

**20
09**

Annual
report

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PROFILE

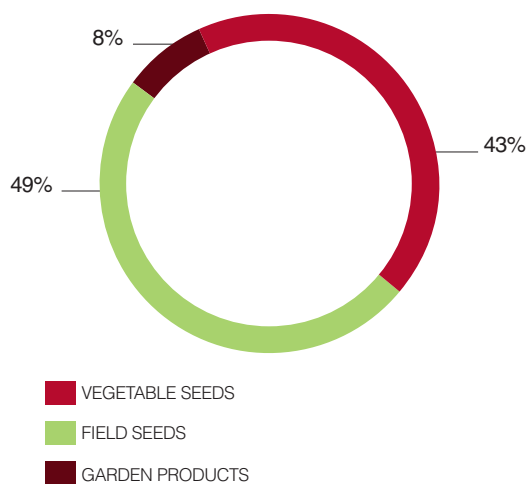
The fourth largest player worldwide, Vilmorin creates vegetable and field seeds with high added value for growers and farmers. Deploying its activity on regularly expanding international markets that are stimulated by the increase in food needs, Vilmorin holds leading positions in strategic crops and world regions. It is No. 2 worldwide for vegetable seeds, No. 1 in Europe for wheat seeds, and No. 3 in Europe and No. 4 in the United States for corn.

Guided by a responsible vision of its development; Vilmorin relies on its investment in research and dynamic international growth to strengthen its market shares.

- A unique approach to seed production built up on historical expertise in botany and on the basis of real proximity with the agricultural world.
- A long-term vision of development, strengthened by the consistent accompaniment of its reference shareholder, Groupe Limagrain.
- Founding values related to a culture of innovation, sharing knowledge and listening to people and their environment.

- Sales of **1,064 million Euros in fiscal year 2009-2010**
- Growing internationalization of business with **45% of sales made outside Europe**.
- Strong capacity for innovation (**137 million Euros invested in research in fiscal year 2009-2010, which is 15.4% of sales of seeds**) contributing to the launch of 100 new seed varieties every year.
- The expertise and commitment of **5,836 employees** in the world (average yearly headcount).

2009-2010 SALES FOR EACH DIVISION

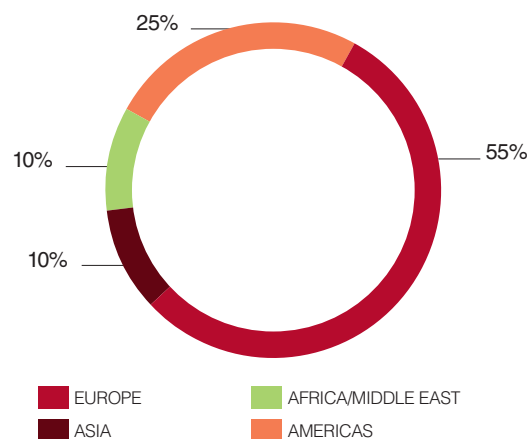


Vegetable seeds: more than thirty crops among those that are most widely consumed throughout the world (tomato, carrot, pepper, melon, etc.) for the professional food market (growers and industrialists).

Field seeds: four strategic crops (corn, straw cereals, rapeseed, sunflower) for farmers on the European and American markets.

Garden products: vegetable and flower seeds, bulbs and products for the protection and health of plants intended for amateur gardeners, on the main European gardening markets.

2009-2010 SALES FOR EACH GEOGRAPHICAL ZONE



MESSAGE FROM THE BOARD OF DIRECTORS



From left to right:
Didier MIRATON, Joël ARNAUD, Jean-Yves FOUCAULT, Daniel CHÉRON, Pierre PAGESSE, Gérard RENARD, Philippe AYMARD, Pascal VIGUIER,
François HEYRAUD

“The total commitment of our teams, the quality of our partnerships and the strength of our organization model are all winning cards that will enable us to take up the challenge of a new stage in our development with resolution.”

Vigorous growth impetus in 2009-2010 accompanied by a determined development policy

There will be nine billion people to feed in 2050 in a context of stagnating arable land acreage. This is a vast challenge that implies the need to considerably increase food production. The evolution of agricultural practices, irrigation, and optimization of crops together constitute the main levers available to farmers and vegetable growers. However, the progression of agricultural yields depends above all on varietal progress and the enhancement of vegetable and field seeds. This permanent vector of innovation goes hand in hand with the widest possible access to genetic resources and perfect familiarity with new technologies.

Accordingly, in a market that continues to grow regularly, Vilmorin's research investment progressed again significantly over the fiscal year 2009-2010, representing more than 15% of the sale of seeds, with a partial impact on its operating result. The two main research orientations concerned the elaboration of novel seeds and the further development of our proprietary GMO technologies in corn and wheat.

