June 2011, Vilmorin's bank debt of 641.5 million Euros mainly involved funding at variable rates. Outstanding forward exchange cover stood at 175 million Euros, 27% of the total.

In order to reinforce the structure of its bank debt, in October 2010, Vilmorin set up a new syndicated credit of an initial sum of 300 million Euros for the duration of 5 years, in partnership with ten banking establishments.

It was agreed that the repayment of this credit and the evolution of its interest payments should be calculated according to the respect of two consolidated financial ratios (financial debt/EBITDA, EBITDA/financial costs); on June 30th 2010, Vilmorin was totally on line with these commitments.

At the end of fiscal year 2007-2008 Vilmorin diversified the nature of its financial resources by issuing convertible bonds (for conversion or exchange to new or existing shares) for a total value of 150 million Euros.

Furthermore, Vilmorin occasionally uses forward cover instruments in some of its subsidiaries to compensate for the evolution of agricultural raw material prices and thus gain better control of the potential volatility of its procurement costs.

▪ Insurance

Vilmorin has insurance policies that provide broad cover of the risks facing its different subsidiaries, with a view to protecting their assets and responsibility. This cover is provided through several group policies that apply to most of the subsidiaries in the following areas:

- consequential and operating loss

The contractual compensation limit has been fixed at a maximum claim of 200 million Euros, with a certain number of specific sub-limits. This limit applies to each claim and each facility.

- general public liability and products liability

This policy is intended to cover liability both before and after delivery, with a 25 million Euro compensation limit per claim, and a fixed annual ceiling of 25 million Euros for liability after delivery.

- third party liability for the corporate representatives

This policy covers the third party liability of managers resulting from a claim that calls into question the personal public liability or joint and several liability attributable to professional misconduct committed in the exercise of their functions. It concerns the de jure or actual managers of the company and all the subsidiaries in France or any other country in which it has a stake.

The compensation limit is 25 million Euros per year of insurance, and includes any benefits and legal defense expenses laid out.

Certain risks are the result of regulatory constraints or specific situations in certain countries which require customized insurance policies.

Procedures used to produce financial and accounting information

Vilmorin's consolidated financial statements are set out in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union on June 30th 2011.

The scope of application for internal control concerning the production and processing of financial and accounting information includes the parent company and all the subsidiaries integrated 100% in the consolidated financial statements.

Financial organization

The production of financial and accounting information comes within an overall procedure that involves several phases:

- The medium-term plan.

A medium-term plan is the working reference that describes the main strategic orientations, and is set out in each of the operating structures. It is updated every year, confirmed at the level of Vilmorin, and consolidated in accordance with a formal process.

- The short-term financial budget.

A short-term financial budget is set out every year by each subsidiary during the first semester with detailed operations. This is also confirmed by Vilmorin and consolidated in accordance with a formal process.

This budget is updated as a forecast at least once over the course of the fiscal year.

- Monthly reporting.

Each company produces monthly performance indicators adapted to its business activity. These are compared to the budget, and any differences are analyzed to detect any significant discrepancies or measures needed to get back on target. Data from reporting is also compared with the general accounts.

Such monitoring generally concerns business (sales and margins) and results, evolution of the headcount, cash flow and funding, and the investment plan.

The main indicators of this reporting are also consolidated every month in accordance with a formalized process.

- The half-yearly and yearly financial statements.

Preparation of the half-yearly and yearly financial statements comes under the responsibility of the financial departments and General Management of each subsidiary. Procedures are defined locally to match the business of the different companies, but must respect a general schedule defined by Vilmorin.

Any significant decisions that need to be taken when the financial statements are established are confirmed by the company before being definitively adopted by the respective Boards of Directors.

Consolidation operations are carried out using a set of tables filled in by each company in compliance with procedures and a specific schedule.

Information feedback is structured in such a way as to guarantee the permanence and homogeneity of the methods used to record transactions in accordance with Vilmorin's accounting principles:

- coherence of the accounting reference, methods and consolidation rules,
- standardization of presentation formats,
- use of a common computing tool for information feedback and consolidation.

- Control

All the data intended to be disclosed is controlled and analyzed with reference to the information reported and collected.

Instructions are given and controls made in order to guarantee standard, homogeneous formalization processes. Information is prepared under the responsibility of the subsidiaries.

The Corporate Finance Department co-ordinates closely with the Statutory Auditors, who work with the subsidiaries and the Consolidation Department according to a schedule prepared in advance.

All the accounting and financial items prepared by the main consolidated subsidiaries are audited at least once by external auditors when the accounts are closed. At this audit, the General Manager and CFO of each subsidiary pledge together through a co-signed letter of confirmation that the financial information is of high quality, reliable and exhaustive.

Auditing missions in the different countries are entrusted in almost all cases to members of the network of the two statutory auditors who, after examining together all the financial statements and methods used to draw them up, certify Vilmorin's consolidated financial statements. They certify that the financial and corporate statements give a true and fair presentation of the assets, liabilities, financial position and results. They are given information prior to the elaboration of the financial statements and present a synthesis of their work to the financial and accounting managers for the six-month and yearly position.

The consolidated financial statements are reviewed by the Executive Committee and the Audit and Risk Management Committee before they are approved by the Board of Directors.

- Assessment of internal control

Within Vilmorin, and in accordance with the AMF model, the internal auditing department deployed internal control questionnaires with regard to the accounting and financial information. These questionnaires were reviewed in conjunction with the Statutory Auditors, in order to adapt them more closely to Vilmorin's activities and the environment.

The questionnaires were used in the subsidiaries (other than the holdings) in the form of self-assessment. As for the holding companies, they were interviewed directly by the internal auditing department.

For fiscal year 2010-2011, no major anomaly has been highlighted.

Limits to the powers granted to the Chairman and CEO

The General Management of Vilmorin is the responsibility of the Chairman of the Board of Directors. During the course of the fiscal year 2010-2011, he was assisted by a CEO, Adrian HUIGE.

Adrian HUIGE expressed the wish to terminate his functions on June 30th 2011. The Board therefore appointed Emmanuel ROUGIER, previously Chief Operating Officer, to replace him as of July 1st 2011.

The Chairman has the widest powers to act in all circumstances on behalf of the company. He exercises these powers within the scope of the object of the company, and within the limits of the powers granted by the French law governing shareholders' meetings and Boards of Directors.

The CEO has the same powers as those of the Chairman with regard to third parties.

For purposes of the company's internal organization, the powers of the Chairman and the CEO have been partially limited by the Board of Directors, but these limits are not available against third parties.

Token payments or allowances paid to corporate representatives

As in previous fiscal years, the Directors carried out their duties in 2010-2011 without any remuneration or allowances.

Nevertheless, bearing in mind the presence of an independent Director on the Board of Directors, it will be proposed to the Annual General Meeting deliberating on the annual accounts closed on June 30th 2011 to fix the directors' fees for fiscal 2010-2011 at 20,600 Euros.

The remuneration of corporate representatives who have a work contract (Daniel CHÉRON, Director) comprises:

- a fixed salary that is reviewed every year,
- a variable part defined in relation to the financial performance of each fiscal year and based on the consolidated net income, and the benefits of a company car.

Starting in January 2009, Adrian HUIGE, previously an employee, continued to fill the function of CEO with the terms of reference stating that the remuneration was reviewed every year.

Participation of the shareholders in the Annual General Meetings

All provisions concerning notices to attend, and the holding of shareholders' Annual General Meetings are defined in Heading V of Vilmorin's by-laws, with clauses concerning the attendance and representation of shareholders appearing in articles 29 and 30.

Information liable to have an impact in the case of a take-over bid

In compliance with the law, any information concerned by article L.225-100-3 of the French Commercial Code is provided as required in the report of the Board of Directors.

This full report was discussed and approved by the Board of Directors at their meeting held on October 10th 2010.

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Activity for the fiscal year

Corporate financial statements

The corporate financial statements of Vilmorin & Cie ("Vilmorin") have been set out in accordance with French regulations.

Within the framework of its development strategy, over fiscal year 2010-2011 Vilmorin pursued its policy of external growth, particularly internationally, and furthered its partnerships in research and the development of new technologies.

Vilmorin's sales reached 37.8 million Euros in 2010-2011 as opposed to 37.3 million Euros the year before.

These sales mainly correspond to services rendered by Vilmorin to its subsidiaries in the areas of general administration, human resource management and pooled upstream research programs.

These services are invoiced proportionately as corporate allocations between the subsidiaries of Vilmorin using economic criteria (margin on the cost of sales, EBITDA, payroll and research costs).

Total operating expenses came to 44.8 million Euros, up 5.7 million Euros compared with 2009-2010.

The total amount of costs not deductible from taxable income amounted to 102,925 Euros for fiscal year 2010-2011.

The operating income showed a profit of 3.5 million Euros.

The financial result showed a net income of 55.9 million Euros, a significant increase of 29.4 million Euros compared with the previous fiscal year.

This figure takes into account the dividends received from the subsidiaries, with the total amount this year standing at 70.5 million Euros, compared with 40.4 million Euros for the previous fiscal year.

It also includes a net allocation to financial provisions of 4.7 million Euros, and net exchange gains of 1.6 million Euros.

Finally, this financial result also includes 12 million Euros of net interest charges.

The extraordinary result showed a net income of 2.6 million Euros, as opposed to 6.3 million Euros in 2009-2010; in particular it contains earn-out for a minority stake held in an American biotechnology company.

Income tax takes into account the impact of the fiscal integration system adopted on July 1st 2000 for a group of companies comprising Vilmorin, Vilmorin SA, Clause SA, Oxadis SA, Gemstar, Vilmorin 1742 and VCO Participations; for fiscal year 2010-2011 a net income of 4 million Euros was recorded, including tax relief for research of 1.4 million Euros granted to the parent company.

As a result of the above-mentioned considerations, the net corporate income came to 63.4 million Euros on June 30th 2011.

The capital stock stood at 262,576,040.25 Euros on June 30th 2011, corresponding to 17,218 ,01 shares with a nominal value of 15.25 Euros each.

On June 30th 2011 loans and financial debts showed a gross value of 627.2 million Euros. Net of cash and investment securities, and also current accounts granted to subsidiaries as part of the group's cash flow management system, financial debts stood at 138.3 million Euros.

In order to strengthen the structure of its bank debts, in October 2010, Vilmorin set up a new syndicated credit for an initial sum of 300 million Euros for the duration of 5 years, in partnership with several banks.

On June 30th 2011, 225 million Euros of this credit was used.

It is accompanied by a commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial costs); on June 30th 2011, Vilmorin was totally on line with these commitments.

Consolidated financial statements

At the close of fiscal year 2010-2011, Vilmorin's consolidated financial statements were set out in accordance with the IFRS (International Financial Reporting Standards) reference as adopted by the European Union on June 30th 2011.

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

The main changes in consolidation scope come from the creation of the company Limagrain Guerra do Brasil, following the purchase of the corn seed activity of Sementes Guerra, and the indirect disposal of a minority stake in the Chinese company Longping High-Tech (LPHT).

Consolidated sales for fiscal year 2010-2011, and corresponding to revenue from ordinary activities, stood at 1,192.1 million Euros, up 12.1% with current data.

Restated like for like (currency translations and changes in scope) sales progressed by 9.7% compared with the previous fiscal year.

Restated for inventory write-off and depreciation, gross margin after cost of sales stood at 44.9%, slightly down compared with 2009-2010.

Net operating charges stood at 378.4 million Euros, as opposed to 386.4 million Euros on June 30th 2010.

Respecting its strategic orientations, in 2010-2011 Vilmorin continued to intensify its research programs both in conventional plant breeding and biotechnology. Total research investment stood at 154 million Euros as opposed to 137 million Euros in 2009-2010 and now represents 15.2% of sales of seeds intended for professional markets.

Tax relief for research, recorded as a deduction from research and development costs, came to 24.4 million Euros as opposed to 23.1 million Euros for the previous fiscal year.

Net operating charges take into account impairment, industrial reorganization costs and items of an extraordinary nature concerning the disposal of assets. Gross capital gains of 31.1 million Euros were made for the sale of the stake in LPHT.

Thus the consolidated operating income stood at 156.7 million Euros, an increase of 59.6 million Euros compared with the previous year, showing an operating margin of 13.1%.

The financial result shows a net charge of 21.3 million Euros as opposed to 12.2 million Euros in 2009-2010 and this fiscal year integrated a balanced net currency exchange compared with a gain of 3.7 million Euros on June 30th 2010.

In the context of falling interest rates, cost of funding came to 21.1 million Euros and the year was marked by a reduction in Vilmorin's medium-term indebtedness.

The net charge of income taxes came to 38.7 million Euros as against 27.8 million Euros the previous year.

Finally, the total net profit came to 97.3 million Euros, up considerably compared to the previous fiscal year. The Group share ("attributable to the controlling company") in this profit was 91 million Euros, compared with 54.1 million Euros on June 30th 2010.

In comparison with June 30th 2010, the balance sheet structure on June 30th 2011 remained globally stable.

Net of cash and bank in hand (371.3 million Euros), total book indebtedness on June 30th 2011 stood at 270.2 million Euros as opposed to 247.8 million Euros on June 30th 2010. The proportion of non-current indebtedness stood at 433.1 million Euros.

The Group's share of equity ("attributable to the controlling company") came to 928 million Euros while that of the minority interests ("attributable to non-controlling minorities") came to 107.9 million Euros.

Vegetable seeds division

Sales for the Vegetable seeds activity on June 30th 2011 came to 510.3 million Euros, up 12.3% compared to the previous fiscal year.

Restated like for like they rose by 7.7%, on line with objectives.

This fiscal year the Vegetable seeds division once again achieved truly excellent growth directly due to the technical performance of its products, the fine commercial cover of its target markets and the drive of all the Business Units. As a result market shares were gained (North and South America, Mediterranean basin and Asia) particularly for crops with high added value, confirming Vilmorin's position as a leading player.

The priority set for the fiscal year was to optimize investment in research and resources devoted to international commercial development.

Overall, the professional vegetables business showed an operating margin of 15.7% with a net contribution to the consolidated result of 54.2 million Euros.

Field seeds division

Sales for the Field seeds division on June 30th 2011 came to 598.6 million Euros, up 15.2% compared to fiscal year 2009-2010; like for like this increase was 13.8%, and above initial objectives.

- In Europe, in a context of favorable agricultural markets (progression of the cultivated acreage for cereals and upward trend of raw material prices), Vilmorin's sales for the year increased considerably (425.6 million Euros) for all the strategic species (corn, sunflower, rapeseed and wheat) comprising its line-up.
- In North America, the sales activity (171.1 million Euros) confirms AgReliant's vitality in spite of a sowing season disturbed by highly contrasted weather conditions. The quality of its germplasm and commercial model strengthened its competitive position in a context of increasing cultivated acreage

Vilmorin continued to optimize its product portfolio over the fiscal year, and the development of its sales networks to new zones (Eastern Europe, South America, India). Moreover, the resources allocated to research programs on strategic crops (wheat, corn, oilseeds) and to upstream technologies were considerably strengthened.

Consequently, the Field seeds division achieved an operating margin of 6.6% and a positive contribution to the consolidated income of 26.4 million Euros, an increase compared with the previous fiscal year; for the fiscal year 2010-2011 these figures were affected by the launch costs of new development projects on the markets of South America and India, and also wheat research programs.

Garden products activity

Sales for the Garden products division came to 81.9 million Euros on June 30th 2011, down 7.2% with current data and 5.3% like for like. Business was affected by a difficult economic environment which this year directly influenced the gardening market both in France and in the United Kingdom.

The Garden products division for this past fiscal year showed a positive contribution of 4.3 million Euros to the net consolidated income.

Vilmorin's business in fiscal year 2009-2010 covered different sectors of activity both on the professional and consumer markets, which means that there are various risks caused by the highly seasonal nature of its business, a relative dependence on the whims of the weather, and the importance of the high-tech products and processes used. All the main risks involved in these activities, and the potential financial risks, are specifically analyzed in the Chairman's report with regard to the functioning of the Board and internal control, and in the notes appended to the consolidated financial statements.

Information on payment periods

In application of the provisions of article L.441-6-1 of the French Commercial Code, a breakdown of outstanding debts by due dates with regard to suppliers at the end of the fiscal year is as follows (in Euros):

Au 30 juin 2011	Non Echues	Dettes échues entre 1 et 30 jours	Dettes échues entre 31 et 60 jours	Dettes échues entre 61 et 90 jours	Dettes échues depuis +90 jours	TOTAL
Dettes fournisseurs et comptes rattachés	6 736 584	1 731 590	41 310	513 068	4 756	9 027 308
Au 30 juin 2010	Non Echues	Dettes échues entre 1 et 30 jours	Dettes échues entre 31 et 60 jours	Dettes échues entre 61 et 90 jours	Dettes échues depuis +90 jours	TOTAL
Dettes fournisseurs et comptes rattachés	6 590 732	47 987	598	27 042	300	6 666 659

On June 30 th 2011	Not yet due	Debts due for between 1 and 30 days	Debts due for between 31 and 60 days	Debts due for between 61 and 90 days	Debts due for + 90 days	TOTAL
Accounts payable						

On June 30 th 2010	Not yet due	Debts due for between 1 and 30 days	Debts due for between 31 and 60 days	Debts due for between 61 and 90 days	Debts due for + 90 days	TOTAL
Accounts payable					-	

Environmental and social information

Vilmorin's strategy and business activities, by their very nature, have been built up in a long-term perspective, since plant breeding and the creation of new varieties can only be achieved over periods of several years.

Consequently the principles involved are those of sustainable development, in environmental, social and economic terms, and these same principles are an integral part of the culture for all the companies in Vilmorin, constituting one of the foundation stones of their general policy.

Environmental information

The products created or developed by Vilmorin almost exclusively come from a natural milieu, and, for the end market in particular, are intended for food or leisure gardening. Accordingly, they cannot and must not cause any serious or repeated damage to the environment.

Vilmorin has therefore adopted a determined and responsible policy, in particular with regard to:

- the rigorous respect of all regulations concerning biotechnology and genetically modified organisms,

- the implementation of means devoted to monitoring and preventing any environmental risks (technical and regulatory watch, alert procedures and crisis management, certification, internal communication through an inter-company network, etc.),
- the control and processing of effluents and the limitation of industrial pollution.

Thus, as for the previous fiscal year, in 2010-2011 Vilmorin has not had to deal with any environmental accident or answer any procedures involving the payment of damages.

Social information

On June 30th 2011, the consolidated headcount of Vilmorin stood at 5,106 permanent employees compared with 4,870 on June 30th 2010.

The average annual headcount for fiscal year 2010-2011 stood at 5,797 employees as opposed to 5,836 the previous year.

During the course of the fiscal year Vilmorin hired 534 new permanent employees (including 127 by converting a temporary to a permanent contract).

Moreover, at certain times the group was required to call upon temporary staff because of the seasonal nature of its activities.

During the fiscal year, 5 companies implemented reorganization measures that affected the personnel, either because of a drop in business, or as part of a restructuring program. These measure led to an overall drop in the headcount of 136 employees, including 6 laid off.

Nearly half the companies run scheduled training programs that go beyond basic legal requirements. In 2010-2011 the expenditure involved came to 1.7 million Euros, and 12,935 hours were devoted to developing the skills of employees.

With regard to the representative provisions for the personnel working at Vilmorin, these are generally set up throughout Europe in accordance with applicable legislation, and concern works councils and/or shop stewards. During fiscal year 2010-2011, forty-nine agreements were signed, dealing principally with salaries, company profit-sharing schemes and working conditions.

Finally, it should be noted that, bearing in mind the geographical dispersion of Vilmorin's different facilities, the working time in each of the subsidiaries varies, depending on the country, from 35 to 50 hours per week.

Events occurring after the closing of the accounts

After the closing of the accounts on June 30th 2011, Vilmorin signed an agreement for the acquisition of the assets devoted to corn and sorghum seeds belonging to the Brazilian company Brasmilho; for an initial period of time, Vilmorin has purchased a majority stake of 85%.

Outlook for the future

The fiscal year for 2010-2011 was characterized by a favorable market environment, in spite of the persistent price volatility of agricultural raw materials. In this context, Vilmorin demonstrated its potential for development and confirmed its strategic orientations, particularly in terms of investment in research and innovation and world development on the professional markets of agriculture and vegetable production.

Fiscal year 2011-2012 should confirm Vilmorin' potential for organic growth in spite of the fact that market conditions appear uncertain; moreover, Vilmorin will continue to increase its measured investment in research and development, in particular in upstream technologies.

Vilmorin must continue to build its development based on a certain number of strategic principles defined several years ago:

- intensification of research investment in upstream technologies and conventional plant breeding,
- permanent international development for all our business in the context of market globalization,
- strengthening our companies or taking up new competitive positions through external growth operations,
- accepting or seeking partnerships in sectors where technical expertise or a critical size can boost development in our companies,
- maintaining an original organization and management model that encourages autonomy in each company's decision-making processes, and the fulfillment of synergy between the different Business Units.

By adhering to this policy, Vilmorin will be able to reinforce its position as fourth largest player in the world, and offer sustainable perspectives for regular growth.

Acquisitions and sales of shares

NB: a detailed table of subsidiaries and participations is appended to this report

Apart from the acquisition of a minority stake in the Indian company Atash, Vilmorin took control of seeds assets on the Brazilian market through the creation of a specific holding structure, Limagrain do Brasil Participações Ltda.

Furthermore, Vilmorin sold all its Vilmorin Luxembourg shares and associated financial fixed assets to a third party.

Finally, it conducted a number of internal participation reclassification operations in order to optimize its legal and financial organization.

Shareholders

Following the capital increase made in April 2010, Vilmorin's capital stock now comprises 17,218,101 shares each with a nominal unit value of 15.25 Euros.

On June 30th 2011, the majority of the capital stock, 61.48% was held by Groupe Limagrain Holding, 5.18% by Sélia, and 5.76% by Coopérative Agricole Limagrain, all three of these companies belonging to Groupe Limagrain.

Following its introduction into the equity in fiscal year 2009-2010, the Caisse des Dépôts and Consignations (CDC) declared that it had indirectly crossed the threshold through the Strategic Investment Fund (SIF) and CDC Entreprises Valeurs Moyennes (CDCEVM).

Vilmorin's bylaws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30th 2011, 9,237,048 shares benefited from this right. Groupe Limagrain Holding, Coopérative Agricole Limagrain and Sélia were the main shareholders concerned, giving Groupe Limagrain combined voting rights of 82.03%.

On June 30th 2011, Vilmorin held 1,317 treasury shares corresponding to less than 0.1% of its capital stock.

In compliance with the provisions of article L225-102 of the French Commercial Code, we inform you that on June 30th 2011 no employee held a stake in the capital stock.

