

October 9th 2007

Public limited company with Board of Directors, with a capital of 204 225 819,25 euros.  
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**Vilmorin presents a significant increase in its annual results for 2006-2007 and confirms its successful integration of the field seeds activities**

The annual financial statements approved by the Board of Vilmorin for the fiscal year ending on June 30<sup>th</sup> 2007 show a consolidated net income of 57.3 million euros, the Group share of which is 54.8 million euros.

	2005-2006 pro-forma in M€	2006-2007 in M€	Variations 2006-2007/pro-forma
Sales	922.2	938.5	+ 3.4%*
Vegetables	496.8	507.0	+ 1.9%*
Field Seeds	425.4	431.5	+ 5.3%*
Operating income	59.4	95.1	+ 35.7 M€
Net income	46.6	57.3	+ 23%
Net income Group share	42.4	54.8	+ 29.2%

\* like for like

## ANNUAL RESULTS FOR FISCAL 2006-2007

Vilmorin's consolidated financial statements have been set out in accordance with the principles of accounting and assessment of the IFRS standards adopted by the European Union on June 30<sup>th</sup> 2007.

### Changes in scope

As of fiscal 2006-2007, as well as its professional and home garden vegetable activities, Vilmorin's consolidation scope includes the field seeds activities contributed in July 2006 by Limagrain.

Consequently, the financial data for 2005-2006 have been restated pro-forma on the basis of this change in scope. Like for like changes in data have been set down in accordance with pro-forma information restated for fiscal 2006-2007 with regard to currency translation and any variations in scope on top of the integration of the field seeds activities.

Other significant changes in scope that occurred in fiscal 2006-2007 are as follows:

- global integration, as of May 2006, of the Japanese company Mikado Seed Growers following its majority takeover in April 2006,
- change in the consolidation method (from proportional integration to the equity method) of the French company Top Green following its majority takeover by the Danish group DLF,
- global integration of the European straw cereals and protein pea activities run by Innoseeds, following their acquisition in September 2006 from DLF,

- deconsolidation of the wholesale distribution activities in forage and amenity grass seeds sold by Limagrain Verneuil Holding, a subsidiary of Vilmorin, to DLF,
- full control of the Israeli company Hazera Genetics, previously held at 54.7%.

## Comments

After a fiscal year 2005-2006 already showing sustained growth in its business activities and its profitability, for its fiscal year 2006-2007 Vilmorin has once again improved its financial performances significantly.

On June 30<sup>th</sup> 2007, consolidated sales, including services and royalties, reached 938.5 million euros, up 1.8% compared to the previous year. Restated like for like, sales were up 3.4%.

The margin on cost of sales stood at 44.2%, up 0.5 percentage points compared with 2005-2006. This year the margin takes into account an exceptional increase in the obsolescence costs of stocks, linked to the redefinition of certain commercial vegetable lines, particularly in North America

The consolidated operating result stands at 95.1 million euros, an increase of 35.7 million euros compared with the previous year, showing an operating margin of 10.1%, an increase of 4.2 percentage points.

Nevertheless it should be underlined that this operating result incorporates non-recurring positive items (in particular goodwill of 9 million euros), whereas for the previous fiscal year exceptional charges were recorded concerning the reorganization of the field seeds activity in Europe (23 million euros) and also insurance income (13.1 million euros) received by Vilmorin following the destruction by fire of one of its laboratories.

Thus overall, Vilmorin has confirmed its capacity to develop profitable growth for its business.

The financial result showed a net charge of 19.8 million euros and this year fully integrates the costs to fund the integration of the field seeds activities. Financial costs stood at 21.7 million euros, showing good control of Vilmorin's medium-term indebtedness at a time when interest rates were on the rise.

Net income taxes came to 17.2 million euros as opposed to 6.4 million euros the previous year.

Moreover, in fiscal 2005-2006 the company recorded a profit from discontinued activities of 5.5 million euros as a result of the sale of the home garden activities in North America.

Finally, net profits came to 57.3 million euros as opposed to 46.6 million euros on June 30<sup>th</sup> 2006, up by 10.7 million euros. The Group share came to 54.8 million euros, an increase of 12.4 million euros, corresponding to profits per share of 4.09 euros.

In 2006-2007 Vilmorin intensified its research programs both in conventional plant breeding and in plant biotechnology. Investment in research reached 98 million euros, representing nearly 14% of professional sales.

The balance sheet structure on June 30<sup>th</sup> 2007, like for like, remained relatively stable in its most important components.

Consolidated equity came to 705.6 million euros, with the Group share standing at 608.4 million euros.

Net of cash and cash equivalent, net indebtedness stood at 345.3 million euros on June 30<sup>th</sup> 2007 as opposed to 342.1 million euros on June 30<sup>th</sup> 2006. The proportion of non-current indebtedness stood at 322.6 million euros.

## DIVIDENDS

Vilmorin's Board has decided to propose to the Annual General Meeting of Shareholders a dividend of 1.66 euro per share corresponding to a pay-out rate of 40.5%. This dividend will be paid as of December 20<sup>th</sup> next.

## OUTLOOK

Fiscal 2006-2007 was devoted in particular to the successful integration of the new field seeds activities, and to pursuing a dynamic policy of external growth.

Fiscal 2007-2008 should confirm the organic growth potential for the vegetable and field seeds activities intended for professional markets, and will be a key year in the repositioning of the home garden business.

Pursuing its development model, Vilmorin has set the objective of reinforcing its position as fourth largest world seed breeder, and ensuring the balanced growth of its activities and margins at the overall average level it has in previous years.

## COMING PUBLICATIONS AND EVENTS

**Wednesday October 17<sup>th</sup> 2007:** publication of the corporate and consolidated financial statements for fiscal 2006-2007 on Vilmorin website ([www.vilmorin.info](http://www.vilmorin.info)).

**Monday November 12<sup>th</sup>, 2007 at the end of the day:** publication of sales at the end of the first quarter of the fiscal year 2007-2008.

**Wednesday December 12<sup>th</sup> 2007 at 3pm:** Extraordinary General Meeting of the Shareholders in Paris (Maison des Arts et Métiers – Club d'Iéna – 9 bis, avenue d'Iéna – F-75016 Paris).

**Tuesday February 5<sup>th</sup> 2008 at the end of the day:** publication of sales at the end of the first semester of the fiscal year 2007-2008.

*Vilmorin is the fourth largest seed company in the world, and expert in the creation of novel vegetable and field crop plants. Based on a sustainable and responsible vision of its development, its strategy aims to achieve a successful combination of research and international growth.*

*Listed on NYSE Euronext Paris since 1993, Vilmorin's quotation is included in the Next 150, CAC Mid 100 and SBF 250 indices.*

*ISIN code: FR0000052516 (RIN).*

*Website: [www.vilmorin.info](http://www.vilmorin.info)*

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