

February 25<sup>th</sup> 2009

Public limited company with Board of Directors, with a capital of 204 225 819.25 euros.  
 Head Office: 4, Quai de la Mégisserie – F-75001 PARIS  
 R.C.S. Paris 377 913 728  
 Fiscal year from July 1<sup>st</sup> to June 30<sup>th</sup>



## HALF-YEARLY RESULTS ON DECEMBER 31<sup>ST</sup> 2008:

- Confirmation of outlook for 2008-2009
- Suspension of the process initiated to sell Oxadis

### CONSOLIDATED HALF-YEARLY STATEMENTS 2008-2009

It should be remembered that the consolidated financial statements for the first semester traditionally show negative income because of the seasonal nature of the business; on average, the sales for the first semester represent less than one third of Vilmorin's annual sales.

In millions of Euros	2007-2008 12.31.07 disclosed	2007-2008 12.31.07 pro-forma	2008-2009 12.31.08
<b>Sales</b>	279.9	311.3	<b>299.5</b>
<b>Operating income</b>	-9.8	-11.6	<b>-20.2</b>
<b>Financial income</b>	-14.0	-14.3	<b>-10.5</b>
<b>Profit from continuing operations</b>	-22.8	-24.1	<b>-28.1</b>
<b>Profit from discontinued operations</b>	-7.6	-6.3	<b>-1.1</b>
<b>Net income</b>	-30.4	-30.4	<b>-29,2</b>
<b>Incl. Group share</b>	-27.6	-27.6	<b>-27.4</b>

### Accounting reference

The consolidated financial information has been established in accordance with the IFRS standards (International Financial Reporting Standards).

Following the announcement in October 2007 of its plan to sell its garden products business, Vilmorin now applies IFRS standard 5 "Non-current assets held for sale and discontinued operations".

This standard requires that any operations concerning these assets are to be isolated as specific items on the balance sheet and the income statement

When the accounts for the year were closed on June 30<sup>th</sup> 2008, only the German company Flora Frey and its subsidiary Sperling had been sold.

With regard to the British company Suttons, the sale of the company is still being negotiated with investors and industrialists.

However, after examining the earlier analysis and progress made with the offers received so far for the purchase of the French company Oxadis and its subsidiaries, Vilmorin's Board decided at its meeting of February 24<sup>th</sup> 2009, to suspend the process it had initiated to sell these activities.

Consequently, the financial statements of Oxadis and its subsidiaries have been restated, as of December 31<sup>st</sup> 2008, in the continuing operations and have been reintegrated in the pro-forma figures of December 31<sup>st</sup> 2007 in order to facilitate comparability.

### **Consolidation scope**

The main changes occurring in the consolidation scope concern:

- the purchase of a 25% minority stake in the company Australian Grain Technologies (AGT), consolidated using the equity method as of July 1<sup>st</sup> 2008,
- the exit from the consolidation scope of the American companies Advanta Pacific and Soygenetics (previously consolidated using the equity method), following the sale of their activities.

### **Activity and results for the semester**

*NB: variations in relation to fiscal 2007-2008 are expressed in comparison with pro-forma data on December 31<sup>st</sup> 2007.*

> Consolidated sales corresponding to the income from ordinary activities for the first semester of 2008-2009, closed on December 31<sup>st</sup> 2008, came to 299.5 million Euros, 3.8% lower with current data.

**Restated like for like (currency fluctuations, scope of activities), sales actually rose by 1.8%.**

- Sales for the vegetables activity for the first semester came to 161.3 million Euros, an increase of 6.4% compared with the first semester of 2007-2008. Restated like for like, the increase was 4%.

In spite of a slowdown in business in certain areas in the Mediterranean basin during the first quarter, this semester has confirmed the fine performances of all the operating companies, particularly in the Americas.

- Sales for the field seeds activity for the first semester came to 120.3 million Euros, which is at the same level as the excellent sales recorded last year.
  - In Europe, this first semester was characterized by the excellent campaign for rape and winter cereal (wheat and barley) seeds; nevertheless it has been temporarily penalized by delayed invoicing due to a slower start to the sales campaign for corn seeds.
  - On the North American market, in spite of predictions of a drop in the market for corn seeds, the order book and reservations for the coming spring season is on line with objectives.
- Henceforth presented in the continuing operations again, sales for the garden products activity of Oxadis and its subsidiaries came to 17.5 million Euros on December 31<sup>st</sup> 2008. This figure for sales takes into account the end of the pet products distribution intended for the consumer market.

> After taking into account the cost of destruction and depreciation of inventory, margin on the cost of goods sold came to 133.5 million Euros, representing 44.6% of total sales, an increase of 1.5 percentage points compared with December 31st 2007.

Net operating costs came to 153.7 million Euros, an increase of 7.7 million Euros compared with December 31<sup>st</sup> 2007.

It should be noted that:

- tax relief for research, recorded as deduction of research and development costs, came to 11.7 million Euros compared with 9.4 million Euros the previous year,
- the sales of assets recorded a profit of 2.6 million Euros compared to 0.5 million Euros the previous year,
- 0.8 million Euros of restructuring costs were recorded in the accounts this year.

**The half-yearly operating income shows a loss of 20.2 million Euros on December 31<sup>st</sup> 2008, an increase of 8.6 million Euros with current data, compared to December 31<sup>st</sup> 2007, because of the increased seasonal nature of activities.**

> The financial result shows a net charge of 10.5 million Euros, an improvement of 3.8 million Euros compared to December 31<sup>st</sup> 2007: in this first semester, in particular, gains were recorded in hedge instruments.

> Income from discontinued activities came to -1.1 million Euros compared with a net loss of 6.3 million Euros on December 31<sup>st</sup> 2007.

**> The half-yearly net income shows a loss of 29,2 million Euros, including a Group share loss of 27.4 million Euros, a slight improvement compared with December 31<sup>st</sup> 2007.**

## **OUTLOOK**

In view of the results obtained in the first semester, as described above, and on the basis of information currently available, Vilmorin can confirm, for fiscal 2008-2009 in compliance with the outlook presented in October, its objective to increase its sales significantly, while its operating margin will be slightly lower.

In the second semester, the operating margin will however depend on the evolution of surface areas for corn production, on both the European and North American markets, as well as the potential impact of the financial crisis and bank credit on markets for agricultural raw materials.

## **COMING DISCLOSURES FOR FISCAL 2008-2009**

**Wednesday May 6<sup>th</sup> 2009 at the end of the day:** sales at the end of the 3<sup>rd</sup> quarter.

**Tuesday August 4<sup>th</sup> 2009 at the end of the day:** sales for the year.

**Tuesday October 6<sup>th</sup> 2009 at the end of the day:** results for the year.

*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 responsible vision of its development, Vilmorin's strategy is a successful combination of its research capacity and constant international growth that strengthens its position as a world player.*

*Listed on Euronext Paris (compartment B), Vilmorin's quotation is included in the Next 150, CAC Mid 100 and SBF 250 indices, and is eligible for SRD (Deferred Settlement Order).*

ISIN code: FR0000052516 (RIN).



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