Appropriation of the profits

We propose that the profits of Vilmorin should be applied in the following manner:

Net profits on June 30 th 2011	63,395,246.41 Euros
Application to legal reserve	3,169,762.32 Euros
Profits available on June 30 th 2011	60,225,484.09 Euros
Brought forward	19,770,048.20 Euros
Dividends to distribute	25,827,151.50 Euros
To carry forward	54,168,380.79 Euros

The net dividend is set at 1.50 Euros per share. As a proportion of the net profits for the group, the sums distributed amount to 28.4%.

The total amount of dividends (25,827,151.50 Euros), and the final sum to carry forward, do not take into account any possible treasury shares for control on the date the dividends are paid. Any dividends corresponding to these shares will be added to the sum carried forward.

Moreover we wish to inform you that for the last three financial years, dividends were distributed as follows:

	07-08	08-09	09-10
Number of shares	13 391 857	13 391 857	17 218 101
Nominal	€15.25	€15.25	€15.25
Net dividend per share	€1.66	€1.77	€1.41

Expenses that are not tax deductible

In compliance with the provisions of article 223 quater of the French Tax Code, we ask you to approve the expenses and charges concerned by article 39-4 of the same code, which came to a total of 103,000 Euros.

In compliance with the provisions of article 223 quinquies of the French Tax Code, we present the global figures concerning the expenses concerned by article 39-5 of the same code.

Table of the results of the company over the past five years

In compliance with the provisions of article 223 quinquies of the French Tax Code, we present the global figures concerning the expenses concerned by article 39-5 of the same code.

RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS					
In thousands of Euros	10-11	09-10	08-09	07-08	06-07
Stock at the end of the year					
Capital stock	262 576	262 576	204 226	204 226	204 226
Number of ordinary shares	17 218 101	17 218 101	13 391 857	13 391 857	13 391 857
Operations and results					
Total sales before tax	37 801	37 327	33 993	29 963	27 309
Profit before tax, profit sharing, amortization, depreciation and provisions	65 818	29 723	28 878	-13 051	25 609
Income taxes	- 4 011	- 5 687	- 7 476	- 12 256	- 3 697
Profit sharing for the year	-	-	-	-	-
Profit after tax, profit sharing, amortization, depreciation and provisions	63 395	32 647	37 004	4 203	25 818
Profits distributed	-	24 278	23 704	22 230	22 230
Profit per share					
Profit after tax and profit sharing, but before amortization, depreciation and provisions	4,05	2,06	2,71	-0,06	2,18
Profit after tax, profit sharing, amortization, depreciation and provisions	3,68	1,90	2,76	0,31	1,93
Dividend per share	1,50	1,41	1,77	1,66	1,66
Headcount					
Average staff*	105	89	87	88	82
Total payroll	6 726	6 027	5 511	4 958	4 720
Benefits paid out for the fiscal year	3 386	3 173	3 011	2 847	3 127

* number of people

Information to the Works Council

We inform you that, in compliance with the provisions of article L.2323-8 of the French Labor Code, the results of your company have been presented to the Works Council, which made no special remarks.

Regulatory agreements

We ask you to approve the regulatory agreements governed by article L.225-38 of the French Commercial Code, and which are duly authorized by your Board of Directors, for the fiscal year 2010-2011. The Statutory Auditors have been informed of these agreements, and present them in their special report

Corporate management system

Administration of your company is currently entrusted to a Board of Directors comprising nine members.

On June 30th 2011, the Board of Directors was composed of the following members:

- Chairman: Gérard RENARD
- Members of the Board:
 - Joël ARNAUD
 - Philippe AYMARD
 - Daniel CHERON
 - Jean-Yves FOUCAULT
 - François HEYRAUD
 - Pierre PAGESSE
 - Pascal VIGUIER
 - Didier MIRATON, Independent Member of the Board.

During the course of the fiscal year 2010-2011, Gérard RENARD was assisted in his mission by a CEO, Adrian HUIGE, who expressed the wish to terminate his functions on June 30th 2011. The Board therefore appointed Emmanuel ROUGIER, previously Chief Operating Officer, to replace him as of July 1st 2011.

Since their terms of office will be expiring, your Board of Directors proposes that you renew, for a duration of three years, the terms of office of Joël ARNAUD, Philippe AYMARD, Daniel CHERON, François HEYRAUD and Gérard RENARD.

Furthermore, your Board of Directors proposes that you do not replace the mandate of Pierre PAGESSE, Member of the Board who, during the course of fiscal year 2011-2012, will reach the age limit laid down in the by-laws.

A list of terms of office and functions for the members of the Board of Directors is appended to this report.

During the fiscal year for 2010-2011, your Board of Directors met six times.

Moreover, for the purpose of the offices they hold in the subsidiary companies of Vilmorin, the Members of the Board took part in twenty-two meetings.

With reference to the suggestions of the AFEP/MEDEF report of October 2003 and the recommendation of the European Commission of February 15th 2005, the Board of Directors was enlarged in December 2007 to integrate an independent Director.

Your Board of Directors has decided to maintain its corporate governance code as its

reference, adapting it to specific cases to define its own practices, owing to the particular structure and organization of the governance of its reference shareholder.

For example, in December 2008 it adopted the recommendations of AFEP/MEDEF concerning the remuneration of corporate officers.

Moreover, during the course of the first semester of 2010, the Board of Directors set up an Audit and Risk Management Committee chaired by its independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the statutory Auditors and other external auditors.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors has fixed the medium-term objective of analyzing whether and how to gradually implement all the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin.

Token payments or allowances paid to corporate representatives

Just as in previous years, your Directors carried out their duties in 2010-2011 without any remuneration.

Nevertheless, bearing in mind the presence of an independent Director on the Board of Directors, it will be proposed to the Annual General Meeting deliberating on the annual accounts closed on June 30th 2011 to fix the directors' fees for fiscal 2010-2011 at 20,600 Euros.

Each of the Directors holds three Vilmorin shares and no other operation or regulatory agreement has been reached by your company with its corporate representatives.

Daniel CHÉRON, Director, is also a salaried member of the staff of Groupe Limagrain, the main shareholder of Vilmorin, and we thus declare that the proportion of gross remuneration paid for the function he held specifically for Vilmorin in 2010-2011 was 144,300 Euros, including a variable sum of 36,700 Euros. Total commitments concerning end of career benefits for Daniel CHÉRON on June 30th 2011 came to 211,500 Euros.

Starting in January 2009, Adrian HUIGE, carried out his functions through a mandate for which the remuneration for fiscal year 2010-2011 came to 217,500 Euros.

Control bodies

Vilmorin's statutory auditors are KPMG Audit, Département de KPMG SA, and Visas 4 Commissariat.

Transactions with related parties

All transactions with related parties, mainly with Groupe Limagrain, are described in note 32 in the notes to the consolidated financial statements on June 30th 2011, and they were pursued during this fiscal year on the same basis as in fiscal 2009-2010.

Program to buy back shares in accordance with article L225-209 of the French Commercial Code.

In compliance with the provisions of article L225-211 of the French Commercial Code, we inform you that in order to stabilize our share value, and as part of the buy-back program approved by the Joint Annual General and Extraordinary Meeting of December 17th 2010, we carried out the following operations over the fiscal year:

Number of shares purchased	135,078
Average purchasing price	81.32 Euros
Number of shares sold	133,980
Average selling price	81.28 Euros.

On June 30th 2011, our company held 1,317 treasury shares, corresponding to less than 0.1% of the capital stock, at a purchasing value of 109,203.66 Euros, which is an average unit price of 82.92 Euros.

On September 30th 2011, our company held 2,915 treasury shares, corresponding to less than 0.1% of the capital stock.

In order to encourage the liquidity of transactions and a regular quotation for our share value, your Board of Directors proposes that once again you grant authorization, for a maximum duration of 12 months, to manage the company's treasury shares in compliance with the provisions of article L 225-209 and the following articles of the French Commercial Code, in order to:

- insure liquidity and manage the market for shares through a fully independent investment service provider, within the framework of a liquidity contract that complies with regulations as recognized by the Autorité des Marchés Financiers (AMF: authority governing French markets),
- hand over shares when an investor exercises his or her rights with regard to securities that provide access by whatever means, immediately or when due, to company shares,
- maintain or hand over shares for purposes of exchange or payment within the context of external growth operations, in compliance with recognized market practices and regulations in force,
- apply any other measures that might be authorized or recognized by law or by the AMF, or set any other objective that complies with regulations in force.

These operations will be conducted in accordance with regulations in force and the following conditions:

- the maximum purchasing price is fixed at 120 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 120 million Euros.

Authorization to make a public issue

During the Joint Annual General and Extraordinary Meeting of December 17th 2010, a number of resolutions were passed authorizing the Board, if appropriate, to issue bonds or other assimilated debt securities, and also to increase the capital stock by issuing shares, various securities and/or stock purchase warrants with or without pre-emptive rights.

In application of article L.225-100 of the French Commercial Code, we append to this report a summary table of delegations of authority and powers granted by the Annual General Meeting to the Board of Directors.

In order to remain attentive and reactive to the market and any opportunities that may come up with regard to Vilmorin's development projects, we propose to renew all these authorizations in accordance with the provisions set out below.

Issue of bonds or other assimilated debt securities

We request that you grant full powers to your Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 250 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the capital stock and/or the interest accrued for these securities.

The Board of Directors may proceed with these issues in the limits fixed above, in compliance with legal provisions and with the bylaws, and may also:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium, and according to market conditions, fix the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

Capital stock increase through the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights

We request that you grant all powers to your Board of Directors to deliberate and then to proceed, in one or several operations, with the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights, with any such issue being subject, in particular, to the following conditions and provisions:

- each share issue for the company will bear a maximum nominal value of 250 million Euros, to which will be added, as relevant, the nominal amount of the shares for issue, in order to preserve the rights of the bearers of securities that open up rights to shares, in compliance with the law,
- each issue of securities, other than shares, that provide access to the stock, cannot be higher than 250 million Euros, or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies,
- in the event of the cancellation of the stock purchase rights, the Board of Directors may grant shareholders a priority duration to subscribe for securities without creating negotiable and transferable rights. For this purpose the Board of Directors will fix the duration and the procedure to follow.
- the issue price for warrants issued alone must, for each share to be created, be such that the sum of this price and the exercise price of each warrant is at least equal to the weighted average of the rate of former shares recorded over the previous three trading sessions before the price is fixed, in certain cases reduced by a maximum discount of 5%.

Moreover, in cases where one of the companies in which your company holds, whether directly or indirectly, more than half the capital stock, issues securities providing access to your company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

All the procedures for these delegations are set out in the ordinary and extraordinary draft resolutions (resolutions twelve through sixteen inclusive) submitted for your approval, and also in the Statutory Auditors' special report.

Stock increase reserved for employees

We wish to inform you, in compliance with article L.225-129-6 of the French Commercial Code, that when any decision is made to increase the capital stock, we are obliged to present you with a draft resolution to proceed with a capital increase reserved for employees as part of a company or group savings scheme.

This is the subject of draft resolution seventeen as submitted for vote.

Since the provisions laid down by this legislation do not, in our opinion, appear to be suited to the specific situation of our company, on this particular occasion your Board of Directors will not be making any voting recommendations, and each shareholder will freely assess its relevance.

General provisions

The rules for presentation and the methods of evaluation adopted to set down these documents respect legislation in force, and take into account the provisions resulting from the IFRS accounting and evaluation principles as they were adopted by the European Union on June 30th 2011.

In their reports your Statutory Auditors confirm that they have accomplished their mission.

With the exception of resolution seventeen, your Board of Directors invites you to adopt the ordinary and extraordinary resolutions which it is submitting for your approval.

**SUMMARY TABLE OF THE DELEGATIONS OF AUTHORITY AND POWERS GRANTED
BY THE ANNUAL GENERAL MEETING OF DECEMBER 10TH 2010 TO THE BOARD OF
DIRECTORS WITH REGARD TO CAPITAL STOCK INCREASES**

Object of the delegation	Period of validity	Maximum nominal amount	Date and application by the Board of Directors
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights maintained	24 months	250 million Euros	The Board meeting of February 23 rd 2010 decided to proceed with a capital stock increase with preemptive subscription rights maintained by issuing new shares with a maximum nominal value of €250,000,000.
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, preemptive rights cancelled	24 months	250 million Euros	Not applied
Approval to use delegations of authority as consented above within the context of a takeover bid or exchanges that concern the securities issued.	12 months	-	Not applied
Global ceiling for all the authorizations above	-	400 million Euros	.
Issue of bonds and other assimilated securities	18 months	250 million Euros	Not applied

CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEAR 2010-2011 >

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Consolidated income statement

In millions of Euros	Note	10-11	09-10
■ Revenue from ordinary activities	5	1 192.1	1 063.8
Cost of goods sold		- 657.0	- 580.2
Marketing and sales costs		- 184.8	- 166.0
Research and development costs	8	- 107.5	- 98.5
Administrative and general costs		- 119.6	- 109.7
Other income and operating charges	9	33.5	- 12.3
■ Operating income		156.7	97.1
Interest costs	10	- 21.1	- 20.5
Other financial profits and costs	11	- 0.2	8.3
Profit from associated companies	18	0.6	0.5
Income taxes	12	- 38.7	- 27.8
■ Profit from continuing operations		97.3	57.6
■ Profit from discontinued operations		-	2.5
■ Net income for the period		97.3	60.1
<i>Attributable to controlling company</i>		91.0	54.1
<i>Attributable to non-controlling minority</i>		6.3	6.0
Earnings from continuing operations per share – attributable to controlling company	13	5.29	3.00
Earnings from discontinued operations per share – attributable to controlling company	13	-	0.15
Earnings for the period per share – attributable to controlling company	13	5.29	3.15
Diluted earnings from continuing operations per share – attributable to controlling company	13	5.37	3.18
Diluted earnings from discontinued operations per share – attributable to controlling company	13	-	0.14
Diluted earnings for the period per share – attributable to controlling company	13	5.37	3.32

Details of the gains and losses for the fiscal year

In millions of Euros	10-11	09-10
Income for the period	97.3	60.1
Variation in currency translations	- 48.6	52.7
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	4.1	- 0.8
Change in method	-	-
Impact of taxes	- 1.3	0.3
Others	-	-
Other items in the total gains and losses for the period net of taxes	- 45.8	52.2
Total gains and losses for the period	51.5	112.3
<i>Including:</i>		
<i>attributable to controlling company</i>	51.1	100.8
<i>attributable to non-controlling minority</i>	0.4	11.5

Financial progress report

Assets

In millions of Euros	Note	06.30.11	06.30.10
Goodwill	14	311.6	299.7
Other intangible fixed assets	15	487.1	473.2
Tangible fixed assets	16	198.5	191.0
Financial fixed assets	17	29.3	41.8
Equity shares	18	15.9	45.0
Deferred taxes	25	16.9	14.3
■ Total assets less current liabilities		1 059.3	1 065.0
Inventories	19	290.0	320.7
Trade receivables and other receivables	20	483.4	434.3
Cash and cash equivalents	21	371.3	373.6
■ Total current assets		1 144.7	1 128.6
Total assets		2 204.0	2 193.6

Liabilities

In millions of Euros	Note	06.30.11	06.30.10
Share capital	22	262.6	262.6
Reserves and income	22	665.4	650.4
■ Equity – controlling company	22	928.0	913.0
■ Equity – non-controlling minority	23	107.9	132.2
■ Consolidated equity		1 035.9	1 045.2
Provisions for employee benefits	24	22.8	21.3
Non-current financial debts	27	441.9	363.2
Deferred income taxes	25	88.3	88.4
■ Total non-current liabilities		553.0	472.9
Other provisions	26	11.8	14.5
Accounts payable	28	378.1	377.1
Deferred income	29	25.6	25.7
Current financial debts	27	199.6	258.2
■ Total current liabilities		615.1	675.5
Total liabilities		2 204.0	2 193.6

Consolidated cash flow statement

In millions of Euros	06.30.11	06.30.10
1 – Trading operations		
Income for the year	97.3	60.1
Results of companies consolidated under equity method after dividends	- 0.7	0.2
Depreciation, amortization and losses in value	117.5	109.1
Net non-current provisions	2.9	- 5.4
Variation in deferred taxes	2.9	1.6
Income from capital operations	- 41.8	- 0.2
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)	-	- 0.8
Non cash financial charges	2.7	-
Fair value losses and gains for financial fixed assets available for sale	-2.2	- 0.6
■ Cash flow	178.6	164.0
Dividends received on equity securities	-0.4	-0.2
Variation in working capital needs with comparable scope		
• Inventories	15.9	- 41.6
• Trade debts	- 48.9	13.6
• Short-term debts	21.1	8.5
■ Cash from operating activities	166.3	144.3
2 – Investment operations		
Disposal of fixed assets	24.2	15.5
Acquisition of fixed assets		
• Intangible fixed assets	- 120.9	- 112.3
• Tangible fixed assets	- 39.3	- 41.4
• Financial fixed assets	-12.8	- 21.0
Variation in other financial fixed assets	12.1	1.2
Cash flow acquired through scope entries ⁽³⁾	- 14.4	- 23.1
Cash flow conceded through cash exits	58.2	0.9
Variation in financial fixed assets	-	-
Net increase/decrease in cash and cash equivalents	- 23.6	- 4.5
■ Cash flows from investing activities	-116.5	- 184.7
3 - Cash flows from financing activities		
Increase/decrease in equity ⁽¹⁾	- 11.5	203.6
Transactions with non-controlling interests ⁽³⁾	-15.9	- 0.8
Increase/decrease in financial liabilities ⁽²⁾	21.3	- 26.6
Dividends received on non consolidated participations	0.4	0.2
Dividends paid out	- 35.0	- 25.1
■ Cash flows from financing operations	-40.7	151.3
4 - Net effect of currency translation	- 11.4	10.8
5 - Net increase/decrease in cash and cash equivalents	- 2.3	121.7

6 - Cash and cash equivalents at beginning of period	373.6	251.9
7 - Cash and cash equivalents at end of period	371.3	373.6

⁽¹⁾ On June 30th 2010, share capital increase of Vilmorin & Cie.

⁽²⁾ Increase/decrease in financial liabilities:

Increase in non-current financial debts	355.6
Repayment of non-current financial debts	- 248.0
Net increase/decrease in current financial debts	<u>- 86.3</u>
	21.3

⁽³⁾ Application of the amended standard IFRS 27: restatement of "Transactions with non-controlling interests", previously presented in the investment flows in the line "Cash flow acquired through scope entries". This line includes acquisition of the following securities:

	06/30/11	06/30/10
Atash Seeds	3.5	-
Vilmorin Hong-Kong	11.0	-
Alliance Semillas de Chile	0.8	-
Cnos Garden	-	0.8
Miscellaneous	0.6	-
Transactions with non-controlling participations	15.9	0.8

Variation in consolidated equity

In millions of Euros	Attributable to controlling company					Attributable to non-controlling minorities	Total
	Capital	Premium	Income and other reserves	Currency translation reserves	Total		
06.30.09	204.2	210.9	248.5	- 26.1	637.5	116.3	753.8
Currency translation	-	-	-	47.2	47.2	5.5	52.7
Gains and losses recorded directly in equity	-	-	- 0.5	-	- 0.5	-	- 0.5
Net income	-	-	54.1	-	54.1	6.0	60.1
Total gains and losses for the fiscal year	-	-	53.6	47.2	100.8	11.5	112.3
Variation in treasury shares	-	-	0.5	-	0.5	-	0.5
Dividends paid out	-	-	- 23.6	-	- 23.6	- 1.5	- 25.1
Variations in scope	-	-	-	-	-	-	-
Effect of share purchase commitments	-	-	-	-	-	- 0.7	- 0.7
Variation in the share capital of the parent company	58.4	139.6	-	-	198.0	-	198.0
Variation in the share capital of the subsidiaries	-	-	-	-	-	6.6	6.6
Restatement	-	-	-	-	-	-	-
Others	-	-	- 0.2	-	- 0.2	-	- 0.2
06.30.10	262.6	350.5	278.8	21.1	913.0	132.2	1 045.2
Currency translation	-	-	-	- 42.7	- 42.7	- 5.9	- 48.6
Gains and losses recorded directly in equity	-	-	2.8	-	2.8	-	2.8
Net income	-	-	91.0	-	91.0	6.3	97.3
Total gains and losses for the fiscal year	-	-	93.8	- 42.7	51.1	0.4	51.5
Variation in treasury shares	-	-	- 0.1	-	- 0.1	-	- 0.1
Dividends paid out	-	-	- 24.2	-	- 24.2	- 10.8	- 35.0
Variations in scope	-	-	- 9.3	-	- 9.3	- 4.9	- 14.2
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the share capital of the parent company ⁽¹⁾	-	-	-	-	-	-	-
Variation in the share capital of the subsidiaries	-	-	-	-	-	-	-
Restatement of equity notes	-	-	- 2.5	-	- 2.5	- 9.0	-11.5
Restatement	-	-	1.5	- 1.5	-	-	-
Others	-	-	-	-	-	-	-
06.30.11	262.6	350.5	338.0	- 23.1	928.0	107.9	1 035.9

⁽¹⁾ Capital increase reserved for Groupe Limagrain Holding and other shareholders.

Notes to the consolidated financial statements

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Note 1:

Accounting methods and principles in IFRS standards

1- General context and declaration of compliance

These financial statements present the consolidated accounts on June 30th 2011 in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union (website: <http://ec.europa.eu>) on that date.

The consolidated financial statements were approved by the Board of Directors on October 10th 2011.

2- Basis of evaluation used to establish the consolidated financial statements

The consolidated financial statements have been established using the historical cost convention, with the exception of certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are mentioned in the following notes.

3- The use of estimates

In order to establish its financial statements, the Executive Committee of Vilmorin must carry out a number of estimates and hypotheses that affect the book value of the assets and liabilities, the income and the charges, and also the information provided in notes.

The Executive Committee of Vilmorin carries out these estimates and assessments on an ongoing basis, taking into account its experience and various other factors deemed to be reasonable that form the basis of these assessments.

The figures appearing in future financial statements are liable to differ from these estimates, depending on the evolution of these hypotheses or different conditions.

The main significant estimates made by the Executive Committee of Vilmorin in particular concern the evolution of commitments to employees, goodwill, other intangible fixed assets and provisions.

4- Accounting treatment adopted in the absence of an IFRS standard or IFRIC interpretation with regard to certain operations

In the absence of an IFRS standard or IFRIC interpretation, Vilmorin has chosen to adopt the following accounting treatment, pending any possible standards or interpretations to come.

4.1 - Accounting of put options granted to certain minority shareholders

Vilmorin has granted to the minority shareholders of certain of its subsidiaries consolidated by global integration commitments to buy back their minority stakes. These commitments may take the form of a put option or a firm commitment to buy the stakes at a pre-fixed date.

In IFRS standards, until there is a specific IFRIC interpretation or IFRS standard, the following accounting treatment has provisionally been adopted:

- At initial recording in the accounts, the commitment to buy back a minority stake is recorded as a financial debt at the discounted value of the price of the option or firm commitment to buy back the stake, in return for the minority interests, and for the balance, for the goodwill.
- Any ultimate variation in the value of the commitment is recorded.
- Where necessary, when the commitment and its subsequent variations are first recorded in the accounts, the anticipated loss on the acquisition cost is recorded in "Variation in commitments to buy back minority stakes".

- When the commitment reaches maturity, if there is no acquisition, previous recordings are cancelled. If the acquisition materializes, the amount recorded as a financial debt is cancelled out by the disbursement for the acquisition of the minority stake.

4.2 - Application and interpretation of standards and regulations

New standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to accounting periods opening as of July 1st 2010 or subsequently (refer to the details hereafter), have not been adopted in anticipation by Vilmorin:

■ IAS 1R:	Presentation of financial statements
■ IFRIC 12:	Service concession arrangements
■ IFRIC 13:	Customer loyalty programs
■ IFRS 8:	Operating segments
■ IAS 23 R:	Borrowing costs
■ IFRIC 14:	The limit on a defined benefit asset, minimum funding requirements and their interaction
■ IFRS 2 amendment:	Vesting conditions and cancellations
■ IAS 32 and IAS 1 amendment:	Puttable financial instruments and obligations arising on liquidation
■ IFRS 1 and IAS 27 amendment:	Cost of an investment in a subsidiary, jointly controlled entity or associate
■ IFRS 3R and IAS 27 amendment:	Business combinations
■ IAS 39:	Financial Instruments: recognition and measurement
■ IAS 39 and IFRIC 19 amendment:	Embedded derivatives
■ IFRS 7 amendment and IFRS 4:	Improvements to financial instruments disclosures
■ IFRIC 16:	Hedges of a net investment in a foreign operation
■ IFRIC 18:	Transfers of assets from customers
■ Annual IFRS improvements	

5- Consolidation methods (IAS 27 - 28 - 31)

Control means the power to direct the financial and operating policies of an entity in order to gain advantages from its activities. In order to assess control, the Group takes into account potential voting rights that may currently be exercised. The acquisition date is the date upon which control is transferred to the acquirer. Determining the acquisition date and determining whether control has been transferred from one party to another requires the exercise of judgment.

The financial statements of subsidiaries are included in the consolidated financial statements as of the date on which control is obtained right up until the date when control ceases.

The following rules have been applied:

- A subsidiary is an entity controlled by the company. Controlled subsidiaries are consolidated using **global integration**.

Control is defined as when the company holds the power to govern, whether directly or indirectly, the financial and operating policies of the entity, in order to obtain advantages from its business.

The criteria used to appreciate whether control exists are as follows:

- either direct or indirect holding of the majority of voting rights, including potential voting rights which can currently be exercised or converted,
- or the appointment over two successive fiscal years of the majority of the members of the board of directors or equivalent governing body, the management or supervision,
- or the possibility of exerting dominant influence in the sense of the principles presented by the standard IAS 27 in paragraph 13.

- Companies controlled jointly, as the result of a contractual agreement, with a limited number of partners, are consolidated by **proportional integration**: the consolidated financial statements include Vilmorin's proportion of the assets, liabilities, income and charges grouped together, line by line, with the similar elements of the financial statements, as of the date when the joint control starts right up until the date when it ends.

- Associated companies in which Vilmorin exerts significant influence, which is presumed to be the case when the voting rights are higher than 20%, are consolidated using the **equity method**. Consolidated financial statements include Vilmorin's proportion in the total amount of profits and losses accounted for by the associated companies (equity method), as of the date when significant influence is first exerted right up until the date it ends. If Vilmorin's proportion in a company's losses is higher than its stake in this company, the book value of the shares integrated

using the equity method is recorded as zero, and Vilmorin no longer accounts for its proportion of losses to come, unless Vilmorin has a legal or implicit obligation to participate in the losses or make payments on behalf of the associated company.

- All internal transactions are eliminated in consolidation, particularly:
 - reciprocal transactions and accounts,
 - dividends paid out between consolidated companies,
 - provisions and write-back of amortization on consolidated securities,
 - internal margins on inventory,
 - capital gains or losses on internal disposals.

6- Business combinations (revised IFRS 3)

The revised standard IFRS 3 is applicable to all take-overs as of July 1st 2009.

The Group values goodwill at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest rate in the acquiree, minus the net recognized amount (usually the fair value) of the identifiable assets acquired and liabilities assumed on the acquisition date.

The consideration transferred includes the fair value of the transferred assets, the Group's liabilities to the previous owners of the acquiree, and the participating interests issued by the Group. The consideration transferred also includes the fair value of any consideration and payment rights based on the shares of the acquired company which must be replaced in the business combination (see below). If pre-existing relationships between the Group and the acquiree are terminated as a result of the business combination, the termination value (cited in the contract) and the value of the non-marketable portion are deducted from the consideration transferred and are recognized as other costs.

When rights to share-based payments that are replaced by rights (replacement rights) owned by employees at the acquiree (the acquiree's rights) relate to past services, part of the market-based assessment of the replacement right is included in the consideration transferred. Insofar as services are also necessary in the future, the difference between the amount included in the consideration transferred and the market-based assessment of the value of the replacement right is treated as a replacement cost after the business acquisition.

A contingent liability of the acquiree is taken into consideration in the business combination when the liability represents a current commitment and derives from past events, and if its fair value can be reliably measured.

The Group values non-controlling interests pro rata according to their interests in the acquiree's identifiable assets.

Transaction costs arising in connection with a business combination (brokerage costs, judicial costs, due diligence costs, costs of consultants and experts, etc.) are recognized immediately as they occur.

Security exchange operations are not dealt with by IFRS standards. Since there is no reference, Vilmorin has processed this type of operation as equity.

7- Operating segments

New IFRS standard 8 "Operating segments" (which replaces IAS 14 "Segment information") defines an operating segment as the component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses
- whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

8- Converting statements expressed in foreign currencies (IAS 21)

Vilmorin's financial statements are presented in Euros.

Balance sheets of companies whose functional currency is not the Euro are converted into Euros at the exchange rate in force at close, and their income statements and cash flows at exchange rates as close as possible to the transaction dates.

Resulting translation differences are recorded in the equity on the line "Currency translations" for the share of the controlling company, and on the line "Minority interests" for the minorities' share.

Goodwill and adjustments in fair value originating in the acquisition of a foreign entity are considered as the assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate for the year.

9- Translation of transactions expressed in foreign currencies

At the end of the fiscal year, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate in force at the closing rate for the year. The resulting exchange differences are recorded in the income statement (in "Other financial profits and costs").

Translation differences for financial instruments expressed in foreign currencies and corresponding to net forward investment in a foreign subsidiary are recorded in equity in the line "Currency translation". They are recorded in the income statement when the activity is taken out of the foreign country.

For a foreign exchange hedge to be eligible for hedge accounting (cash flows or fair value), the hedge relation needs to be defined and documented, and its efficiency demonstrated throughout its lifespan. Fair value hedges can be used for protection against variations in the value of assets, liabilities or firm commitments. Future flow hedges are used for protection against variations in the value of future cash flows (turnover generated by the company's assets for example).

Derivatives are assessed at their fair value. Variations in the fair value of these instruments are dealt with in the following ways:

- Fair value variations for instruments eligible for cash flow hedges are recorded in two places: directly in the equity for the efficient part of the hedge and in the financial income for the inefficient part.
- Fair value variations for instruments eligible for fair value hedges are recorded in the income where they compensate for variations in the fair value of assets, liabilities or firm covered commitments.

10- Other intangible fixed assets (IAS 38)

Other intangible fixed assets are recorded at acquisition cost, and other intangible fixed assets created internally are recorded at cost value.

When their duration of use is defined, intangible assets are amortized over their expected duration of use by Vilmorin. This duration is determined for each individual case depending on the nature of the items included in this line.

When their duration of use is undefined, intangible fixed assets are not amortized, but they are submitted to systematic annual value loss tests.

Consequently, intangible fixed assets with a defined duration of use are valued at cost price less amortization and any loss of value, whereas intangible fixed assets with an undefined duration of use are valued at cost price less the aggregate of losses in value.

The main categories of other intangible fixed assets at Vilmorin are as follows:

10.1 - Development costs

Development costs, net of any associated tax relief on research, are recorded as intangible fixed assets when the activation conditions meet all five of the following conditions:

- The projects are clearly identified and the costs concerned are treated individually and are evaluated in a reliable manner.
- Technical feasibility of the projects is shown.
- There is both an intention and capacity to see the projects through to the end, and use or sell any products that result from these projects.
- There is a potential market for the production generated by these projects, or their internal utility has been demonstrated.
- The resources necessary to run the projects right up to their conclusion are available.

Vilmorin considers that it is capable of satisfying these conditions as described above. As a consequence, its development projects are recorded as fixed assets in the following conditions:

Nature and contents of the projects recorded as fixed assets

Projects recorded as fixed assets correspond to work leading to the development of new products, or to industrial processes relative to Vilmorin's business.

The business field concerned is that of Vilmorin's seed activities.

Work taken into account when costing development projects recorded as fixed assets includes, in particular:

- Plant improvement as such, and particularly conventional breeding, genome analysis work on species the company does research into, molecular marking and routine laboratory work used by breeders.
- Trials, tests and experiments, the production of seeds at a pilot stage, registration fees, homologation fees or fees to maintain rights on products being launched.
- The development of new technologies that aim to improve the performance of seeds such as: coating, pelleting, priming, etc.
- Intellectual property activities connected to the registration of patents, Soleau envelopes, Proprietary Variety Certificates, freedom to operate studies, etc.
- The development of new processes or industrial pilots for the transformation of plant-based raw materials or more elaborate products, including food and ingredients.

Work done before the above-described process is not taken into account in the definition of development costs (for example: transgenesis, or the search for new genetic resources).

Moreover, only the charges that can be directly allocated to the programs concerned can be included in the calculation of the cost of projects recorded as fixed assets.

Development programs recorded as fixed assets are amortized using the straight-line method over a five-year period as of the first year.

10.2 - Goodwill

Goodwill represents the difference between the acquisition price of consolidated securities and the share of Vilmorin in the fair value of their assets, liabilities and any potential liabilities that can be identified on the date of the purchase of the participation.

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1.23. Any impairment recorded is irreversible.

Goodwill concerning companies consolidated under the equity method is recorded in "Equity shares". If the criteria for loss of value as defined by IAS 39 come into play, the amount of the loss is determined according to the rules defined by IAS 36.

10.3 - Brands, patents, licenses

The cost of assets corresponds to:

- The purchasing price plus any cost that can be directly shown to be due to the preparation of the asset for its planned use, for assets acquired separately
- The fair price, at acquisition date, for any assets acquired through business combinations.

Any amortization should be linear.

10.3.1 Brands

Their economic life span is considered to be indefinite and consequently brands are not amortized.

The classification of a brand as an asset with an unlimited life results, in particular, from the following indicators:

- Positioning of the brand on its market in terms of volume of business and image,
- Long-term perspectives for profitability,
- Risk factor with regard to one-off accidents,
- Major event occurring in the business sector, likely to leave its mark on the future of the brand,
- Age of the brand,
- Regular expenses on advertising and promotion.

They are regularly assessed and tested using defined Cash Generating Units (CGUs)

10.3.2 Patents

The duration of use of patents corresponds to their legal duration of protection.

10.3.3 Licenses

The duration of use of licenses corresponds to the period during which they can be used by contract.

10.3.4 Software

Depending on the field of application of the software, and taking technological obsolescence into account, the economic life varies from three to seven years.

For certain specific needs, Vilmorin sometimes develops its own software applications. In such cases, the costs considered for recording them as fixed assets include:

- The costs of materials and services used,
- Salaries and other labor costs directly involved in the production of these assets.

10.4 - Germplasm

Germplasm comprises all the plant material used to breed new varieties of seeds. It constitutes a genetic pool used for the identification and use of different genes necessary for plant breeding (e.g. agronomic interest, disease resistance, tolerance to drought, greater yield, improvement of nutritive qualities, etc.). Generally it is acquired through business combinations and is evaluated at fair price on the day of acquisition.

Bearing in mind that it needs to be kept permanently in good condition, regularly maintained and continually used in the process of plant breeding, Vilmorin considers that its economic life is indefinite. Consequently these assets are not depreciated.

They are regularly assessed and tested using the defined Cash Generating Units (CGUs).

11- Tangible fixed assets (IAS 16)

Tangible fixed assets are recorded at their acquisition cost or, where appropriate, their production cost less impairment and losses of value.

11.1 – Loan interests

In compliance with standards IAS 16 and IAS 23R, interests on loans taken out for purposes of construction and the acquisition of tangible assets are incorporated into the cost of the assets unless they fail to meet the criteria listed in paragraph 12 of IAS standard 23R.

11.2 - Components approach

The different components of a tangible fixed asset are recorded separately when their estimated duration of use and therefore their impairment durations are significantly different.

11.3 - Depreciation

11.3.1 Basis for depreciation

Bearing in mind their specific nature, most of Vilmorin's industrial assets, are intended to be used until the end of their life span, and as a general rule, it is not envisaged that they should be sold, which justifies the fact that there is no residual value for these fixed assets.

11.3.2 Depreciation method

The depreciation method adopted by Vilmorin is the straight-line method.

11.3.3 Duration of depreciation

Depreciation is calculated according to the estimated durations of use for the following assets, reviewed every year:

- Land: not depreciated
- Landscaping: 10 to 20 years
- Constructions: 10 to 40 years ⁽¹⁾
- Specialized complex installations: 5 to 10 years

- Machines, industrial equipment: 3 to 10 years
- Office equipment: 3 to 10 years
- Other tangible fixed assets: 3 to 10 years

⁽¹⁾ 10 to 20 years for light constructions, 20 to 40 years for more robust constructions

11.3.4 Presentation in the income statement

Amortization and depreciation are recorded in the income statement in accordance with the purpose of the fixed asset (cost of sales, commercial expenses, research costs, overheads and administrative costs, etc.).

11.4 - Impairment tests

As part of the Cash Generating Units (CGU), tangible fixed assets are liable to be tested for loss of value if the circumstances so require.

A CGU is the smallest identifiable group of assets that generates cash entries clearly independent of cash entries generated by other assets or groups of assets.

This test has been implemented at Vilmorin, and is carried out in accordance with the rule explained in paragraph 1.23 hereafter.

11.5 - Reassessment

During the transition period to IFRS standards, Vilmorin decided to apply the fair value principle as the presumed cost to certain specific assets. The fixed assets to which this procedure was applied are generally land and factory buildings valued historically without representing economic reality.

The assessments adopted are the result of independent expert assessors.

12- Lease agreements (IAS 17)

12.1 - Financial lease agreements

Goods acquired through financial lease agreements are recorded as fixed assets when the lease agreement transfers almost all the risks and rewards incident to ownership of these goods. Criteria used to assess these agreements are based, in particular, on:

- the relationship between the lease term for the assets and their life duration,
- the minimum total amount paid in the future compared with the fair value of the fixed asset being funded,
- the existence of transfer of property at the end of the lease agreement,
- the existence of a favorable purchase option,
- the specific nature of the asset being leased.

Assets held by virtue of lease contracts are depreciated over the same duration as similar freehold assets.

Goods acquired through lease agreements are recorded as tangible fixed assets at the lowest amount of the fair value or the current value of minimum payments at the date of the beginning of the agreement, and the loans are recorded as liabilities.

12.2 - Simple rental agreements

Rental agreements that do not have the characteristics of a financial lease agreement are recorded as operating rental contracts and only the installments paid are recorded in the income statement.

13- Inventories and production in progress

Inventories and production in progress are evaluated at their lowest cost and their net realizable value.

Costs are generally calculated according to the method of weighted average cost; they include an appropriate proportion of overheads based on the normal production capacity, but excluding financial charges and any costs of a drop in activity.

The net realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to achieve the sale.

Where relevant impairment is recorded; it is generally intended to cover the following risks:

- realizable value lower than market price,
- adjustment according to sales perspectives,
- bad product quality (mainly poor germination and problems of sanitary quality).

14- Trade receivables

Receivables are valued at their fair value at their initial evaluation, and then at their amortized cost after any later evaluations. Impairment is recorded when the recoverable amount is lower than the book value.

15- Treasury sales

Treasury shares are recorded at their cost of acquisition less equity. Income from the sale of these shares is recorded directly as equity, and does not contribute to the profit for the fiscal year.

16- Employee benefits (IAS 19)

In accordance with the laws and practices of each country in which it operates, Vilmorin participates in various pension, early retirement and post-employment benefit schemes.

16.1 - Defined contribution plans

For basic plans and other plans with defined contributions, the contributions payable are recorded as charges for the fiscal year in which they are due, and no provision is made, since Vilmorin is only committed within the limit of the contributions paid.

16.2 - Defined benefit plans

For such plans, Vilmorin records provisions which are determined as follows:

- The method used is that known as "Projected Unit Credits" which stipulates that each period of employment triggers a benefit right unit. Each of these units is assessed separately in order to obtain the final obligation.

Calculations include hypotheses on mortality, staff turnover and a prediction of future salaries.

A readjustment rate based on the average duration of this commitment is applied. These evaluations are made once every year for all the plans.

- Actuarial gains and losses for commitments or the financial assets of the plan are generated by changes in hypotheses or experience differences (differences between what was planned and what actually happened).
- These differences are recorded in the income statement using the "corridor" method. Thus only actuarial gains and losses that exceed 10% of the defined benefit obligation or the fair value of plan assets, whichever is greater, are recorded. They are amortized over the remaining average service period of the employees concerned by the plan.

External funds can be called up to cover pension commitments, including the unrecognized part of the actuarial gains and losses because of their deferment. It may therefore be the case that financial assets exceed the estimated commitments thus generating the recognition of a financial asset in the balance sheet. Recognition of this asset is nevertheless limited to the aggregate:

- of net actuarial losses and the cost of the unrecognized past service period,
- and the adjusted value of the economic value of benefits that come from reimbursements for the plan or an expected reduction in future contributions.

16.3 - Other long-term subsequent benefits

Provisions are made for certain other long-term benefits which are determined using an actuarial calculation that is comparable to that used for pension provisions.

For Vilmorin these benefits mainly correspond to bonuses that accompany "work medals" for long service and lump sums paid at retirement, and concern almost exclusively the French companies

16.4 - Presentation on the balance sheet and the income statement

The total amount of provisions calculated for employee benefits appears on the balance sheet in the line "Provisions for employee benefits" because of their long-term nature.

In the income statement the charge representing the evolution of these commitments is recorded in the operating result.

17- Provisions (IAS 37)

17.1 – General principle

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" defines the rules applicable to provisions.

It is mandatory to record a provision in cases where:

- it is intended to meet a current, legal or implicit obligation.
- this obligation exists at the date of the close of the fiscal year.
- it is probable or certain that settlement will lead to an outflow of resources to a third party.
- a reliable evaluation of the provision can be made.

These provisions are estimated taking into account the most probable hypotheses at the closing date of the accounts.

17.2 - Application to Vilmorin

Within the normal conditions of its business Vilmorin is subject to various risks (commercial litigation, reorganization, fiscal litigation, social litigation, etc.). It applies the following rules:

17.2.1 Provisions for reorganization

Provisions for the cost of reorganization programs are made in full during the fiscal year in which an irreversible obligation for Vilmorin arises with regard to third parties. This obligation is the result of a decision taken by the invested management authority and materialized before the end of the closing date by informing the third parties concerned.

The amount of the provision mainly includes the following costs:

- severance pay,
- early retirement benefits,
- unworked period between notice given and termination of contract,
- training of employees laid off.
- other costs linked to the closing of sites.

Disposal of fixed assets, impairment of inventories and other assets that are the direct result of reorganization costs are also recorded in the reorganization costs.

17.2.2 Provisions for litigation

These litigations (commercial, fiscal, intellectual property, etc.) are assessed individually and/or on the basis of a statistical estimate of the litigations observed for similar cases bearing in mind what is known at the end of the fiscal year.

Moreover, in order to ensure better management control of certain specific risks (in particular contractual responsibility, litigation concerning intellectual property and also certain risks with regard to damages), Vilmorin has set up a captive reinsurance company. This company sets out provisions in accordance with the general rules presented above.

17.2.3 Presentation in the accounts

Except in particular justified cases, provisions are presented in the balance sheet in the current liabilities.

18- Government grants (IAS 20)

In compliance with IAS 20, Vilmorin records government grants in the balance sheet on the line "Deferred income" and includes them in the income for the useful life of the assets for which they were received.

Government grants received for fixed assets that cannot be depreciated (land) are directly recorded in income for the fiscal year, when they cannot be linked to a fixed asset that is depreciated. If they can be linked to a depreciated fixed asset, they are depreciated at the same rhythm as this asset.

19- Deferred taxes (IAS 12)

In compliance with IAS 12, deferred taxes are calculated for all temporal differences between the tax base and the book value of the assets and liabilities. The main items taken into account for this purpose concern:

- consolidation restatement showing a divergence between book value and tax base (special tax exemption, lease agreements, margins on inventory, income from sales of inter-group fixed assets, retirement benefits, etc.),
- recognized evaluation differences in the case of business combinations to the extent they concern clearly identified and controlled assets,
- the differences between the book value and the tax base for certain assets based on favorable fiscal systems such as the provisions for mergers in France.

The balance sheet approach to the variable carry forward method is applied and the effects of taxable rate modifications are recorded in the income for the fiscal year during which the change in rate is fixed, as long as these tax modifications have no effect on the deferred taxes that had been recorded directly in equity.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that they can be recovered in later years. Assessment of the capacity of Vilmorin to recover these assets in particular depends on the following criteria:

- Future forecasts of fiscal results,
- The share of exceptional charges must not be renewed in the future and included in past losses,
- The net liabilities position can, in certain circumstances, be reduced in accordance with tax deficits carried forward reasonably recordable in consideration, on the basis of an amortization table.

With respect to IAS 12, deferred tax assets and liabilities are not readjusted. Depending on the case, they are presented in the balance sheet as non-current assets or liabilities.

20- Accounts payable

Debts that concern the normal operating cycle are recorded on the line "Accounts payable" for the fair value fixed at the initial assessment and then adjusted for the cost of depreciation/amortization for subsequent evaluations.

21- Financial instruments (IAS 32 and IAS 39)

Financial instruments at fair value are classified according to the following level of hierarchy:

- **level 1 (quoted markets):** financial instruments quoted in an active market,
- **level 2 (observable data):** financial instruments where the assessment makes use of valuation techniques based on observable parameters,
- **level 3 (internal model):** financial instruments where the assessment makes use of valuation techniques based fully or partially on non observable parameters.

21.1 – Unconsolidated equity securities and other non-current financial assets

In compliance with IAS 39 "Financial instruments", participation securities in unconsolidated companies are considered to be available for sale and are therefore recorded at their fair value which is determined in the following conditions:

- for listed securities, the fair value corresponds to the stock market value,
- for other securities whose fair value in general cannot be determined reliably, the securities are recorded at cost price less any losses in value.

Variations in fair value are recorded directly in equity. If there is an objective indication of impairment of the financial asset concerned, an irreversible impairment is recorded in income. Write-back of the provision in the income will only come into play when the securities are sold.

Loans are recorded at amortized cost price. They can be amortized if there is an objective indication of any loss in value. Any impairment corresponding to the difference between the book value and the recoverable amount is recorded in the income, and is reversible if evolution is favorable in the future.

In cases where loans, advance payments or other medium- or long-term receivables do not receive interest, or if the interest rate is lower than market rates, the assets are adjusted in accordance with the real interest rate.

At each close, an examination of the portfolio of unconsolidated securities and other financial assets is made in order to assess the objective indications of a loss in value of these assets. Where necessary, any impairment is recorded in the accounts.

21.2 - Accounts receivable

Medium or long-term receivables that do not receive interest are adjusted in the conditions described above in Note 1 paragraph 21.1 above.

21.3 - Recording financial assets and derivatives

Vilmorin applies the following principles:

21.3.1 Derivatives

Vilmorin uses derivatives to cover its exposure to risks in the variation of interest rates and in the prices of raw materials, resulting from its current activity and its funding. Derivatives are assessed at their fair value.

In compliance with the provisions of IAS 39, variations in the fair value of these instruments are recorded as follows:

- Variations in the fair value of instruments eligible for the cover of future flows are recorded directly in equity for their efficient part of the cover, and in financial income for their inefficient part.
- Variations in the fair value of instruments eligible for the cover of fair value are recorded in income where they compensate for the variations in fair value of the assets, liabilities or firm commitments covered.
- Forward cover of the prices of the raw materials used by Vilmorin mainly concerns futures negotiated on an organized market. Vilmorin also implements strategies that combine futures with options which are also negotiated on an organized market.

21.3.2 Conditional advance payments

Conditional advance payments appear in accordance with IFRS principles on the line "Deferred income". They are included in the income if the funded programs concerned fail.

21.3.3 Loan issue costs

Costs incurred by the issue of loans are, in accordance with IAS 39, recorded at the book value of the loans concerned.

These costs are recorded as charges for the full duration of the loan using the effective interest rate method.

21.4 - Financial debts – compound instruments

Certain financial instruments include both a financial debt component and an equity component.

In order to respect IAS 32, the different components of these instruments are recorded in equity and financial debts in respective proportions.

The component classified as financial debts is evaluated on date of issue. It corresponds to the future agreed cash flow value adjusted to the market rate of a similar instrument with the same conditions, but without an option of conversion or redemption as shares.

21.5 - Accounts payable

In cases of deferred interest-free payment greater than one year, rules for adjustment are applied in compliance with the principles presented above in Note 1 paragraph 21.

22- Cash and cash equivalents – investment securities

22.1 - Cash and cash equivalents

In accordance with IAS 7 "Cash flow statement", the line "Cash and cash equivalents" appearing in the balance sheet includes:

- cash and bank in hand,
- short term investments that are liquid and easily convertible into a determinable amount of cash with negligible risk and variation in value,
- current accounts recoverable at short notice.

Investments at more than three months without the possibility of an anticipated exit, and bank accounts carrying restrictions (blocked accounts) are excluded from cash flow. Overdrafts assimilated to funding instruments are also excluded from cash flow.

22.2 - Investment securities

In compliance with IAS 39 "Financial instruments", investment securities are evaluated at their fair value. No investment is analyzed as being held until its due date. The manner in which investment securities are recorded in accounts depends on the aim of the operations:

- For investments held for purposes of transaction, variations in fair value are systematically recorded in income.
- For investments available for sale, variations in fair value are recorded directly in the equity, or in the income where there is an objective indication of impairment that is greater than the temporary impairment of the security concerned.

23- Impairment of intangible and tangible assets

The book values of Vilmorin's intangible and tangible assets are examined at the close of each fiscal year in order to assess whether there is any indication that an asset has lost value. If there are any such indications, the recoverable amount of the asset is assessed (using the method described hereafter).

For goodwill, intangible fixed assets with an undefined useful life, or intangible fixed assets which are not yet ready to be put into service, the recoverable amount is assessed at least once per year.

A loss in value is recorded if the book value of an asset or its Cash Generating Unit is higher than its recoverable amount. Losses in value are recorded in the income statement.

A loss in value recorded for a Cash Generating Unit is first of all recorded as a reduction in the book value of all the goodwill allocated to the Cash Generating Unit (or group of units), and then to a reduction in the book value of the other assets of the unit (or group of units) in proportion to the book value of each asset in the unit (or group of units).

23.1 - Calculation of the recoverable amount

The recoverable amount of intangible and tangible fixed assets is the highest amount between their fair value less selling costs and their going concern value. In order to assess the going concern value, estimated future cash flows are adjusted to a pre-tax rate that reflects the market's current appreciation of the time value of money and specific asset risks. For an asset which does not generate independent cash entries, the recoverable amount is determined by the Cash Generating Unit to which the asset belongs.

23.2 - Write-back of the loss in value

Loss of value recorded as goodwill cannot be written back. Loss of value recorded for another asset is written back if there has been a change in the estimates used to determine the recoverable amount. The book value of an asset which has been increased because of the write-back of a loss in value cannot be greater than the book value that would have been determined, net of amortizations, if no loss of value had been recorded.

24- Breakdown of assets and liabilities into current / non-current

24.1 - General principle

The provisions of IAS 1 state that assets and liabilities must be classified as either "current" or "non-current".

24.2 - Application to Vilmorin

Vilmorin has adopted the following rules to classify the main aggregate amounts of the balance sheet:

- Assets and liabilities that form part of the working capital needs of a normal business operating cycle are classified:
 - as "current" if the realization of the assets or the liquidation of the liabilities is expected to occur within one year following the closing date or if they are held for the purposes of trading.
 - as "non current" in all other cases.
- Fixed assets are classified as "non-current".
- Provisions that are part of the normal operating cycle are classified as "current".
- Provisions for employee benefits are classified as "non-current" bearing in mind the long-term horizon of such commitments.
- Financial debts are classified as "current" and "non-current" depending on whether their due dates fall in less than one year or more than one year after the closing date.
- Deferred taxes are all presented as "non-current" assets or liabilities.

25- Revenue from ordinary activities (IAS 18)

25.1 – General principle

Revenue from ordinary activities comprises the sale of products, goods and services produced as part of Vilmorin's main business activities and also income from royalties and operating licenses.

25.2 - Application to Vilmorin

Income is recorded for in the sales when the company has transferred the important risks and advantages inherent in the property of the goods to the purchaser. The transfer date generally corresponds:

- For sold goods and products to the date they are made available to the customers.
- For services this depends on the extent to which the service has been rendered on closing date, and if its income can be considered to be reliable.
- For royalties, income is recorded in accordance with the provisions of the contract which generally stipulate calculation based on sales or quantities sold by the licensor. These royalties generally correspond to the remuneration of licenses for proprietary plant varieties or parental lines.

Revenue from ordinary operations includes:

- sales of products,
- sales of services,
- royalties received from commercial activities.

From this revenue a certain number of items are deducted:

- payments on accounts, discount for early pick-up,
- returns of goods and products,
- end of year discount,
- retrospective discount to distributors, where relevant.

26- Earnings per share

The basic earnings per share are calculated on the basis of the weighted average number of shares in circulation over the fiscal year.

The average number of shares in circulation is calculated on the basis of the different valuations of the share capital, corrected, where appropriate, for Vilmorin's treasury shares.

The diluted earnings per share is calculated by dividing the group share of the income by the number of ordinary shares in circulation to which are added all the potentially dilutive ordinary shares.

Note 2:

Events occurring during the fiscal year

The main operations occurring during the course of the fiscal year were as follows:

■ **Renewal of the syndicated loan agreement**

At the end of October 2010, Vilmorin signed an agreement with its long-standing banking partners to set up a syndicated loan agreement of 300 million Euros, maturing in October 2015. This loan agreement provides for early termination of the previous syndicated funding whose maturity was initially due in June 2011.

■ **Purchase of the balance of the securities of Atash Seeds (India)**

In July 2010, Vilmorin purchased all the remaining shares in the company Atash Seeds (based in Hyderabad in India) held by the company Avesthagen, representing 38.74% of the share capital.

Before the operation, Vilmorin held 61.26% of the share capital of Atash Seeds. As a result of this purchase, Vilmorin now holds 100% of the share capital of Atash Seeds.

■ **Acquisition of the wheat assets of Trigen Seed (United States)**

Through its American subsidiary Limagrain Cereal Seeds, Vilmorin purchased a wheat research program from the company Trigen Seed. This acquisition was made in August 2010 to strengthen Vilmorin's wheat set-up in North America.

■ **Disposal of the company Vilmorin Luxembourg (Luxembourg)**

In June 2011 Vilmorin Luxembourg was sold to the company Kommungaranti Skandinavien Forsakrings AB.

■ **Redefinition of the partnership with LPHT (China)**

In January 2011, Vilmorin signed an agreement with the Chinese investment company Hunan Xindaxin Co. Ltd for Vilmorin Hong Kong Co. Ltd (VHK), a majority-held Vilmorin subsidiary, to sell all its shares (46.50% of the share capital) in their joint holding Changsa Xindaxin Vilmorin Agri-Business Co. Ltd (XDX); this joint holding held a stake of 21.21% in Longping High-Tech (LPHT).

Moreover, VHK also sold to Hunan Xindaxin Co. Ltd all the shares it held in Hunan Mornring Foodstuff Co Ltd (Mornring)

This transaction led to a positive net impact of 29.3 million Euros in the consolidated financial statements.

■ **Acquisition of the Sementes Guerra corn activities (Brazil)**

In pursuance of the internationalization of its corn activities, in February 2011 Vilmorin purchased a stake in the corn activity of the company Sementes Guerra, based in Pato Branco (State of Parana, Brazil).

This new set-up is now combined with other assets in a recently founded company Limagrain Guerra do Brasil, controlled 70% by Vilmorin.

In agreement with the other shareholders of Sementes Guerra, Vilmorin has a contractual medium-term option to purchase the full remaining shares in the company.

■ **Purchase of the minority shares in MSH (Mikado Seed Holding - Japan)**

In October 2010, through its subsidiary VCC Japan, Vilmorin purchased 81,900 MSH shares representing 4.74% of the company's share capital from 14 minority shareholders.

At the end of February 2011, VCC Japan extended its stake by purchasing 53,600 further shares, representing 3.1% of the share capital.

Note 3: Consolidation scope

1- Evolution of the consolidation scope

1.1 - On June 30th 2011, Vilmorin consolidated 103 companies in accordance with the rules set out in Note 1 paragraph 5 of the "Accounting methods and principles in IFRS standards".

	10-11	09-10
By global integration	91	95
By proportional integration	7	8
By the equity method	5	6
Total	103	109

1.2 – Variations in scope occurring during the course of fiscal 2010-2011 were as follows:

1.2.1 Entries to the consolidation scope

- Through the creation of companies
 - VCO Participations
 - Hazera Mexico Services
- Through the purchase of a stake
 - Limagrain do Brasil Participações
 - Limagrain Guerra do Brasil

1.2.2 Exits from the consolidation scope

- Companies wound up
 - Flora Geissler GmbH
 - Hazera Genetics Mexico (2000) Ltd
 - Limagrain Magyarország
- Companies sold
 - Cylonie Ré
 - Vilmorin Luxembourg
 - Yuan Longping High-Tech
 - Changsa Xindaxin Vilmorin Agri-Business Co. Ltd

1.2.3 Following re-organization, several companies were merged

Absorbing companies	Absorbed companies
Limagrain Nederland	Ceres Nederland BV
Harris Moran Seed Company	Mesa Maize
Limagrain Cereal Seeds	Trio Research

1.2.4 Changes in name

Former names	New names
Clovis Matton	Limagrain Clovis Matton Belgium

2- Information concerning variations in consolidation scope

In millions of Euros	Limagrain Guerra do Brasil
Date of entry in scope	01/01/11
% acquired	
Over the fiscal year	70%
Previously held	-
Total held	70%
Consolidation method adopted ⁽¹⁾	GI
Acquisition price of the shares	
Agreed during the fiscal year	18.6
Previously agreed	-
Total	18.6
Fair value of assets and liabilities acquired	
Fixed assets	2.5
Working capital needs	- 1.9
Provisions for liabilities and charges	-
Indebtedness net of cash	- 4.1
Deferred taxes	-
Equity	4.7
Acquired equity	3.3
Goodwill	15.3

⁽¹⁾ – GI: global integration – IP: proportional integration – EM: equity method

3- Comparability of the income statements

In order to compare the results with comparable scope and currency, an income statement for 2009-2010 has been established in the following conditions:

- In order to neutralize the impact of currency variations, the income statement on June 30th 2010 has been restated by applying the average rate on June 30th 2011.
- Companies exiting the scope during the course of 2010-2011 have been neutralized for the previous fiscal year, namely:
 - Flora Geissler GmbH
 - Hazera Genetics Mexico (2000) Ltd
 - Limagrain Magyarorszag
 - Cylonie Ré
 - Vilmorin Luxembourg
 - Yuan Longping High-Tech
 - Changsa Xindaxin Vilmorin Agri-Business Co. Ltd
- Companies entering the scope during the course of fiscal year 2010-2011 have been added to the accounts on June 30th 2010, namely:
 - VCO Participations
 - Hazera Mexico Services
 - Limagrain do Brasil Participações
 - Limagrain Guerra do Brasil
- Restated information is presented as follows:

In millions of Euros	Variation %	10-11	09-10 restated
Revenue from ordinary activities	+ 10.0%	1 192.1	1 083.6
Operating income	+ 56.5%	156.7	100.1
Income from continuing operations	+ 68.6%	97.3	57.7
Income from discontinued operations	- 100.0%	-	2.5
Income for the period	+ 61.6%	97.3	60.2

Note 4: Operating segments

1- General principles

The rules applicable to the presentation of operating segments are defined in paragraph 7 Note 1 of the “Accounting methods and principles in IFRS standards.”

2- Information according to business segment

The internal information made available to Vilmorin’s Executive Committee, the “Chief Operating Decision-Maker”, corresponds to the managerial organization of the company which is based on segmentation according to activity. Consequently, the operating segments, as defined by the standard IFRS 8, are the business segments on which Vilmorin operates.

Existing operating segments on June 30th 2011 were as follows:

- Vegetable seeds
- Field seeds
- Garden products

Each of the columns in the tables presented below contains the figures for each segment. The figures shown represent the contributions with regard to Vilmorin which implicitly ignore inter-segment operations since they are not considered to be very significant.

2.1 – Information concerning fiscal year 2010-2011

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Revenue from ordinary activities	510.3	598.6	81.9	1.3	-	1,192.1
Operating income	80.2	39.8	6.5	30.2	-	156.7
Income from continuing operations	54.2	26.4	4.3	12.4	-	97.3
Income from discontinued operations	-	-	-	-	-	-
Total consolidated net income	54.2	26.4	4.3	12.4	-	97.3

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Non-current assets	372.9	589.3	13.8	83.3	-	1,059.3
<i>Including investments for the period</i>	<i>80.8</i>	<i>79.6</i>	<i>1.1</i>	<i>45.8</i>	-	<i>207.3</i>
Current assets	383.5	415.9	40.0	303.5	-	1,144.7
Total assets	758.2	1,005.2	53.8	386.8	-	2,204.0
Equity ⁽¹⁾	-	-	-	-	1,035.9	1,035.9
Non current liabilities	116.1	67.3	2.3	367.3	-	553.0
Current liabilities	198.8	231.0	33.2	152.1	-	615.1
Total liabilities	314.9	298.3	35.5	519.4	1,035.9	2,204.0

⁽¹⁾ The line "Equity" for all Vilmorin's companies is not broken down per business segment.

2.2 – Information concerning fiscal year 2009-2010

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Revenue from ordinary activities	454.3	519.7	88.3	1.5	-	1,063.8
Operating income	65.4	35.8	2.6	- 6.7	-	97.1
Income from continuing operations	44.8	22.8	1.1	- 11.1	-	57.6
Income from discontinued operations	-	-	-	2.5	-	2.5
Total consolidated net income	44.8	22.8	1.1	- 8.6	-	60.1

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Non-current assets	364.0	585.9	15.4	99.7	-	1,065.0
<i>Including investments for the period</i>	<i>66.1</i>	<i>84.1</i>	<i>2.4</i>	<i>47.8</i>	-	<i>200.4</i>
Current assets	388.8	432.7	40.5	266.6	-	1,128.6
Total assets	725.8	1,018.6	55.9	366.3	-	2,193.6
Equity ⁽¹⁾	-	-	-	-	1,045.2	1,045.2
Non current liabilities	87.3	56.3	2.2	327.1	-	472.9
Current liabilities	206.6	238.0	34.8	196.1	-	675.5
Total liabilities	293.9	294.3	37.0	523.2	1,045.2	2,193.6

⁽¹⁾ The line "Equity" for all Vilmorin's companies is not broken down per business segment.

Note 5: Revenue from ordinary activities

1- Analysis by nature

In millions of Euros	Variation (%)	10-11	09-10
Sales of goods	+ 12.5%	1,144.2	1,016.9
Sales of services	+ 30.6%	6.4	4.9
Royalties received	- 1.2%	41.5	42.0
Total	+ 12.1%	1,192.1	1,063.8

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 25 of the "Accounting methods and principles in IFRS standards".

2- Analysis by geographical area

The geographical analysis of sales of goods and finished products is as follows:

In millions of Euros	Variation (%)	10-11	09-10
Europe	+ 11.3%	624.8	561.5
Americas	+ 15.2%	296.0	256.9
Asia and Oceania	+ 10.4%	106.3	96.3
Africa and Middle East	+ 14.6%	117.1	102.2
Total	+ 12.5%	1,144.2	1,016.9

3- Analysis by product

Analysis according to product families is as follows:

In millions of Euros	10-11	09-10
Vegetable and flower seeds	443.8	398.6
Field seeds	517.2	442.1
Forage and lawn seeds	45.2	36.9
Garden products	87.0	93.1
Other products	51.0	46.2
Total	1,144.2	1,016.9

4- Revenue from ordinary activities at constant exchange rates

With constant exchange rates for the period, the revenue for ordinary activities for the previous fiscal year would have come to 1,086.4 million Euros as opposed to 1,192.1 million Euros for this fiscal year, an increase of 9.7%.

5- Royalties received

Royalties received mainly concern:

In millions of Euros	Variation (%)	10-11	09-10
Autogamous species	- 0.6%	34.7	34.9
Hybrid species	- 4.2%	6.8	7.1
Total	- 1.2 %	41.5	42.0

Note 6: Personnel costs

1- Evolution of personnel costs

In millions of Euros	10-11	09-10
Gross salaries	216.9	196.6
Social charges	73.4	67.2
Profit-sharing schemes	9.2	6.9
Total	299.5	270.7

2- Further information

Bearing in mind the seasonal nature of its business Vilmorin discloses information on its permanent headcount and its average annual headcount.

2.1 - Average annual headcount

2.1.1 Analysis France/Non-France

	10-11	09-10
France	2,090	2,083
Non-France	3,707	3,753
Total	5,797	5,836

2.1.2 Analysis by employee status

	10-11	09-10
Management	1,455	1,234
Non-Management	4,342	4,602
Total	5,797	5,836

2.2 - Permanent headcount at the end of the fiscal year

2.2.1 Analysis France/Non-France

	10-11	09-10
France	1,805	1,710
Non-France	3,301	3,160
Total	5,106	4,870

2.2.2 Analysis by employee status

	10-11	09-10
Management	1,450	1,387
Non-management	3,656	3,483
Total	5,106	4,870

2.2.3 Analysis by function

	10-11	09-10
Administration	754	730
Research	1,336	1,261
Agronomic production and factory	1,334	1,242
Sales and marketing	1,682	1,637
Total	5,106	4,870

Note 7:

Provisions for the depreciation and amortization and loss of value of tangible and intangible fixed assets

Movements on provisions

In millions of Euros	10-11	09-10
Provisions for intangible fixed assets		
■ Development programs ⁽¹⁾	- 90.9	- 80.8
■ Other intangible fixed assets	- 5.3	- 8.1
Sub-total	- 96.2	- 88.9
Provisions for tangible fixed assets	- 21.3	- 20.2
Total	- 117.5	- 109.1

⁽¹⁾ The increase in provisions concerning development costs is an indication of the intensification of investment in research.

Note 8: Research and development costs

1- Evolution of costs

In millions of Euros	10-11	09-10
Development programs activated during the fiscal year	111.4	99.7
Provisions for the amortization of development programs recorded as fixed assets	- 90.9	- 80.8
Other research and development costs	- 152.4	- 140.5
Tax relief for research	24.4	23.1
Net costs for the year	- 107.5	- 98.5

Vilmorin records the cost of its development programs in the conditions set out in Note 1 paragraph 10 of the "Accounting methods and principles in IFRS standards".

Research and development costs which fail to meet these conditions are recorded directly as charges for the fiscal year.

2- Further information

2.1 - Net increase in activated research and development costs:

In millions of Euros	10-11	09-10
Costs identified and recorded as intangible fixed assets (cf. Note 15)	111.4	99.7
Provisions for amortization	- 90.9	- 80.8
Net increase in activated research and development costs	20.5	18.9

It is important to note that out of a total investment in research and development of 152.4 million Euros, only 111.4 million Euros met the criteria set out in Note 1 paragraph 10 of the "Accounting methods and principles in IFRS standards". Research and development costs increased by 11.9 million Euros.

The increase in activated costs is due to the intensification of development programs.

2.2 - Effect of activation on the cash flow statement:

In millions of Euros	10-11	09-10
Effect on the income for the period	20.5	18.9
Effect on amortization and depreciation	90.9	80.8
Effect on the cash flow	111.4	99.7
Effect on the investment flows	- 111.4	- 99.7
Total	-	-

Note 9: Other operating income and charges

1- Evolution

In millions of Euros	10-11	09 - 10
Litigation	- 1.1	- 1.9
Income from the sale of fixed assets	5.0	- 3.0
Income from the sale of consolidated securities	32.5	- 1.7
Government subsidies	0.5	0.6
Reorganization costs	- 2.3	- 4.8
Loss of value on fixed assets	- 0.5	- 2.6
Negative goodwill recorded in the income	-	0.8
Other charges and income	- 0.6	0.3
Total	33.5	- 12.3

2- Further information

2.1 - On operations for fiscal year 2010-2011

2.1.1 Income from the sale of consolidated securities

These mainly concern:

In millions of Euros	Amount
The sale of the shares in the Chinese companies	31.1
The disposal of the company Vilmorin Luxembourg	1.4
Total	32.5

2.1.2 Income from the disposal of fixed assets

These mainly concern:

In millions of Euros	Amount
The disposal of a site by the company Oxadis	5.9
End of a leasing agreement for the company Biogemma	- 1.0
Various other disposals	0.1
Total	5.0

2.2 - On operations for fiscal year 2009-2010

2.2.1 Reorganization costs

These mainly concern:

In millions of Euros	Amount
Clause	- 5.7
Limagrain Belgium	- 0.3
Biogemma UK	- 0.3
Clovis Matton	- 0.2
Limagrain Nederland	0.7
Mikado Kyowa Seed	1.0
Total	- 4.8

2.2.2 Losses of value in fixed assets

These mainly concern:

In millions of Euros	Company	Amount
Brands	Clause	- 1.9
Brands	Oxadis	- 0.1
Constructions	Vilmorin SA	- 0.3
Right to lease	Biogemma	- 0.2
Business assets	Oxadis	- 0.1
Total		- 2.6

2.2.3 Litigation

This mainly concerns who pays for the deductible with regard to the Vilmorin insurance franchise.

2.2.4 Income from the sale of fixed assets

This mainly concerns:

In millions of Euros	Company	Amount
Constructions	Mikado Kyowa Seed	+ 0.1
Lands	Mikado Kyowa Seed	- 3.1
Total		- 3.0

2.2.5. Income from the sale of consolidated securities

This mainly concerns:

In millions of Euros	Amount
Impact of the exit from consolidation of Limagrain Bulgaria	- 1.1
Sale of Maïcentre securities to the Coopérative Limagrain	- 0.5
Miscellaneous	- 0.1
Total	- 1.7

Note 10: Interest costs

1- Evolution

In millions of Euros	10-11	09-10
Interest on loans and bank overdrafts	- 19.6	- 17.7
Interest on financial leasing agreements	- 0.1	- 0.1
Losses and gains of fair value on forward cover instruments ⁽¹⁾	2.2	0.6
Losses and gains on the disposal of forward cover instruments ⁽²⁾	- 5.1	- 7.1
Cash income	2.9	3.9
Miscellaneous	- 1.4	- 0.1
Total	- 21.1	- 20.5

⁽¹⁾ This figure concerns variation in the fair value of derivatives that do not qualify as forward cover as defined by IAS 39.

⁽²⁾ Impact of the drop in interest rates on the portfolio of forward cover instruments.

2- Further information

The total funding costs can be broken down as follows:

In millions of Euros	10-11	09-10
Interest charges	- 26.1	- 25.4
Interest income	5.0	4.9
Total	- 21.1	- 20.5

Note 11: Other financial income and charges

1- Evolution

In millions of Euros	10-11	09-10
Gains or losses on the sales of unconsolidated securities, dilution profits and winding up of business as a result of consolidation exits	3.9	4.6
Interest income	0.1	0.3
Interest charges	- 2.4	- 0.7
Provisions for the impairment of securities and other financial assets	- 2.1	0.2
Gains or losses on currency translation	- 0.1	3.7
Other financial gains and losses	0.4	0.2
Total	- 0.2	8.3

2- Further information

2.1 - On operations for fiscal year 2010-2011

In millions of Euros		
Gains or losses on the sales of unconsolidated securities concern:		
■ Mornring		1.5
■ A biotechnology company		2.3
■ Various companies		0.1
■ Total		3.9

2.2 - On operations for fiscal year 2009-2010

In millions of Euros		
Gains or losses on the sales of unconsolidated securities, dilution profits and winding up of business as a result of consolidation exits mainly concern:		
■ Income from the sale of the securities of a biotechnology company		4.8
■ Impact of the consolidation exit of Limagrain Polska		- 0.2
■ Total		4.6

Note 12: Income taxes

1- Evolution

In millions of Euros	10-11	09-10
Current income taxes		
■ Taxes	- 35.8	- 26.2
■ Tax relief for research	-	-
Total current taxes	- 35.8	- 26.2
Total deferred taxes	- 2.9	- 1.6
Total	- 38.7	- 27.8

The rules applied for the recording of deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards".

Sources of deferred taxes are the result both of temporary differences between the tax base and the book value of assets and liabilities, and the recording of deferred tax assets dependent on forecasts of future tax results and on the net liabilities position.

2- Further information

2.1 - Evolution of income taxes

This evolution of the amount of current income taxes is mainly due to the recording, during this fiscal year, of taxable capital gains on the sale of securities and real estate to third parties, the mechanical increase of the charge because of the improvement of the results particularly in North America and a drop in tax deficits recognized as deferred tax assets.

2.2 - Fiscal integration operations

The following fiscal integration scope was set up in Vilmorin between different French companies.

Integrating company	Member companies	Effective date
Vilmorin	Clause	07.01.2000
	Oxadis	07.01.2000
	Vilmorin 1742	07.01.2008
	Vilmorin SA	07.01.2010
	VCO Participations	07.01.2010
Limagrain Europe	Limagrain Central Europe (LCE)	07.01.2004
	Nickerson International Research SNC	07.01.2008

The provision for such fiscal integration programs is described in article 223 A of the French General Taxation Code for parent companies and their French subsidiaries controlled at least 95%.

Moreover, provisions for fiscal integration also exist in certain other countries, as follows:

Integrating company	Member companies	Countries
Vilmorin USA	Vilmorin INC Harris Moran Seeds	United States
Limagrain Nederland Holding	Limagrain Nederland	Netherlands

2.3 - Current taxes

2.3.1 The charge of current taxes corresponds to the total taxes on profits owed to the tax authorities for the fiscal year in accordance with the rules and taxation rates in force in different countries.

2.3.2 A tax relief system in favor of research exists in certain countries, and in particular in France.

2.4 - Tax rate applicable

2.4.1 The basic rate for income (corporation) tax in France is 33 1/3 %.

The tax rate applicable to the group in France is as follows:

- Fiscal year 2008 – 2009: 33 1/3%
- Fiscal year 2009 – 2010: 33 1/3 %
- Fiscal year 2010 – 2011: 33 1/3 %

The law on the funding of social security n° 99-1140 of December 29th 1998 fixed an additional contribution of 3.3% of the total basic tax due when payable taxes are greater than 763,000 Euros. Thus, for French companies, the legal tax rate is increased by 1.1%.

2.4.2 A comparison between the recorded income tax charge and the theoretical income tax charge is as follows:

As a %	10-11	09-10
Theoretical tax rate	33.33	33.33
Non-deductible charges and other non-taxable profits	0.63	- 2.28
Tax credit and relief	- 0.46	- 0.11
Untaxed income deficits and taxation rate differentials	- 4.92	0.82
True tax rate	28.58	31.76

2.5 - Details of tax receivables and debts due

In millions of Euros	10-11	09-10
Tax receivables due	33.1	9.8
Tax debts due	- 11.9	- 9.0
Net total	21.2	0.8

2.6 - Information on tax deficits

On June 30th 2011, the situation of tax deficits for Vilmorin was as follows:

In millions of Euros	Total deficits		Of which usable deficits	
	France	Other	France	Other
Deficits with limited carry forward	3.6	17.0	3.6	0.5
Deficits with unlimited carry forwards	94.1	9.9	88.2	4.8
Total	97.7	26.9	91.8	5.3

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 20.1 million Euros.

2.7 – Treatment of French tax relief on research

Since the implementation of the new French system for tax relief on research (CIR) only on volume based on a percentage of eligible research expenses made, and applicable as of January 1st 2008, the group has deemed that this CIR can be assimilated to a public subsidy since it is used to fund part of the capitalized development expenses, and that its accounting treatment comes within the scope of IAS 20.

Therefore the CIR should be allocated between the part concerning development costs which, in application of IAS 38, have been recorded as assets, and the part concerning other expenditure, recorded in the income.

In terms of presentation, the CIR, recorded as a subsidy and deducted from the research costs in the income statement, must be recorded as immediate income, as far as the part concerning expenses recorded in the charges is concerned; the part concerning capitalized expenses must be recorded as deferred income that is to be amortized at the same rhythm as the amortization of the associated assets.

Note 13: Earnings per share

- Earning per share attributable to the controlling company is calculated on the basis of the weighted average number of Vilmorin shares in circulation during the fiscal year.

The evolution of the earnings per share is as follows:

- Earnings per share:

In Euros	10-11	09-10
Attributable to the controlling company in continuing operations	91,030,183	51,654,329
Attributable to the controlling company in discontinued operations	-	2,500,000
Attributable to the controlling company in the consolidated income	91,030,183	54,154,329
Number of Vilmorin shares	17,216,784	17,217,882
Earnings from continuing operations for one share	5.29	3.00
Earnings from discontinued operations for one share	-	0.15
Earnings per share	5.29	3.15

- Diluted earnings for one share:

The earnings used for this calculation take into account savings on financial charges net of taxes which would be made by Vilmorin if Oceane bonds and equity notes are converted and the ensuing change in the number of shares.

In Euros	10-11	09-10
Attributable to the controlling company in continuing operations	97,519,650	57,859,385
Attributable to the controlling company in discontinued operations	-	2,500,000
Attributable to the controlling company in the consolidated income	97 519 650	60,359,385
Number of Vilmorin shares	18 175 342	18,176,461
Earnings from continuing operations for one share	5.37	3.18
Earnings from discontinued operations for one share	-	0.14
Diluted earnings per share	5.37	3.32

- Dividends paid out per share

	Dividends distributed in December 10	Dividends distributed in December 09
Amount distributed	€24 277 121.97	€23 696 398.92
Details	€1.41 x 17 217 817 shares	€1.77 x 13 387 796 shares

Note 14: Goodwill

1- Principles of evaluation and impairment of goodwill

1.1 – Evaluation of goodwill

In compliance with IFRS standard 3, the assessment of the fair value of the identifiable assets and liabilities acquired as a result of business combinations can be modified for a period of twelve months following the acquisition date.

Consequently, the value of any goodwill recorded following acquisitions made during fiscal year 2010-2011 is provisional in nature, and is liable to be adjusted during fiscal year 2011-2012.

1.2 – Goodwill impairment tests

Vilmorin carried out impairment tests on its goodwill on June 30th 2011 for all the Cash Generating Units (CGUs) with which goodwill is associated, with the exception of goodwill from acquisitions made in 2011 for which acquisition cost had not been finalized on June 30th 2011 and therefore the amount of goodwill had not been definitively determined on this date.

As stated in Note 1 paragraph 11.4, these tests consist in comparing the net book value of the assets of the CGUs with their recoverable value as assessed using the method of provisional discounted cash flows (useful value).

With regard to the Vegetable seeds activity, the CGUs adopted comprise the legal companies since they run their business activities autonomously.

With regard to the Garden products activity, the CGUs adopted comprise both the company Oxadis and its subsidiaries, and also the company Suttons.

With regard to the Field seeds activity, the CGUs comprise the European activities on the one hand, and the North American activities on the other.

The following hypotheses have been used to calculate the discounted value of the provisional cash flow for the CGUs:

- Number of years of provisional data: 5 years
- Rate of growth: 2%
- Discount rate after taxes: different rates have been adopted for each CGU. These vary from 3.8% to 17.6% depending on the CGUs.

These tests have not resulted in any identified needs for impairment.

Moreover, the sensitivity analyses carried out show that the use of discount rates higher by 1%, or growth rates for the normative year lower by 1%, than those shown above would not have led to any identified need for impairment, since the recoverable value of the CGUs remains in all cases higher than the net book value of their assets, with the exception of one CGU which is more sensitive to the variation of hypotheses, and which will be specifically followed over the next fiscal year.

2- Evolution of net book values

2.1 – Gross values

In millions of Euros	
06.30.09	288.6
Acquisitions and increases	0.3
Variations in scope	19.5
Exits	-
Reclassifications ⁽¹⁾	- 5.2
Currency translations	6.3
06.30.10	309.5
Acquisitions and increases	-
Impact of minority redemption commitments	7.5
Exits	- 0.8
Variations in scope	12.3
Reclassifications	0.9
Currency translations	- 7.3
06.30.11	322.1

⁽¹⁾ During fiscal year 2009-2010, a goodwill reclassification operation of 1.2 million Euros to germplasm was recorded, and also 4 million Euros goodwill to intangible fixed assets.

2.2 – Value losses

In millions of Euros	
06.30.09	9.6
Provisions	0.2
Exits	-
Losses in value	-
Variations in scope	-
Reclassifications ⁽¹⁾	- 0.8
Currency translation	0.8
06.30.10	9.8
Provisions	-
Exits	-
Losses in value	0.8
Variations in scope	-
Reclassifications	0.9
Currency translation	- 1.0
30.06.11	10.5

⁽¹⁾ In fiscal year 2009-2010, a goodwill reclassification operation of 0.1 million Euros to germplasm was recorded, and also 0.7 million Euros goodwill to intangible fixed assets.

2.3 – Net values

In millions of Euros	
06.30.09	279.0
06.30.10	299.7
06.30.11	311.6

3- Further information

3.1 – Analysis by business segments

In millions of Euros	10-11	09-10
Vegetable seeds activity	27.9	31.2
Field seeds activity	229.5	210.3
Garden products	3.2	3.2
Holdings and others	51.0	55.0
Total net of losses in value	311.6	299.7

3.2 – Variations in scope

Variations in scope concern the following operations:

In millions of Euros	TOTAL
Fiscal year 10-11	
Limagrain Guerra do Brasil	15.2
Cylonie Ré	- 1.8
Vilmorin Luxembourg	- 1.1
Total ⁽¹⁾	12.3
Fiscal year 09-10 ⁽²⁾	
Atash Seeds	3.0
Belgian Seeds Company	5.1
Clovis Matton	0.1
De Wulf & Co	0.1
Limagrain South America	1.2
Mesa Maize	1.2
Su Tarim	8.4
Investigacion Trigo	0.2
Trio Research	0.2
Total ⁽¹⁾	19.5

⁽¹⁾ The figures take into account both changes in gross values and losses of value.

⁽²⁾ It should be noted that the allocation of goodwill is provisional until the end of a twelve-month period in compliance with IFRS 3.

3.3 –Impact of minority redemption commitments.

These concern the companies:

In millions of Euros	
■ Limagrain Guerra do Brasil	7.4
■ Mikado Seed Holding	0.1
■ Total	7.5

Note 15:

Other intangible fixed assets

1- Evolution of net book values

1.1 – Gross values

In millions of Euros	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.09	537.6	212.4	32.8	39.3	37.2	1.0	4.1	864.4
Acquisitions and increases	99.7	5.5	1.2	1.1	0.1	0.8	3.6	112.0
Exits	-	-	- 1.3	- 0.6	-	-	-	- 1.9
Variations in scope	-	6.3	-	5.0	-	0.1	-	11.4
Currency translations	16.3	7.3	1.2	1.4	0.8	0.2	-	27.2
Reclassifications ⁽¹⁾	-	1.7	4.2	-	-	4.0	- 4.0	5.9
06.30.10	653.6	233.2	38.1	46.2	38.1	6.1	3.7	1,019.0
Acquisitions and increases	111.4	3.1	1.6	1.9	0.1	-	2.8	120.9
Exits	-	-	- 0.7	- 2.5	-	- 0.4	- 0.1	- 3.7
Variations in scope	-	-	-	-	-	-	-	-
Currency translations	- 14.0	- 4.5	- 1.0	- 1.2	- 1.0	- 0.3	-	- 22.0
Reclassements	-	- 1.0	2.7	0.1	-	-	- 2.5	- 0.7
06.30.11	751.0	230.8	40.7	44.5	37.2	5.4	3.9	1,113.5

⁽¹⁾ During fiscal year 2009-2010, a germplasm goodwill reclassification operation of 1.2 million Euros was recorded, and also an intangible asset goodwill operation of 4 million Euros.

1.2 - Amortization and value losses

In millions of Euros	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.09	377.5	2.8	28.0	31.6	3.3	0.5	-	443.7
Provisions / Value losses	80.8	-	3.3	1.7	2.0	1.1	-	88.9
Exits	-	-	- 1.3	- 0.2	-	-	-	- 1.5
Write back / Value losses	-	-	-	-	-	-	-	-
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	11.6	0.2	1.1	0.3	0.1	0.1	-	13.4
Reclassifications ⁽¹⁾	-	0.6	-	-	-	0.7	-	1.3
06.30.10	469.9	3.6	31.1	33.4	5.4	2.4	-	545.8
Provisions / Value losses	90.9	-	3.1	1.4	-	0.8	-	96.2
Exits	-	-	- 0.7	- 1.7	-	-	-	- 2.4
Write back / Value losses	-	-	-	-	-	-	-	-
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	- 10.5	- 0.2	- 0.8	- 0.4	-	- 0.1	-	- 12.0
Reclassifications	-	- 0.9	- 0.3	-	-	-	-	- 1.2
06.30.11	550.3	2.5	32.4	32.7	5.4	3.1	-	626.4

⁽¹⁾ During fiscal year 2009-2010, a germplasm goodwill reclassification operation of 0.1 million Euros was recorded, and also an intangible asset goodwill operation of 0.7 million Euros.

1.3 – Net values

In millions of Euros	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.09	160.1	209.6	4.8	7.7	33.9	0.5	4.1	420.7
06.30.10	183.7	229.6	7.0	12.8	32.7	3.7	3.7	473.2
06.30.11	200.7	228.3	8.3	11.8	31.8	2.3	3.9	487.1

2- Further information

2.1 - Internally generated fixed assets

In addition to development programs whose evolution is tracked above and in Note 8, movements concerning internally generated fixed assets are as follows:

In millions of Euros	Patents and licenses	Software	Total
06.30.09 (net value)	0.8	1.1	1.9
New fixed assets	0.1	0.2	0.3
Fixed assets taken out	- 0.1	-	- 0.1
Currency translations	-	-	-
Reclassifications	0.9	2.9	3.8
Provisions for amortization	- 0.3	- 1.1	- 1.4
06.30.10 (net value)	1.4	3.1	4.5
New fixed assets	0.1	-	0.1
Fixed assets taken out	- 0.2	-	- 0.2
Currency translations	-	-	-
Reclassifications	-	0.6	0.6
Provisions for amortization	- 0.2	- 1.3	- 1.5
06.30.11 (net value)	1.1	2.4	3.5

2.2 – Value loss test

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 23 of “Accounting methods and principles in IFRS standards”. The evolution is as follows:

In millions of Euros	Software	Patents and licenses	Germplasm	Brands	Other intangible assets	Total
06.30.09	-	1.8	1.8	3.2	-	6.8
Fiscal year 09-10	-	-	0.2	⁽¹⁾ 2.0	0.2	2.4
06.30.10	-	1.8	2.0	5.2	0.2	9.2
Fiscal year 10-11	0.1	- 0.1	- 1.1	-	- 0.2	- 1.3
06.30.11	0.1	1.7	0.9	5.2	-	7.9

⁽¹⁾ This sum mainly concerns impairment of the Vita brand (1.9 million Euros).

2.3 - Variations in scope

Variations in scope concern the following operations (net of amortization):

In millions of Euros	Total
Fiscal year 10-11	
None	-
Total	-
Fiscal year 09-10	
Atash Seeds	5.0
Investigacion Trigo	0.5
Limagrain South America	3.7
Mesa Maize	1.2
Su Tarim	0.6
Trio Research	0.4
Total	11.4

Note 16: Tangible fixed assets

1- Evolution of net book values

1.1 – Gross values

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
06.30.09	26.8	143.2	55.7	109.7	12.3	38.3	14.8	400.8
Acquisitions and increases	1.3	9.7	3.8	4.8	0.4	4.8	16.6	41.4
Exits	- 4.8	- 5.3	- 1.2	- 6.1	- 1.5	- 4.1	-	- 23.0
Variations in scope	1.1	6.5	2.9	0.9	0.5	2.1	-	14.0
Currency translations	2.2	10.9	1.5	5.4	0.8	2.1	0.4	23.3
Reclassifications	0.2	12.7	3.4	4.5	0.4	0.6	- 21.2	0.6
06.30.10	26.8	177.7	66.1	119.2	12.9	43.8	10.6	457.1
Acquisitions and increases	0.3	11.2	3.7	6.1	0.5	3.3	14.2	39.3
Exits	- 0.5	- 9.3	- 0.5	- 3.1	- 1.1	- 2.7	- 0.2	- 17.4
Variations in scope	0.1	1.2	0.5	1.5	0.2	-	-	3.5
Currency translations	- 1.1	- 8.3	- 0.5	- 5.3	- 0.9	- 1.3	- 0.2	- 17.6
Reclassifications	0.4	6.2	1.1	4.3	0.6	0.5	- 14.0	- 0.9
06.30.11	26.0	178.7	70.4	122.7	12.2	43.6	10.4	464.0

1.2 - Amortization and value losses

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
06.30.09	1.8	77.0	40.8	83.0	10.0	27.6	-	240.2
Provisions / value losses	0.2	6.1	3.4	6.4	1.0	3.1	-	20.2
Exits	-	- 4.4	- 1.2	- 6.0	- 1.4	- 3.8	-	- 16.8
Variations in scope	-	5.2	2.7	0.6	0.4	1.6	-	10.5
Currency translations	-	4.6	1.0	3.5	0.5	1.6	-	11.2
Reclassifications	-	-	-	0.8	-	-	-	0.8
06.30.10	2.0	88.5	46.7	88.3	10.5	30.1	-	266.1
Provisions / value losses	0.2	6.3	3.4	7.1	0.9	3.4	-	21.3
Exits	-	- 7.2	- 0.4	- 2.9	- 1.1	- 2.4	-	- 14.0
Variations in scope	-	0.4	0.2	0.4	0.1	-	-	1.1
Currency translations	- 0.1	- 3.4	- 0.2	- 3.6	- 0.6	- 0.9	-	- 8.8
Reclassifications		-	- 0.9	1.3	0.1	- 0.7	-	- 0.2
06.30.11	2.1	84.6	48.8	90.6	9.9	29.5	-	265.5

1.3 – Net values

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
06.30.09	25.0	66.2	14.9	26.7	2.3	10.7	14.8	160.6
06.30.10	24.8	89.2	19.4	30.9	2.4	13.7	10.6	191.0
06.30.11	23.9	94.1	21.6	32.1	2.3	14.1	10.4	198.5

2- Further information

2.1 - Fixed assets acquired by financial leasing

Fixed assets acquired by financial leasing represent the following amounts (net value):

In millions of Euros	Constructions and fittings	Complex installations	Other tangible fixed assets	Total
06.30.09	1.4	0.2	0.2	1.8
06.30.10	1.3	-	0.2	1.5
06.30.11	-	-	0.1	0.1

2.2 – Value loss test

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 23 of “Accounting methods and principles in IFRS standards”. The evolution is as follows:

In millions of Euros	Installations, equipment and others	Constructions	Total
06.30.09	-	-	-
Fiscal year 09-10	-	0.3	0.3
06.30.10	-	0.3	0.3
Fiscal year 10-11	-	-	-
06.30.11	-	0.3	0.3

2.3 – Variations in scope

Variations in scope concern the following operations (net of amortization):

In millions of Euros	
Fiscal year 10-11	
Limagrain Guerra do Brasil	2.4
Total	2.4
Fiscal year 09-10	
Atash Seeds	0.2
Clovis Matton	0.8
Dalian Mikado	0.1
Mesa Maize	0.9
Su Tarim	1.5
Total	3.5

2.4 – Commitments on leasing contracts

In millions of Euros	Total	< 1 year	1 to 5 years	> 5 years
Direct financing lease	3.2	1.5	1.6	0.1
Simple lease contracts	26.5	7.8	16.1	2.6

Note 17:

Financial fixed assets

1- Evolution of net book values

1.1 – Gross values

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.09	25.3	3.3	5.8	34.4
Increases	19.9	-	1.1	21.0
Decreases	- 8.0	-	- 0.6	- 8.6
Variations in scope	0.4	-	-	0.4
Currency translations	0.1	0.2	0.5	0.8
Reclassifications	-0.2	0.1	0.1	-
06.30.10	37.5	3.6	6.9	48.0
Increases	-	-	12.7	12.7
Decreases	- 10.8	-	- 12.1	- 22.9
Variations in scope	0.3	-	-	0.3
Currency translations	-	-	- 0.4	- 0.4
Reclassifications	0.1	- 0.1	-	-
06.30.11	27.1	3.5	7.1	37.7

1.2 – Provisions

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.09	3.9	2.1	0.3	6.3
Provisions	-	-	-	-
Write-back	-	-	-	-
Variations in scope	-	-	-	-
Currency translations	0.1	-	-	0.1
Reclassifications	- 0.2	-	-	- 0.2
06.30.10	3.8	2.1	0.3	6.2
Provisions	2.0	-	-	2.0
Write-back	-	-	- 0.1	- 0.1
Variations in scope	0.3	-	-	0.3
Currency translations	-	-	-	-
Reclassifications	-	-	-	-
06.30.11	6.1	2.1	0.2	8.4

1.3 – Net values

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.09	21.4	1.2	5.5	28.1
06.30.10	33.7	1.5	6.6	41.8
06.30.11	21.0	1.4	6.9	29.3

2- Further information

2.1 – Financial assets held for sale

Non-consolidated equity interests appear on this line. They are assessed in compliance with the rules described in Note 1 paragraph 21.1 of the “Accounting methods and principles in IFRS standards”.

The contents of this item are set out below:

Companies	06.30.11		06.30.10		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Result (in M€)
Morning	-	-	41.71	10.7	-	-
Avesthagen	4.60	0.0	4.60	2.0	Not available	Not available
Arcadia	7.25	18.9	7.25	18.9	Not available	Not available
Miscellaneous	-	2.1	-	2.1	-	-
Total		21.0		33.7		

2.2 - Variations in scope

Variations in scope correspond to the following operations (net of provisions):

In millions of Euros	
Fiscal year 10-11	
None	-
Total	-
Fiscal year 09-10	
Clovis Matton	0.4
Total	0.4

Note 18: Equity shares

1- Details of equity shares are as follows:

In millions of Euros	06.30.11	06.30.10	06.30.09
Australian Grain Technologies	8.2	7.5	6.1
Bio Seeds	3.8	3.8	3.3
Top Green	1.7	1.6	1.6
Unisigma	0.4	0.2	0.3
Genoplante Valor	1.8	1.8	1.8
Yuan Longping High-Tech	-	30.1	29.2
Total	15.9	45.0	42.3
Variation for the fiscal year	- 29.1	2.7	11.9

2- Further information

Variation for the fiscal year corresponds to the items below:

In millions of Euros	10-11		09-10	
Proportion of income for the fiscal year	-	0.6	-	0.5
Australian Grain Technologies	0.4	-	- 0.5	-
Bio Seeds	-	-	0.6	-
Genoplante Valor	-	-	-	-
Yuan Longping High-Tech	-	-	0.4	-
Top Green	0.1	-	0.1	-
Unisigma	0.1	-	- 0.1	-
Variation in scope, variation in percentages of interest and others	-	⁽¹⁾ - 30.1	-	⁽²⁾ 0.7
Distributions	-	0.1	-	- 0.7
Currency translation	-	0.3	-	2.2
Total	-	- 29.1	-	2.7

⁽¹⁾ For fiscal year 2010-2011:

- Disposal of all the shares held in Yuan Longping High-Tech - 30.1

⁽²⁾ For fiscal year 2009-2010:

- Increase of the stake held in Australian Grain Technologies: + 1.0
 - Increase of the stake held in Bio Seeds + 0.3
 - Decrease of the stake held in Yuan Longping High-Tech - 0.6
- 0.7

3- Financial information of the main equity shares

3.1 – For fiscal year 2010-2011

In millions of Euros	Bio Seeds ⁽¹⁾	Top Green	Unisigma	Genoplante Valor ⁽¹⁾	Australian Grain Technologies ⁽²⁾
Sales	17.2	21.0	2.8	0.4	0.2
Net income	1.7	0.3	0.3	-	-1.8
Assets	21.3	7.1	2.2	7.1	9.7
Liabilities (excluding equity)	4.4	2.0	1.3	3.8	1.9

⁽¹⁾ Accounts closed on December 31st 2010

⁽²⁾ Accounts closed on September 30th 2010

3.2 – For fiscal year 2009-2010

In millions of Euros	Yuan Longping High-Tech	Bio Seeds	Top Green	Unisigma	Genoplante Valor ⁽¹⁾	Australian Grain Technologies ⁽²⁾
Sales	132.7	Not available	19.7	0.9	0.7	0.2
Net income	9.9	Not available	0.1	- 0.1	-	- 2.3
Assets	239.0	Not available	8.0	2.0	6.7	10.9
Liabilities (excluding equity)	109.6	Not available	3.1	1.5	3.4	1.9

⁽¹⁾ Accounts closed on December 31st 2009

⁽²⁾ Account closed on September 30th 2009

Note 19: Inventories

1- Evolution of net book values

In millions of Euros	06.30.11			06.30.10			06.30.09		
	Gross value	Provision	Net value	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	88.1	- 3.5	84.6	92.0	- 3.5	88.5	48.5	- 3.3	45.2
Production in progress	84.8	- 11.2	73.6	54.7	- 4.3	50.4	45.0	- 4.2	40.8
Goods	58.6	- 6.2	52.4	68.6	- 6.3	62.3	65.7	- 5.7	60.0
Finished products	102.4	- 23.0	79.4	145.2	- 25.7	119.5	138.0	- 26.6	111.4
Total	333.9	- 43.9	290.0	360.5	- 39.8	320.7	297.2	- 39.8	257.4
Variation for the fiscal year			- 30.7			63.3			

2- Further information

2.1 - Variations for the fiscal year correspond to the following items:

In millions of Euros	10-11	09-10
Variations in scope (net of provisions)	- 0.1	2.8
Variations in gross values	- 10.6	39.1
Variations in provisions including:	- 5.3	2.5
■ <i>New provisions</i>	- 28.6	- 23.9
■ <i>Provisions used</i>	13.1	20.8
■ <i>Provisions written back</i>	10.2	5.6
Reclassifications	-	0.1
Currency translations	- 14.7	18.8
Total	- 30.7	63.3

2.2 - Variations in scope concern:

In millions of Euros	Total
Fiscal year 10-11	
Flora Geissler GmbH	- 0.1
Total	- 0.1
Fiscal year 09-10	
Atash Seeds	0.3
Clovis Matton	1.2
Dalian Mikado	0.3
Mesa Maize	0.5
Su Tarim	0.5
Total	2.8

2.3 - Provisions are made in accordance with the methods described in Note 1 paragraph 13 of the “Accounting methods and principles in IFRS standards”. Their evolution, as a percentage of the gross value of inventory, was as follows:

■	On June 30 th 2009:	13.4%
■	On June 30 th 2010:	11.0%
■	On June 30th 2011:	13.1%

Note 20: Trade receivables

1- Evolution of net book values

In millions of Euros	06.30.11	06.30.10	06.30.09
Customer receivables	360.5	352.0	315.0
Advance payment to suppliers	16.1	13.9	13.9
Personnel and social security	1.6	1.8	1.2
State, income taxes	33.1	9.8	29.2
Other tax receivables	33.5	38.0	31.7
Other operating receivables	38.5	17.5	22.2
Prepayments	11.2	12.1	11.4
Gross total	494.5	445.1	424.6
Customer receivables	- 11.0	- 10.6	- 9.7
Advance payment to suppliers	-	- 0.1	-
Other operating receivables	- 0.1	- 0.1	- 0.1
Total provisions	- 11.1	- 10.8	- 9.8
Net book values	483.4	434.3	414.8
Variation for the fiscal year	49.1	19.5	

2- Further information

2.1 - Variations for the fiscal year comprise the following main items:

In millions of Euros	10-11	09-10
Variations in scope (net of provisions)	- 0.8	7.0
Variations in provisions including	- 0.8	0.1
■ <i>New provisions</i>	- 6.1	- 4.3
■ <i>Provisions used</i>	2.5	3.3
■ <i>Provisions written back</i>	2.8	1.1
Other variations	73.3	- 13.7
Reclassifications	0.6	- 0.2
Currency translations	- 23.2	26.3
Total	49.1	19.5

2.2 - Variations in scope concern:

In millions of Euros

Fiscal year 10-11

Cylonie Ré	- 0.5
Hazera Genetics Mexico (2000) Ltd	- 0.1
Flora Geissler GmbH	- 0.2

Total	- 0.8
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Fiscal year 09-10

Atash Seeds	0.4
Belgian Seeds Company	0.3
Clovis Matton	3.9
Dalian Mikado	0.1
De Wulf & Co	0.2
Mesa Maize	0.4
Seedline	0.1
Su Tarim	1.6

Total	7.0
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Note 21: Cash and cash equivalents

1- Evolution of fair values

In millions of Euros	06.30.11	06.30.10	06.30.09
Financial current accounts	2.8	2.5	2.5
Placement securities held for purposes of transaction	248.1	265.8	172.4
Cash and bank in hand	120.4	105.3	77.0
Total	371.3	373.6	251.9
Variation for the fiscal year	- 2.3	121.7	

The evaluation rules applicable for this line are described in Note 1 paragraph 22 of the "Accounting methods and principles in IFRS standards".

2- Further information

2.1 - Analysis of the variations for the fiscal year:

In millions of Euros	
Fiscal year 10-11	
Variations in scope	- 23.5
Variation of gross values	32.4
Currency translations	-11.4
Reclassifications	0.2
Total	- 2.3
Fiscal year 09-10	
Variations in scope	7.0
Variation of gross values	103.9
Currency translations	10.8
Total	121.7

2.2 – Variations in scope concern:

In millions of Euros	
Fiscal year 10-11	
Limagrain Guerra do Brasil	4.1
Limagrain Magyarorszag	- 0.7
Cylonie Ré	- 26.4
Vilmorin Luxembourg	- 0.1
Changsa Xindaxin Vilmorin Agri-Business Co. Ltd	- 0.3
Flora Geissler GmbH	- 0.1
Total	- 23.5
Fiscal year 09-10	
Atash Seeds	4.3
Belgian Seeds Company	0.1
Ceres Nederland	0.1
Clovis Matton	0.3
Dalian Mikado	0.1
De Wulf & Co	0.1
Limagrain Bulgaria	1.0
Mesa Maize	0.8
Trio Research	0.1
Su Tarim	0.1
Total	7.0

Note 22: Shareholders' equity - attributable to controlling company

1- Composition of the shareholders' equity

In millions of Euros	06.30.11	06.30.10	06.30.09
Parent stock	262.6	262.6	204.2
Issue premium	350.5	350.5	210.9
Parent legal reserve	12.7	11.0	9.2
Other parent reserves	17.1	10.4	1.6
Consolidation reserves and others	217.2	203.3	184.7
Currency translation reserves	- 23.1	21.1	- 26.1
Income for the fiscal year	91.0	54.1	53.0
Total	928.0	913.0	637.5
Variation for the fiscal year	15.0	275.5	

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

2- Further information

2.1 –Vilmorin's share capital

Vilmorin's share capital comprises 17,218,101 a shares, each with a nominal value of 15.25 Euros.

The company's by-laws stipulate that for the purpose of General Meetings, without prejudice to restrictions resulting from any laws and decrees in force, each member of the General Meetings may cast as many votes as the number of shares he or she owns or represents, without any limits.

Nevertheless, double voting rights compared to other shares, considering the share capital quota they represent, are granted to any shares fully paid up for which it can be proven that they have been registered in the name of the same shareholder for a period of at least four years.

This right is also granted in the case of any increase in share capital through incorporation of reserves, and as soon as they are issued, for any nominative shares granted without cost to any shareholder who holds former shares that benefit from this right.

2.2 – Characteristics of the Oceane bonds (Bonds convertible into new or existing shares):

On June 6th 2008 Vilmorin issued Oceane bonds. This financial instrument involves both a financial debt component and an equity component. The accounting principle applied to these instruments is set out in Note 1 paragraph 21.4 of the "Accounting methods and principles in IFRS standards".

■ Characteristics of the Oceane convertible bonds issued by Vilmorin

Issuing company	Vilmorin
Date of entitlement	June 6 th 2008
Number of bonds issued	958 579
Number of bonds in circulation	958 558 ⁽¹⁾
Issue premium	€155.96
Total income from the issue	€149.5 million
Interest rate	4.5% i.e. €7.0182 per bond
Due date	July 1 st 2015 with possibility of early redemption on July 1 st 2013
Normal redemption conditions	1 Vilmorin share for 1 bond

⁽¹⁾ In July 2010, a private investor requested conversion of 21 Oceane bonds. Therefore, on June 30th 2011, the total of Ocean bonds in circulation was 958,558.

■ The impact of the Oceane convertible bonds on the equity is as follows:

In millions of Euros	Gross total of Oceane bonds	Impact on the balance sheet		
		Debt component	Deferred taxes liabilities	Equity component
06.30.09	149.5	135.7	4.6	9.2
Restatement of the interest on the debt component in 2009-2010		3.1	- 1.0	- 2.1
06.30.10	149.5	138.8	3.6	7.1
Restatement of the interest on the debt component in 2010-2011		3.3	- 1.1	- 2.2
06.30.11	149.5	142.1	2.5	4.9

Note 23: Shareholders' equity– attributable to non-controlling minorities

1- Composition of the shareholders' equity – attributable to non-controlling minorities

In millions of Euros	06.30.11	06.30.10	06.30.09
Consolidation reserve and others	104.5	123.2	111.6
Currency translation reserve	- 2.9	3.0	- 2.5
Income for the fiscal year	6.3	6.0	7.2
Total	107.9	132.2	116.3
Variation for the fiscal year	- 24.3	15.9	

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

2- Further information

- Characteristics of the equity notes issued by Limagrain Europe

The equity notes issued by Limagrain Europe which mature on December 31st 2010 were converted into 9,032 Limagrain Europe shares, with a nominal value of 0.1 million Euros and an issue premium of 5.6 million Euros.

The equity notes issued by Limagrain Europe which mature on December 31st 2011 were purchased by the group during the course of the fiscal year.

- The impact of equity notes on the equity is as follows:

In millions of Euros	Gross total of equity notes	Impact on the balance sheet		
		Debts component	Deferred taxes assets	Equity components
06.30.09	11.5	0.7	- 0.2	11.0
Restatement of the interest on the debt component in 2009-2010	-	- 0.4	0.1	0.3
06.30.10	11.5	0.3	- 0.1	11.3
Liquidation of operations (tranche A)	- 5.8	-	-	- 5.8
Restatement of the interest on the debt component in 2010-2011	-	- 0.3	0.1	0.2
06.30.11	5.7	-	-	5.7

Note 24: Provisions for employee benefits

Provisions for employee benefits are analyzed as follows:

In millions of Euros	06.30.11	06.30.10
Provisions for lump sums paid at retirement	9.2	8.6
Commitments for "work medal" bonuses and other benefits	0.6	0.5
Pension plans	13.2	12.3
Provisions for employee benefits	23.0	21.4
<i>Including:</i>		
<i>Provision for employee benefits (non current share)</i>	22.8	21.3
<i>Provision for employee benefits (current share)</i>	0.2	0.1
Provisions for employee benefits	23.0	21.4
Financial assets	-1.0	- 1.0
Net recorded commitment	22.0	20.4

The evaluation rules applied to this line are described in Note 1 paragraph 16 of the "Accounting methods and principles in IFRS standards".

- Lump sums paid at retirement mainly concern French companies.

During the course of fiscal 2002-2003, the convention that applies to a certain number of Vilmorin's companies was modified with retroactive effect. The impact of this change on past services is amortized over the average remaining time of activity for the employees concerned, which has been estimated to be nineteen years at the date of the change. Consequently the provision made on June 30th 2011 does not include the extra commitment of 0.5 million Euros.

- Commitments for "work medal" bonuses and other benefits mainly concern French companies.
- There are also multi-employer plans which are accounted for in the same way as defined benefit schemes, since insufficient information is available to account for them otherwise.
- A financial asset of one million Euros exists and corresponds to provisions for employee benefits.

1- Evolution over the course of the fiscal year

The evolution of the current value of obligations with regard to defined contribution plans and other long-term benefits is as follows:

In millions of Euros	06.30.11	06.30.10
Current value of obligations at opening of the fiscal year	142.5	120.7
Cost of services rendered for the year (net of contributions)	3.2	2.4
Financial cost	7.0	6.7
Participants' contributions	0.3	0.3
Net actuarial losses or gains	-6.3	15.0
Welfare services paid out	-8.2	- 5.8
Cost of past services recorded	-	-
Effect of liquidation / reduction of future services	-0.9	⁽¹⁾ - 6.6
Currency translations and others	-12.4	9.8
Current value of obligations at close of the fiscal year	125.2	142.5

⁽¹⁾ The sum recorded in Effect of liquidation on June 30th 2010 is mainly due to the transfer of the commitments to an insurer for the inactive personnel in the Netherlands.

Evolution of the fair value of the assets of defined contribution plans is as follows:

In millions of Euros	06.30.11	06.30.10
Fair value of forward assets at opening of the fiscal year	96.0	81.9
Expected returns on forward assets	5.7	5.1
Net actuarial losses or gains	6.8	10.3
Employers' contributions	3.0	3.5
Participants' contributions	0.3	0.3
Welfare services paid out	-7.2	- 4.9
Effect of liquidation / reduction of future services	-0.9	- 6.4
Currency translations and others	-10.8	6.3
Fair value of forward assets at close of the fiscal year	92.9	96.0

1.1 – Further information

1.1.1 Information on the funding assets

Employee benefit assets do not include land and premises occupied by the companies of Vilmorin or any other assets used by Vilmorin.

The fair value of employee benefit assets does not include any securities issued by Vilmorin.

1.1.2 Information on the fair value of the assets

The fair value of employee benefit schemes is analyzed as follows:

■ Ordinary shares	50 %
■ Bonds	34 %
■ Real estate	5 %
■ Others	11 %

1.1.3 Information on the true yield of the assets

The true yield of assets of benefit schemes was 12.5 million Euros in 2011 as opposed to 15.4 million Euros in 2010.

2- Reconciliation of assets and liabilities recorded on the balance sheet

A comparison of balance sheet data with the actuarial obligation concerning defined contribution plans can be analyzed as follows on June 30th 2011:

In millions of Euros	06.30.11	06.30.10
Adjusted value of the commitment	125.2	142.5
Fair value of assets of defined contributions plans	-92.9	- 96.0
Deficit / (Surplus)	32.3	46.5
Unrecorded actuarial differences	-9.7	- 26.5
Unrecorded costs of past services	-0.6	- 0.7
Others	-	2.1
Provisions for employee benefits	22.0	21.4

2.1 – Further information

2.1.1 Method used to record actuarial gains and losses (the corridor method)

Actuarial gains and losses that exceed 10% of the commitment or assets are amortized over the estimated remaining time of activity of the participants.

2.1.2 General description of the types of schemes

Defined benefit pension schemes are mainly to be found in the United Kingdom and the United States. There is no other post retirement health scheme that comes into effect after employment. Other long-term benefits are "work medal" long service bonuses.

Non-financed commitments cover lump sums for retirement paid out mainly in France and "work medal" long service bonuses, and also certain benefits and the pension plan in Japan.

2.1.3 Actuaries

The figures for commitments for defined employee benefit schemes have been determined by qualified actuaries.

3- Recorded charge

The total recorded charge for defined contribution plans and other long-term benefits are analyzed as follows:

In millions of Euros	06.30.11	06.30.10
Cost of services rendered	3.4	2.4
Financial cost	7.0	6.7
Expected return on assets	-5.7	- 5.1
Other charges	-	-
Recognized actuarial losses or gains	1.5	1.2
Cost of past services recognized	0.1	0.1
Effect of liquidations / reductions	-	0.1
Total	6.3	5.4

4- Actuarial hypothesis

The main actuarial hypotheses used to estimate the group's obligations are as follows:

■ Europe

As a %	Europe (except United Kingdom)		United Kingdom	
	2011	2010	2011	2010
Adjustment rate	5.25 to 5.50	5.00 to 5.50	5.50 to 5.60	5.50
Expected return on assets	1.70 to 5.00	1.70 to 5.00	6.40 to 6.87	6.80 to 6.87
Salaries progression rate	1.00 to 2.50	1.00 to 2.50	4.00 to 4.50	4.00 to 4.50
Pension fund inflation rate	1.50 to 2.00	1.50 to 2.00	2.50 to 3.50	2.50 to 3.50

■ Americas

As a %	2011	2010
Adjustment rate	5.58	5.58
Expected return on assets	7.50	7.50
Salaries progression rate	5.00	5.00
Pension fund inflation rate	0.00	0.00

■ Middle East and Asia

As a %	2011	2010
Adjustment rate	2.00 to 2.50	2.00 to 5.08
Expected return on assets	2.20 to 2.50	2.20 to 2.50
Salaries progression rate	2.50 to 6.17	2.50 to 6.17
Pension fund inflation rate	0.00	0.00

Geographical analysis of rights

The geographical breakdown of the adjusted value of rights is as follows:

In millions of Euros	06.30.11	06.30.10
France	9.6	9.8
Europe (except France)	75.2	88.8
Americas	29.9	33.7
Middle East / Asia	10.5	10.2
Adjusted value of rights	125.2	142.5

5- Schemes with defined contributions

In millions of Euros	06.30.11			06.30.10
	Schemes with defined contributions	Multi-employer schemes	Total schemes	Total schemes
Charges recorded in the income statement	2.1	0.8	2.9	2.7
Social contributions	-	-	-	-
Pre-paid charges	-	-	-	-

Note 25: Deferred taxes

1- Evolution of book values

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Impact on the income	Impact on the reserves
06.30.09	13.0	82.6	- 3.8	4.3
Variations in scope	0.1	2.6	-	-
Variations influencing income from continuing operations	0.8	2.4	- 1.6	-
Reclassifications	- 4.5	- 4.5	-	-
Variations influencing reserves	3.9	3.7	-	0.2
Currency translations	1.0	1.6		
06.30.10	14.3	88.4	- 1.6	0.2
Variations in scope	-	- 6.5	-	-
Variations influencing income from continuing operations	3.6	6.5	- 2.9	-
Reclassifications	1.3	1.3	-	-
Variations influencing reserves	- 1.4	-	-	- 1.4
Currency translations	- 0.9	- 1.4	-	-
06.30.11	16.9	88.3	- 2.9	- 1.4

The rules applied with regard to deferred taxes are described in Note 1 paragraph 19 of the "Accounting methods and principles in IFRS standards".

2- Further information

2.1 – Variations in scope

Variations in scope concern:

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities
10-11		
Cylonie Ré	-	- 6.5
Total	-	- 6.5
09-10		
Mesa Maize	-	0.8
Su Tarim	0.1	-
Clovis Matton	-	0.3
Limagrain South America	-	1.2
Investigacion Trigo	-	0.2
Trio Research	-	0.1
Total	0.1	2.6

2.2 – Variations influencing reserves

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Net deferred taxes
10-11			
Forward cover	- 1.4	-	- 1.4
Others	-	-	-
Total	- 1.4	-	- 1.4
09-10			
Forward cover	3.9	3.7	0.2
Others	-	-	-
Total	3.9	3.7	0.2

Note 26: Other current provisions

1- Evolution of book values

In millions of Euros	06.30.11	06.30.10	06.30.09
Commercial litigation	1.7	2.2	2.7
Other risks and litigation	5.3	4.8	10.5
Reorganization costs	4.7	7.4	6.0
Employee benefits	0.1	0.1	0.1
Total	11.8	14.5	19.3
Variation for the fiscal year	- 2.7	- 4.8	

The rules applied with regard to setting up provisions are described in Note 1 paragraph 17 of the "Accounting methods and principles in IFRS standards".

2- Further information

2.1 - Variations for the fiscal year include the following items:

In millions of Euros			
10-11			
Variations in scope			- 0.6
Variations in provisions			- 2.0
Provisions for the fiscal year	4.0		
Write-back used	- 3.5		
Write-back not used	- 2.5		
Reclassifications			0.1
Currency fluctuations			- 0.2
Total			- 2.7
09-10			
Variations in scope			1.5
Variations in provisions			- 6.6
Provisions for the fiscal year	7.2		
Write-back used	- 11.8		
Write-back not used	- 2.0		
Reclassifications			-
Currency fluctuations			0.3
Total			-4.8

2.2 - Variations in scope concern the following operations:

In millions of Euros	Total
10-11	
Cylonie Ré	- 0.6
Total	- 0.6
09-10	
Atash Seeds	0.5
Limagrain Bulgaria	1.0
Total	1.5

Note 27:

Current and non-current financial debts

1- Composition of the financial debts

1.1- Non-current financial debts

In millions of Euros	06.30.11	06.30.10	06.30.09
Bank loans	279.6	203.9	207.1
Debt component of the equity notes ⁽¹⁾	-	-	0.2
Debt component of the Oceane convertible bonds ⁽²⁾	142.1	138.8	135.7
Minority redemption commitments	16.3	8.6	3.2
Derivatives ⁽³⁾	2.8	10.0	9.8
Lease/hire purchase	0.1	1.1	1.2
Other financial debts	1.0	0.8	1.0
Total	441.9	363.2	358.2
Variation for the fiscal year	78.7	5.0	

⁽¹⁾ cf. Note 23

⁽²⁾ cf. Note 22

⁽³⁾ cf. Note 30

1.2 - Current financial debts

In millions of Euros	06.30.11	06.30.10	06.30.09
Bank loans	154.6	241.2	260.0
Debt component of the equity notes ⁽¹⁾	-	0.3	0.5
Lease/hire purchase	0.1	0.2	0.2
Derivatives ⁽²⁾	- 0.8	- 0.8	- 0.8
Current accounts	37.0	4.2	4.3
Other financial debts	1.5	6.2	0.2
Interest incurred	7.2	6.9	7.0
Total	199.6	258.2	271.4
Variation for the fiscal year	- 58.6	- 13.2	

⁽¹⁾ cf. Note 23

⁽²⁾ cf. Note 30

1.3 - Net financial indebtedness

Financial indebtedness, net of cash and bank in hand, has evolved as follows:

In millions of Euros	06.30.11	06.30.10	06.30.09
Non-current financial debts	441.9	363.2	358.2
Current financial debts	199.6	258.2	271.4
Cash and bank in hand (cf. Note 21)	- 371.3	- 373.6	- 251.9
Net financial debts	270.2	247.8	377.7
Variation for the fiscal year	22.4	- 129.9	

The rules applied for recording financial debts are described in Note 1 paragraphs 21.3, 21.4 and 24 of the "Accounting methods and principles in IFRS standards".

2- Further information

2.1 - Analysis of the evolution of the financial debt

2.1.1 The main variations in financial indebtedness are as follows:

In millions of Euros	Non-current financial debts	Current financial debts	Total
06.30.09	358.2	271.4	629.6
Increase	16.6	-	16.6
Decrease	-2.5	- 43.8	- 46.3
Restatement of Oceane convertible bonds ⁽¹⁾	3.1	-	3.1
Variations in scope	1.9	2.5	4.4
Restatement of forward cover	0.2	-	0.2
Minority redemption commitments	4.9	-	4.9
Reclassifications	- 22.1	22.1	-
Currency translations	2.9	6.0	8.9
06.30.10	363.2	258.2	621.4
Increase	355.6	-	355.6
Decrease	- 248.0	- 86.3	- 334.3
Variations in scope	-	-	-
Currency translations	- 2.9	- 1.8	- 4.7
Reclassifications	- 29.8	29.8	-
Restatement of Oceane convertible bonds ⁽¹⁾	3.3	-	3.3
Restatement of equity notes ⁽²⁾	-	- 0.3	- 0.3
Restatement of derivatives	- 7.2	-	- 7.2
Minority redemption commitments	7.7	-	7.7
06.30.11	441.9	199.6	641.5

(1) Cf. Note 22

(2) Cf. Note 23

2.1.2 Variations in scope concern:

In millions of Euros	Non-current financial debts	Current financial debts	Total
10-11			
None	-	-	-
Total	-	-	-
09-10			
Atash Seeds	0.7	-	0.7
Clovis Matton	1.1	-	1.1
Su Tarim	0.1	2.5	2.6
Total	1.9	2.5	4.4

2.2 - Information on the debenture loan

This loan has the following characteristics

Issuer	Vilmorin (Oceane) ⁽¹⁾
Date of issue	June 6 th 2008
Amount involved	€149.5 million
Due date (bullet amortization)	July 1 st 2015
Possibility of early redemption	July 1 st 2013
Interest rate	4.50%

⁽¹⁾ Cf. Note 22

2.3 - Information on bank loans

In October 2010, the company Vilmorin renewed a bank loan for 300 million Euros before the termination of the initial loan set up in July 2006.

This loan presented above involves default clauses concerning the respect of certain ratios that, in certain conditions, are liable to lead to its being payable earlier than planned. The characteristics are as follows:

■ Original amount of the loan	€300 million
■ Company to which the loan was granted	Vilmorin
■ Outstanding	
• On June 30 th 2010	€175 million
• On June 30 th 2011	€225 million
■ Rate	Euribor + margin
■ Collateral granted	No
■ Existence of "covenants"	Yes

Following the implementation of a new syndicated credit in October 2010, the authorized and confirmed credit line stood at 300 million Euros, of which 75 million Euros were not used on June 30th 2011.

There are covenants based on ratios from Vilmorin's consolidated financial statements:

- Financial debts over EBITDA
- EBITDA over financial costs

The above-mentioned covenants were respected for fiscal year 2010-2011.

2.4 Analysis of loans by nature of rates

Analysis of the financial debts by nature of rates before cover is as follows:

In millions of Euros	Non-current financial debts	Current financial debts	Total
06.30.11			
Financial debts with fixed rate	176.9	58.4	235.3
Financial debts with variable rate	265.0	141.2	406.2
Total	441.9	199.6	641.5
06.30.10			
Financial debts with fixed rate	167.3	65.3	232.6
Financial debts with variable rate	195.9	192.9	388.8
Total	363.2	258.2	621.4

Taking forward cover rates into account, financial debts with variable rate were covered up to 170 million Euros at the end of June 2011.

Note 28: Accounts payable

1- Evolution of the book values

In millions of Euros	06.30.11	06.30.10	06.30.09
Suppliers and other accounts payable	172.7	160.4	145.0
Debts on the acquisition of fixed assets	12.3	10.6	10.4
Advance payments received from customers	1.7	2.0	0.7
Social security	56.0	49.3	45.5
Taxes	27.6	27.7	17.8
Other operating debts	106.7	126.0	118.5
Other non-operating debts	1.1	1.1	1.0
Total	378.1	377.1	338.9
Variation for the fiscal year	1.0	38.2	

The rules applied for recording accounts payable are described in Note 1 paragraph 20 of the "Accounting methods and principles in IFRS standards".

2- Further information

Variation for the fiscal year includes the following main items:

In millions of Euros	10-11	09-10
Variations in scope	0.7	9.4
Other variations	20.7	2.5
Currency translations	- 20.4	26.3
Total	1.0	38.2

Variations in scope concern:

In millions of Euros	Total
10-11	
Limagrain Guerra do Brasil	1.9
Cylonie Ré	- 0.5
Vilmorin Luxembourg	- 0.1
Flora Geissler GmbH	- 0.6
Total	0.7
09-10	
Atash Seeds	4.8
Belgian Seeds Company	0.6
Clovis Matton	3.5
Dalian Mikado	0.1
De Wulf & Co	0.1
Limagrain Bulgaria	- 0.2
Mesa Maize	0.4
Su Tarim	0.1
Total	9.4

Almost all the debts for suppliers and accounts payable are due within one year.

The other operating debts mainly include balances to pay to customers concerning the close of operations at the end of the campaign (inventory returns, end of year discount).

Note 29: Deferred income

1- Evolution of book values

In millions of Euros	06.30.11	06.30.10	06.30.09
Total	25.6	25.7	24.7
Variation for the fiscal year	- 0.1	1.0	

The rules applicable are described in Note 1 paragraph 18 of the "Accounting methods and principles in IFRS standards".

This line concerns almost exclusively investment and operating subsidies.

2- Further information

Movements for the fiscal year involve the following items:

In millions of Euros	10-11	09-10
Subsidies written back into the income	- 0.5	- 0.5
Variations in scope	-	-
Restatement of tax relief for research for the fiscal year	0.7	1.7
Others	- 0.3	- 0.2
Total	- 0.1	1.0

Note 30: Financial instruments

1- Financial instruments by category

In millions of Euros	06.30.11		Analysis by category of instruments				
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	Non financial ⁽¹⁾
Financial assets	29.3	29.3	21.0	8.3	-	-	-
Customers and other receivables	483.4	483.4	-	387.9	-	-	95.5
Cash and cash equivalents	371.3	371.3	-	371.3	-	-	-
Financial assets	884.0	884.0	21.0	767.5	-	-	95.5
Non-current financial debts	441.9	441.9	-	-	439.1	2.8	-
Current financial debts	199.6	199.6	-	-	200.4	- 0.8	-
Suppliers and other payables	403.7	403.7	-	-	378.1	-	25.6
Financial liabilities	1 045.2	1 045.2	-	-	1 017.6	2.0	25.6

⁽¹⁾ In the assets, tax and social security receivables, various prepayments and accruals are not included in the above figures since they are not considered to be financial instruments as defined by IAS 39. The same holds in the liabilities for deferred income.

In millions of Euros	06.30.10		Analysis by category of instruments				
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	Non financial ⁽¹⁾
Financial assets	41.8	41.8	33.7	8.1	-	-	-
Customers and other receivables	434.3	434.3	-	358.8	-	-	75.5
Cash and cash equivalents	373.6	373.6	-	373.6	-	-	-
Financial assets	849.7	849.7	33.7	740.5	-	-	75.5
Non-current financial debts	363.2	363.2	-	-	353.2	10.0	-
Current financial debts	258.2	258.2	-	-	259.0	- 0.8	-
Suppliers and other payables	402.8	402.8	-	-	377.1	-	25.7
Financial liabilities	1 024.2	1 024.2	-	-	989.3	9.2	25.7

⁽¹⁾ In the assets, tax and social security receivables, various prepayments and accruals are not included in the above figures since they are not considered to be financial instruments as defined by IAS 39. The same holds in the liabilities for deferred income.

2- Management of financial risks

Vilmorin has set up a dedicated organization based on financial risk management policies that have been approved by the Executive Committee, with centralized management of risks to which it is exposed regarding exchange, raw materials, rates and cash.

On June 30th 2011, the derived financial instruments set up by Vilmorin to manage its risks can be analyzed as follows:

2.1 - Information regarding currency exchange risks

2.1.1 Objectives

Vilmorin manages its currency positions with the objective of hedging the risks of fluctuation of relative parities, mainly in relation to its industrial and commercial operations. Indeed, Vilmorin sets up forward contracts exclusively in order to hedge currency exchange risks linked to provisional flows.

For this purpose, a procedure to manage currency exchange risks collectively has been set up in the group. This position mainly consists in taking out contracts with a fixed term.

2.1.2 Assets and liabilities analyzed according to the main foreign currencies

In millions of Euros	Euro Zone	US dollar	Canadian dollar	GBP	Australian dollar	Yen	Shekel	Turkish lira	Other currencies	Total
06.30.11										
Assets ⁽¹⁾	1 059.9	203.4	10.5	31.4	10.9	64.5	57.0	33.1	103.6	1 574.3
Liabilities ⁽¹⁾	784.3	95.5	21.3	11.4	2.3	40.7	14.8	12.5	36.8	1 019.6
Differential	275.6	107.9	- 10.8	20.0	8.6	23.8	42.2	20.6	66.8	554.7
06.30.10										
Assets ⁽¹⁾	1 007.8	206.6	9.0	25.7	9.4	70.0	60.9	38.7	119.9	1 548.0
Liabilities ⁽¹⁾	739.5	106.6	23.1	13.7	2.5	50.3	17.1	14.9	30.3	998.0
Differential	268.3	100.0	- 14.1	12.0	6.9	19.7	43.8	23.8	89.6	550.0

⁽¹⁾ This concerns all items on the balance sheet that are exposed to foreign currency risks, except goodwill, inventories, deferred taxes, reserves, provisions, and deferred charges and income.

2.1.3 Information on the nominal value of instruments set up to hedge currency exchange

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.11				
Forward exchange contracts	5.8	5.8	-	-
Exchange options	-	-	-	-
Total	5.8	5.8	-	-
06.30.10				
Forward exchange contracts	4.9	4.9	-	-
Exchange options	-	-	-	-
Total	4.9	4.9	-	-

2.1.4 Information on the value of instruments set up to hedge currency exchange

In millions of Euros	Total
06.30.11	
■ Contracts on commercial transactions	
■ Cash flow hedge ⁽¹⁾	-
Contracts on financial transactions	
■ Fair value hedge	NS
06.30.10	
■ Contracts on commercial transactions	
■ Cash flow hedge ⁽²⁾	-
Contracts on financial transactions	
■ Fair value hedge	NS

⁽¹⁾ The intrinsic value of contracts on June 30th 2011 is not significant (NS)

⁽²⁾ The intrinsic value of contracts on June 30th 2010 is not significant (NS)

2.1.5 Information on risk exposure to instruments set up to hedge currency exchange

Vilmorin's net exposure for notional amounts mainly concerns the following currencies (excluding entities' functional currencies):

In millions for each currency	US dollar	GB pound	Yen	Australian dollar	Canadian dollar	New Zealand dollar
Net position before management	10.7	1.5	0.0	1.1	- 0.3	0.3
Forward purchasing	-	-	1.9	-	0.2	- 0.5
Forward selling	-7.6	-	-	-	-	-0.5
Net position after management	3.1	1.5	1.9	1.1	- 0.1	- 0.2

On June 30th 2011, the exchange rates for one Euro were 1.4453 dollar, 0.90255 GB pound, 116.25 yen and 1.3485 Australian dollar.

On June 30th 2011, sensitivity on net positions after management could be analyzed as follows:

In millions of Euros	US dollar	GB pound	Australian dollar
Hypothesis of currency variation (as a %)	10%	10%	10%
Impact on income (absolute value)	0.2	0.2	0.1

Variation of $\pm 10\%$ in exchange rates against the Euro would not be significant on the financial income.

2.2 - Information concerning raw material risks

Policies of forward cover for risks on raw materials are mainly set up in North America with the aim of limiting the impact of price variations on the consolidated net income, by identifying and neutralizing the risk as early as possible, and in certain cases as early as the seed production phase.

th 2011, the derived financial instruments set up by Vilmorin to hedge the risk on raw materials concern future corn contracts showed a gain of 4.8 million Euros, as opposed to no gain or loss for the previous fiscal year.

2.3 – Information concerning interest rate risks

2.3.1 Objectives

Interest rate risks are mainly managed by Vilmorin which (apart from specific cases or regulatory constraints) centralizes the current, stable cash flow requirements or surpluses of the subsidiaries, and sets up centralized external funding facilities as necessary.

2.3.2 Assets and liabilities subject to interest rate risks:

In millions of Euros	Nominal	Due dates		
		< 1 year	< 1 year	< 1 year
06.30.11				
Assets	13.7	10.0	2.6	1.1
Liabilities	641.5	208.4	412.7	20.4
Differential	- 627.8	- 198.4	- 410.1	- 19.3
06.30.10				
Assets	13.0	11.1	0.8	1.1
Liabilities	621.4	258.2	338.6	24.6
Differential	- 608.4	- 247.1	- 337.8	- 23.5

2.3.3 Information on the nominal value of instruments to hedge interest rates

In order to manage the interest rate risks of its financial debts, Vilmorin uses derived instruments for which the notional outstanding sums are as follow:

In millions of Euros	Nominal	Due dates					Market value
		2011	2012	2013	2014	> 2014	
Cash flow hedge operations	125.0	22.0	103.0				
Interest rate SWAP							- 3.7
Fair value operations through profit and loss⁽¹⁾	50.0	20.0	30.0				
Interest rate SWAP							- 1.5
Others							- 0.1
Total	175.0	42.0	133.0				- 5.3

⁽¹⁾ Operations ineligible for hedge accounting as determined by IAS 39.

Contractual cash flows associated with interest rate SWAP are paid at the same time as the contractual cash flows for loans with variable rates. The deferred amount in equity concerning hedge instruments is shown in the income statement for the period where the interest cash flow for the debt has an impact on the income.

The inefficient part of hedge instruments was not significant on June 30th 2011.

2.3.4 Information on risk exposure to instruments set up to hedge interest rates

On the basis of net financial indebtedness on June 30th 2011, a variation of $\pm 1\%$ in interest rates after forward cover instruments would represent an extra financial charge or income limited to 0.7 million Euros.

2.4 – Information concerning risks for shares and treasury shares

Listed shares held by Vilmorin are subject to the risk of volatility characteristic of financial markets.

Apart from consolidated securities, they can be divided up into three categories:

- Securities in companies consolidated using the equity method; these concern for the most part Australian Grain Technologies (Australia) and the company Bio Seeds (Netherlands), since the securities of the company Yuan Longping High-Tech were sold during the course of the fiscal year (cf note 18).
- Shares that are included in the portfolio “Financial assets held for sale” (cf. Note 17).
- Other non-current financial assets.

No specific measures have been taken to protect securities in companies consolidated using the equity method against a drop in rates.

The risk concerning shares included in the portfolio “Financial assets held for sale” mainly involves two lines of unlisted shares.

There is a liquidity contract for Vilmorin treasury shares. On June 30th 2011, Vilmorin held 1,317 securities with a book value of 0.1 million Euros.

2.5 - Information concerning liquidity risks

Vilmorin's treasury department manages liquidity risks by making short or long term funding available to subsidiaries as required.

Optimization of liquidity is based on centralized management of Vilmorin's subsidiaries' cash surpluses and requirements.

These operations are handled by Vilmorin's treasury department using cash-pooling conventions and intra-group loans on condition that this is authorized by local legislation.

External funding is normally set up in a centralized manner by the treasury department in order to optimize the cost of funding and access to the banking market.

Vilmorin uses a confirmed credit line involving syndicated credit originally of 300 million Euros over 7 years. On June 30th 2011, the outstanding amount was 225 million Euros from the 300 million Euros, 75 million Euros of this credit being unused, constituting a significant reserve of cash.

Moreover on June 30th 2011 the conventions of existing financial commitments were all respected

The schedule for financial debts was as follows:

In millions of Euros	Due dates			Total
	< 1 year	1 to 5 years	> 5 years	
06.30.11				
Non-current financial debts				
Bank loans	-	267.6	12.0	279.6
Debt components of the equity notes	-	-	-	-
Debt components of the Oceane bonds	-	142.1	-	142.1
Commitments to purchase minority shares	-	4.4	11.9	16.3
Derivatives	-	- 2.2	5.0	2.8
Financial lease/hire purchase	-	0.1	-	0.1
Other financial debts	-	0.7	0.3	1.0
Total non-current debts	-	412.7	29.2	441.9
Current financial debts	199.6	-	-	199.6
Total	199.6	412.7	29.2	641.5
Future interest on loans and other liabilities	15.3	28.6	1.2	45.1
06.30.10				
Non-current financial debts				
Bank loans	-	190.7	13.2	203.9
Debt components of the equity notes	-	-	-	-
Debt components of the Oceane bonds	-	138.8	-	138.8
Commitments to purchase minority shares	-	8.6	-	8.6
Derivatives	-	- 1.3	11.3	10.0
Financial lease/hire purchase	-	1.1	-	1.1
Other financial debts	-	0.7	0.1	0.8
Total non-current debts	-	338.6	24.6	363.2
Current financial debts	258.2	-	-	258.2
Total	258.2	338.6	24.6	621.4
Future interest on loans and other liabilities	9.7	15.3	0.2	25.2

2.6 – Information concerning credit risk

In order to prevent any problems recovering debts from its customers, Vilmorin has set up individual credit limits which are regularly updated depending both on the financial situation of each customer, along with the customer's track record with regard to payment.

Finally, through certain subsidiaries, Vilmorin has taken out an insurance policy with the Coface (French export insurance organization) to cover customer credit risks. On June 30th 2011, Vilmorin had not identified any significant risk.

At close the chronological breakdown of customer receivables was as follows:

In millions of Euros	06.30.11	06.30.10
Receivables not yet due	263.7	272.5
Receivables due:		
■ delay of zero to three months	56.1	45.7
■ delay of three to six months	23.3	10.6
■ delay of six to twelve months	9.5	10.2
■ delay greater than one year	7.9	13.0
Gross customer and other receivables	360.5	352.0

Note 31: Off balance sheet commitments

For its current operations, the group made commitments at the close of the fiscal period for the following amounts:

1- Guarantees received

In millions of Euros	06.30.11	06.30.10
Endorsements, sureties, guarantees	2.8	3.6
Other commitments	5.9	0.1
Total	8.7	3.7

The company Groupe Limagrain Holding granted a tax guarantee to Vilmorin for the companies Limagrain Genetics Inc. and Limagrain Europe, at the time of the sale/contribution of these companies within the context of the contribution of the field seed activity on July 3rd 2006.

There have been no overdue payments recorded to date involving these guarantees.

2- Guarantees given

In millions of Euros	06.30.11	06.30.10
Endorsements, sureties, guarantees	32.2	54.8
Clause of return to better fortune	7.7	7.8
Other commitments	0.8	-
Total	40.7	62.6

Endorsements, sureties, and guarantees given involve:

- a letter of intent for the annual payment of rent covering the remaining duration of the long-term commercial lease (25 years) of the company Suttons for 5.3 million Euros (6.3 millions Euros on June 30th 2010) and the site of Solingen (former head office of Flora Frey in Germany) for 15,5 million Euros (16,8 million Euros on June 30th 2010)
- a commitment of 9.9 million Euros with regard to suppliers in North America, compared with 19.5 million Euros on June 30th 2010.

The clause of return to better fortune involves a commitment of Limagrain Europe towards Groupe Limagrain Holding following the integration of the field seeds business (for a total of 7 million Euros) and the commitments of two American companies towards Groupe Limagrain Holding (for a total of 0.7 million Euros).

3- Reciprocal commitments

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.11				
Lease agreements	3.0	1.4	1.5	0.1
Simple rental agreements	26.5	7.8	16.1	2.6
Forward purchase of currency (cf. Note 30)	5.8	5.8	-	-
Forward interest rate cover (cf. Note 30)	175.0	42.0	133.0	-
Interest to pay on medium and long-term debts	45.1	15.3	28.6	1.2
Medium- and long-term research contracts	0.3	0.2	0.1	-
Other commitments	22.8	9.8	13.0	-
Total	278.5	82.3	192.3	3.9
06.30.10				
Lease agreements	4.0	1.8	2.1	0.1
Simple rental agreements	27.8	6.9	16.5	4.4
Forward purchase of currency (cf. Note 30)	4.9	4.9	-	-
Forward interest rate cover (cf. Note 30)	180.0	10.0	170.0	-
Interest to pay on medium and long-term debts	25.2	9.7	15.3	0.2
Medium- and long-term research contracts	0.3	0.2	0.1	-
Other commitments	19.6	8.1	11.5	-
Total	261.8	41.6	215.5	4.7

Forward cover of interest rates concerns the following operations:

3.1 – On June 30th 2011

Medium-term bank loans (syndicated credit)	€170 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	-	Fixed rate over variable rate at 6 months
Short-term loans	€5 million	Fixed and semi-fixed rate over variable rate at 3 months

3.2 - On June 30th 2010

Medium-term bank loans (syndicated credit)	€180 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	-	Fixed rate over variable rate at 6 months
Short-term loans	-	Fixed and semi-fixed rate over variable rate at 3 months

4- Debts with real sureties

In millions of Euros	Debts guaranteed ⁽¹⁾	Total amount of sureties granted	Book value of the assets provided as a guarantee
06.30.10	44.5	104.2	104.2
06.30.11	38.0	101.1	101.1

⁽¹⁾ These debts mainly concern two guarantees granted on moving assets and collateral on the securities of a subsidiary respectively to a banking pool and a bank.

5- Other commitments

As part of the agreement signed with DLF, Vilmorin gave a guarantee on the purchasing values until 2016 to this company.

In order to insure a good supply of markets and control over inventory levels during the course of the fiscal year, Vilmorin makes commitments to buy certain quantities of seeds from growers.

Within the context of its operations to sell the garden products activities, in particular the companies Flora Frey and Carl Sperling sold on June 30th 2008, a provision of 5.4 million Euros was set up as a result of the commitments made for the sale. The remaining sum of this provision on June 30th 2011 stood at 3.3 million Euros.

Note 32:

Transactions between interested parties

1- Associated companies

These are companies in which Vilmorin exerts significant influence and which are consolidated using the equity method.

Transactions with associated companies are carried out on the basis of a market price.

The debts and receivables with regard to companies consolidated using the equity method are not significant. The main figures for companies consolidated using the equity method are provided in Note 18.

2- Interested parties with a significant influence on Vilmorin

Vilmorin is held by its majority shareholder Groupe Limagrain. The economic relationships developed with the companies in this Group are summarized in the table below:

2.1 - Receivables and debts on June 30th 2011

In millions of Euros	Assets	Liabilities
Operating debts and receivables	2.7	28.8
Financial debts and receivables	-	5.0
Total	2.7	33.8

2.2 - Charges and income for fiscal year 2010-2011

In millions of Euros	Charges	Income
Purchases and sales of goods	- 63.8	2.5
Corporate allocations	- 9.6	2.0
Other operating charges and income	- 16.6	1.8
Financial charges and income	-	0.6
Total	- 90.0	6.9

3- Remuneration of the Top Executives

In millions of Euros	06.30.11	06.30.10	06.30.09
Global amount of remunerations and benefits paid to the Executive Committee:			
- Short-term benefits	1.7	1.3	1.6
- Benefits paid out after employment	-	-	-
- Other long-term benefits	-	-	-
- Severance pay	1.0	0.8	0.8
- Payment through shares	-	-	-
- Directors' fees paid to the Executive Committee	-	-	-

The Executive Committee comprised six members during fiscal year 2010-2011, as opposed to five in 2009-2010.

On average, the contractual benefits due when a Top Executive's contract is terminated correspond to two years of total remuneration.

Benefits paid out after employment in favor of members of the Executive Committee

The total amount of benefits funded for severance pay for the Executive Committee stood at one million Euros on June 30th 2011, including employer's welfare contributions.

This commitment is assessed by actuaries in order to determine the amount for provisions for severance pay.

Provisions for the severance pay of the Executive Committee is included in the provision for severance pay set out in Note 24.

4- Further information

4.1 - Groupe Limagrain corporate allocations

Corporate allocations are billed by Groupe Limagrain Holding to the subsidiaries of Vilmorin and to the subsidiaries of Groupe Limagrain on a proportional basis of budgeted expenses. The amount billed came to 11.2 million Euros.

The criteria applied homogeneously throughout Groupe Limagrain to calculate these allocations take several items into account:

- the EBITDA,
- margin on the cost of sales,
- research and development costs,
- payroll.

Each of these criteria is weighted 25% in the global calculation.

4.2 - Vilmorin corporate allocations

In the same way, Vilmorin invoices corporate allocations to all its subsidiaries and to the subsidiaries of Groupe Limagrain according to the same criteria as the Groupe Limagrain allocations mentioned above. The total invoiced came to 18.8 million Euros.

Moreover, Vilmorin also invoices for services of a scientific nature for the seed companies in the Vilmorin group, namely those that have field seed and professional vegetable seed activities. The aggregate amount invoiced to the subsidiaries came to 12.9 million Euros. The criteria applied homogeneously throughout the Vilmorin group to calculate these allocations take two items into account for services of a scientific nature:

- research and development costs,
- the EBITDA.

Each of these criteria is weighted 50% in the global calculations.

4.3 – Cash flow agreements and pooling of exchange risks

Companies have signed agreements with Vilmorin in order to optimize the management of their cash flow under conditions that provide lenders with a financial margin of 0.18% over the average monthly EONIA rate.

Moreover, Vilmorin centralizes its foreign currency risk hedges for its subsidiaries. The main currencies hedged are the US dollar, the GB pound, the yen and the Australian dollar. (cf. Note 30 paragraph 2.1).

4.4 – Other operations

Other operations correspond to current commercial transactions made on the basis of market prices.

Note 33: Potential liabilities

As they run their businesses, Vilmorin's operating companies are exposed to claims on the products they have sold, and such claims are generally covered by their insurance policies.

At the time the accounts were closed, there was just one claim for a total of three million Canadian dollars. Since the claimant has no basis for the claim, no provision has been made in the financial statements.

Note 34: Events occurring after close

■ Purchase of a stake in the company Brasmilho

Pursuing its implantation on the corn market in Brazil, at the beginning of August Vilmorin finalized the acquisition of the corn and sorghum seed assets of the company Brasmilho.

Based in Goianésia, (State of Goiás), Brasmilho owns quality genetic resources, a production and seed treatment factory and a sales network covering the central area of the country. In 2010 these activities represented sales of almost 10 million Euros.

For this first stage Vilmorin has purchased a majority stake of 85% in Brasmilho; in accordance with the agreements signed, Vilmorin is planning to purchase the remaining 15% before the end of 2012.

■ Purchase by VCC Japan of the Mitsubishi Plastics Inc. stake

On July 15th, VCC Japan purchased 48,000 shares representing 16.5% of the share capital of Mikado Kyowa Seed from Mitsubishi Plastic Inc.

Appendix: Consolidation scope 2011

Name	Country	Head Office		% Voting rights	% Interest	Consolidation method
Holdings						
Gemstar SA	France	5 rue Saint-Germain l'Auxerrois - 75001 Paris	513 533 612	74.84	74.84	GI
Limagrain Genetics Inc	Canada	Centre CDP Capital - 1001 Victoria Square – Bloc E – 8 th Floor - Montreal H2Z 2B7		100.00	100.00	GI
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai, Midori-ku - 267-0056 Chiba-shi		72.57	72.57	GI
VCC Japan	Japan	15-13 Nampeidaicho - Shibuya-Ku Tokyo		100.00	100.00	GI
VCC Seeds Israel Ltd	Israel	c/o Schwartz, Duvdevany, Lerner CPA - 76 Herzl Street - Haifa		100.00	100.00	GI
VCO Participations SAS	France	Rue Limagrain – 63720 Chappes	523 301 976	100.00	100.00	GI
Vilmorin & Cie	France	4 Quai de la Mégisserie – 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin 1742 SARL	France	6 Quai de la Mégisserie – 75001 Paris	504 933 953	100.00	100.00	GI
Vilmorin Hong-Kong Ltd	China	Level 28, Three Pacific Place, 1 Queen's Road East – Hong-Kong		100.00	100.00	GI
Vilmorin USA Corp	United States	2711 Centerville Road, Suite 400 County of New Castle Wilmington 19808 - Delaware		100.00	100.00	GI
Field seeds						
Biogemma SAS	France	1 rue Edouard Colonne – 75001 Paris	412 514 366	55.01	55.01	GI
Biogemma UK Ltd	United Kingdom	Science Park - 200 Milton Road - Cambridge CB4 0GZ		100.00	55.01	GI
Biogemma USA Corp	United States	Corporation service Company – 2711 Centerville Road, Suite 400 - Wilmington 19808 - Delaware		100.00	55.01	GI
Genoplante-Valor SAS	France	523 Place des Terrasses – 91034 Évry	439 202 821	33.33	29.33	EM
Limagrain Europe						
Belgian Seeds Company Agro	Belgium	Esperantolaan 12 BUS B13 - B-3300 Tienen		100.00	80.26	GI
Limagrain Clovis Matton Belgium	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove		100.00	80.26	GI
De Wulf & Co	Belgium	58 rue de la Gare – 7780 Comines Warneton		100.00	80.26	GI
Eurodur	France	Loudes – 11400 Castelnaudary	338 982 614	47.45	38.09	PI
GIE Semences de Brie	France	RD 402 – 77390 Chaumes-en-Brie	388 147 845	50.00	40.13	PI
Limagrain A / S	Denmark	Marsalle III - 8700 Horsens		100.00	80.26	GI
Limagrain Belgium BVBA	Belgium	Esperantolaan 12 BUS B13 B 3300 Tienen		100.00	80.26	GI
Limagrain Central Europe	France	Biopôle Clermont-Limagne – 63360 Saint-Beauzire	438 205 320	99.99	80.26	GI
Limagrain Central Europe Cereals S.r.o.	Czech Republic	Praha 9 - Podedvorska 755/5 – 19800 - Kyje		100.00	80.26	GI

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Limagrain d.o.o Beograd	Serbia	Bulevar Oslobođenja 127 - Novia Sad 21000		100.00	80.26	GI
Limagrain Europe	France	Ferme de l'Etang – BP 3 – 77390 Verneuil l'Etang	542 009 824	80.26	80.26	GI
Limagrain GmbH	Germany	2 Am Griewenkamp - Edemissen – D 31234		100.00	80.26	GI
Limagrain Iberica	Spain	Ctra Pamplona - Huesca Km 12 - Elorz - Navarra 31470		100.00	80.26	GI
Limagrain Italia SPA	Italy	Via Frescarolo 115 - Busseto PR 43011		100.00	80.26	GI
Limagrain Moldova srl	Moldova	Bd. Stefan Cel Mare 162 – MD – Chisinau 2004		100.00	80.26	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	80.26	GI
Limagrain Nederland Holding BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	80.26	GI
Limagrain Romania SRLA	Romania	Soseaua Bucuresti Ploiesti Orasul Otopeni - Judetul Ilfov 075100		97.14	77.96	GI
Limagrain RU	Russia	Odesskaya street 41/43, 3rd Floor – Office 1 -350020 Krasnodar		100.00	80.26	GI
Limagrain Tohum Islah Ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 Kozyatagi-Erenkoy Istanbul 34742		67.00	53.78	GI
Limagrain UK Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire		100.00	80.26	GI
Limagrain Ukraine t.o.v.	Ukraine	Pavlivska 10 street off.7 - 01054 Kiev		100.00	80.26	GI
Nickerson International Research	France	Rue Limagrain – 63720 Chappes	388 170 938	100.00	80.26	GI
Nickerson Sugar Beet Seed Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire		100.00	80.26	GI
Seedline	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove		100.00	80.26	GI
Soltis	France	Domaine de Sandreau 31700 Mondonville-Blagnac	420 327 231	50.00	40.13	PI
Unisigma GIE	France	2 rue Petit Sorri – 60480 Froissy	317 760 668	46.00	36.92	EM
AgReliant						
AgReliant Genetics LLC	United States	1122 East 169th Street Westfield, IN 46074		50.00	50.00	PI
AgReliant Inc	Canada	6836 Pain Court Line RR1- Ontario N0P1I20		50.00	50.00	PI
Limagrain Cereal Seeds						
Australian Grain Technologies Pty Ltd	Australia	University of Adelaide – Waite campus building 4B – 5064 URRBRAE S.A.		32.77	32.77	EM
Investigación Trigo	Argentina	Lavalle 1527, 11 th floor – Office 44 – Buenos Aires		50.00	50.00	PI
Limagrain Cereal Seeds LLC	United States	Corporation service Company – 2711 Centerville Road, Suite 400 - Wilmington 19808 – Delaware		65.00	65.00	GI
Limagrain South America						
Limagrain do Brasil Participações Ltda	Brazil	Avenida Pedrosa de Moraes - 2101, 4º andar, sala 13 - CEP 05419-001 - Sao Paulo		100.00	100.00	GI
Limagrain Guerra do Brasil SA	Brazil	PR, na Rod. PR280, KM 140 - numero 8801 - Bairro Cristo Rei - CEP 85508-280 Pato Branco		70.00	70.00	GI

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Limagrains South America	Argentina	Calle Esmeralda 130 4to piso – Buenos Aires		100.00	100.00	GI
Limagrains Asia						
Atash Seeds Private Ltd	India	Discoverer 9 th floor – International Tech Park – Whitefield Road – 560066 Bangalore		99.99	99.99	GI
Vegetable Seeds						
Bio Seeds	Netherlands	Agro Business Park 90 – 3808 PW Wageningen		24.95	24.95	EM
Mikado Kyowa Seed						
Mikado Kyowa K.K.	Japan	15-13 Nanpeidai-cho-Shibuya-Ku 150-0036 Tokyo		69.27	62.42	GI
Dalian Mikado International Seed Co Ltd	China	Room 2702 – Liangjiu International Building – Dalian - 116011		80.00	49.93	GI
Vilmorin SA						
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 Pendik Istanbul 34903		100.00	99.95	GI
Vilmorin Atlas	Morocco	158 boulevard Abdellah Ben Yacine 20300 Casablanca		70.00	69.97	GI
Vilmorin do Brasil Comercio de Sementes Ltda	Brazil	Rua Maria Monteiro, 830, 2nd andar, sala 21 Campinas, Estado de Sao Paulo 13025-151 Cambui 151 Campinas/SP		100.00	99.95	GI
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 - 03006 Alicante		99.91	99.86	GI
Vilmorin Inc	United States	2551 North Dragon - 85745 Tucson Arizona		100.00	100.00	GI
Vilmorin Italia SRL	Italy	Center Gross CP 97 - Blocco 22 Via dei Notai 123 - 40050 Fano		100.00	99.95	GI
Vilmorin SA	France	Route du Manoir – 49250 La Ménitrie	562 050 864	99.95	99.95	GI
HM - Clause						
Alliance Semillas de Argentina	Argentina	Pavon 1478 - Capital Federal – CP 1151 Buenos Aires		100.00	100.00	GI
Alliance Semillas Sociedad Anonima	Chile	Casa Matriz – Hendaya 27 – Oficina 201 Las Condas Santiago		100.00	100.00	GI
Ceekay Seeds & Seedlings Pvt. Ltd	India	6-1-20/2, Walker New Bhoiguda 500 025 - Secunderabad		100.00	99.97	GI
Clause SA	France	Rue Louis Saillant – 26800 Portes-les-Valence	435 480 546	99.97	99.97	GI
Clause (Thailand) Ltd	Thailand	11th Floor, Panjabhum Building 127 South Sathorn Road, Tungmahamek 10120 Sathorn Bangkok		100.00	99.97	GI
Clause Brasil Comercio de Sementes Ltda	Brazil	Rua Miguel Penteado n°1038 Jardim Chapado CEP 13070118 Campinas SP		100.00	99.97	GI
Clause India Private Ltd	India	6-1-20/2 New Bhoiguda – Secunderabad Hyderabad – 500025 - Andhra Pradesh		100.00	99.97	GI
Clause Italia	Italy	Via Emilia 11 – 10078 Venaria Real		100.00	99.97	GI

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Clause Maghreb EURL	Algeria	Villa n°192 Quartier Amara 2 - Lotissement Alioua Fodhil – Chéraga - 16002 - Alger		100.00	99.97	GI
Clause Polska Sp.z.o.o.	Poland	ul. Kbicka 32A - Krzeczowice		100.00	99.97	GI
Clause Spain SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera Almeria 04745	A-46031258	100.00	99.97	GI
Harris Moran Seed Company	United States	555, Codoni avenue 95352 Modesto (California)		100.00	100.00	GI
Henderson Seed Group Trading AS Clause Pacific	Australia	165, Templestowe Road Lower Templestowe 3105 Bulleen Victoria		100.00	99.97	GI
Ica Seeds SAC	Peru	Fundo la Viña S/N Caserio La Poruma Ica		100.00	100.00	GI
Leafyco	United States	21866 Rosehart Way – 93908-9726 Salinas - California		100.00	100.00	GI
Plant Development Australia	Australia	165, Templestowe Road - Templestowe Lower – VIC 3107		100.00	99.97	GI
PT Clause Indonesia	Indonesia	Ruko Bumi Prayadan Permai Block B-6 Mertoyudan 56172 Magelang Jawa Tengah		100.00	99.97	GI
Semillas Harris Moran Mexicana	Mexico	Blvd. V. Carranza 2378-A Parque Industrial R.A.S.A. Mexicali, BC Mexico CP		100.00	100.00	GI
Su Tarim Turizm Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	Ali Cetinkaya Caddesi No : 125/7 07300 Antalya		51.00	50.98	GI
Hazera-Nickerson						
Asamia Cold Storage	Israel	DN Shikmim - Brurim		100.00	100.00	GI
Biotech Mah Management	Israel	DN Shikmim - Brurim		50.00	50.00	PI
Hazera Agriculture Technology and Services (Beijing) Co	China	Room 601-602, Tower D, Java Millenium Place - No. 18 Jianguomenwai Dajie, Chaoyang District – 100022 - Beijing		100.00	100.00	GI
Hazera Do Brasil Comercio de Sementes Ltda	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo		100.00	100.00	GI
Hazera España 1990	Spain	C/Torrelaguna 75 – 2/8 Madrid		100.00	100.00	GI
Hazera Genetics	Israel	Brurim Farm MP - 79837 Shikmim		100.00	100.00	GI
Hazera Mexico Services SA		Calle Trapani No 4732 Local A Edificio Plaza Palermo - Palermo Residencial 80104 - Culiacan - Sinaloa		100.00	100.00	GI
Hazera Hellas Seeds & Plant Material	Greece	Agamemnonos str. 51-53 Kallithea – 17675 Athens		100.00	100.00	GI
Hazera Holding International BV	Israel	DN Shikmim - 79837 Brurim		100.00	100.00	GI
Hazera Ltd	Mauritius	c/o Abacus Fin. Sces Ltd TM Building - Pope Hennessy Street - Port-Louis		100.00	100.00	GI
Hazera Seeds Inc	United States	32 Loockerman Sq, Suite L 100 – Dover - Delaware		100.00	100.00	GI
Hazera Tohumculuk Ve Ticaret	Turkey	Necatibey St. Bascerrah N. 6/27 - Karakoy		100.00	100.00	GI

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Nickerson Zwaan BV	Netherlands	Schanseind 27 BP28 - 4921 Pm Made		100.00	100.00	GI
Nickerson Zwaan GmbH	Germany	2 Am Griewenkamp D31234 Edemissen		100.00	100.00	GI
Nickerson Zwaan Seeds Private	India	c/o Ajoy Ghosh & Associates, Chartered Accountants F202, Brigade Nest, 1/9, Airport Road, Kodihalli – 560017 Bangalore		100.00	100.00	GI
Nickerson Zwaan Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT Rothwell		100.00	100.00	GI
Nickerson Zwaan SA (Proprietary) Ltd	South Africa	121 Boshoff Street – 0181 - New Muckleneuk		100.00	100.00	GI
Nickerson Zwaan Sp. zo.o.	Poland	ul. Marywilska 34 I - 03-228 - Warszawa		100.00	100.00	GI
Nickerson Zwaan Ukraine	Ukraine	Office # 101 - Strategichne shose 16 Str – 03680 - Kiev		100.00	100.00	GI
Garden Products						
Top Green SAS	France	ZA Les Pains - Les Alleuds 49320 Brissac Quince	432 004 679	33.33	33.33	EM
Oxadis						
C.H. Van Den Berg B.V.	Netherlands	Nijverheidsweg 1 (1693) Am Wervershoof		100.00	99.98	GI
Cnos Garden Sp. zo.o.	Poland	ul. Ks.P. Wawrzyniaka 2 62-052 - 62-052		100.00	99.98	GI
Oxadis SA	France	65, rue de Luzais - BP 37 38291 St Quentin Fallavier	959 503 111	99.98	99.98	GI
Suttons						
Suttons Seeds (Holding) Ltd	United Kingdom	Woodview road – Paignton Devon - TQ4 7NG		100.00	100.00	GI

Consolidation method:

GI: global integration
PI: proportional integration
EM: equity method