As a consequence of this ongoing innovation policy initiated several years ago, combined with targeted external growth operations, Vilmorin has won market shares on strategic segments, particularly in vegetable seeds, on the corn market in the United States, and in sunflower seeds and rapeseed in Europe.

This organic growth has resulted in a rise, like for like, of almost 5% in consolidated sales and a record increase of 9% for vegetable seeds. On the other hand our corn and wheat seed activities in Europe fell back in part because of the difficult agricultural market environment.

Moreover the fiscal year for 2009-2010 was devoted to strengthening the sources of tomorrow's growth. The opening of new markets on the American continents and the reinforcement of existing commercial positions and production plants were the main investment priorities this year, guaranteeing the foundations of our competitiveness.

Boosted by the successful capital stock increase of 200 million Euros, stronger governance and the confidence of all its shareholders, more than ever before Vilmorin is resolutely turned towards the future. The total commitment of our teams, the quality of our partnerships and the solidity of our organization model all constitute benefits that enable us to envisage a new stage in our development with confidence. More than ever we are, "Cultivating the taste of life".

GOVERNANCE

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Presentation of the Board and how it functions

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Management and control bodies

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Agreements with corporate officers and economic interests of the management bodies







GOVERNANCE




Presentation of the Board and how it functions

● PRESENTATION OF THE BOARD

For the purpose of their office, all members of the Board can be contacted at the following address:
c/o Vilmorin - BP1 - F-63720 Chappes.

Details of the mandates of the Members of the Board are provided in the notes to the Report of the Board of Directors to the Annual General Meeting (page 80).

Name (age) Function	Main activities	Term of office	Background
 Gérard RENARD (63) Chairman	Farmer Vice-Chairman of Groupe Limagrain	● 1998 ➤ 2008 ◆ 2011	Educated in agronomic science and agriculture, Gérard RENARD, as well as his duties at Vilmorin, is also President of the Puy-de-Dôme Chamber of Agriculture and a member of the Auvergne Regional Chamber of Agriculture committee.
 Joël ARNAUD (51) Member of the Board	Farmer Vice-Chairman of Groupe Limagrain	● 2006 ➤ 2008 ◆ 2011	Joël ARNAUD joined the Groupe Limagrain Board in 1990, becoming Vice-Chairman in 1992, and is Chairman of the Field seeds division. Furthermore his national responsibilities in France involve chairing the FNPSMS (National Federation of Corn and Sorghum Seed Producers) and a position on the Board of the AGPM (General Association of Corn Producers).
 Philippe AYMARD (51) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2006 ➤ 2008 ◆ 2011	As a member of the Groupe Limagrain Board since 1995, Philippe AYMARD has specific responsibilities to supervise the Garden products division. He plays an important role in the cereals sector, and also participates in organizing the defense of the interests of regional cereal farmers.
 Daniel CHÉRON (59) Member of the Board	Corporate CEO of Groupe Limagrain	● 2004 ➤ 2008 ◆ 2011	A graduate in economics, Daniel CHÉRON joined Groupe Limagrain in 1976. After holding several different operational positions of responsibility in the subsidiaries, both in the Vegetables and Field seeds divisions, he became Deputy Corporate CEO in 1996, and then Corporate CEO in 2006.
 Jean-Yves FOUCAULT (55) Member of the Board	Farmer 1 st Vice-Chairman of Groupe Limagrain	● 2006 ➤ 2007 ☒ 2010	After beginning his professional career in consultancy and agricultural teaching, Jean-Yves FOUCAULT started and developed his own farm. He joined the Groupe Limagrain Board in 2000, and is today 1 st Vice-Chairman of the Group, and board member of a local Crédit Agricole bank.
 François HEYRAUD (53) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2000 ➤ 2008 ◆ 2011	After several years on the boards of different companies in the group, François HEYRAUD was elected to the Groupe Limagrain Board in 1984. Today he is also Chairman of the Bakery products division of Groupe Limagrain.

Name (age) Function	Main activities	Term of office	Background
 Didier MIRATON (52) Independent Member of the Board	Non-General Managing Partner of the Michelin Group	● 2007 ☒ 2010	Didier MIRATON, a government civil engineer, joined Michelin in 1982. After holding several responsibilities within the group in France and abroad, he was appointed Technical Director of the Civil Engineering product line and member of the line management team in 1996. In 2001, he became General Manager of the Michelin Technology Center and member of the Executive Committee of the Michelin Group. Since May 2007, he has been a member of the General Management team for Michelin alongside Michel ROLLIER and Jean-Dominique SENARD.
 Pierre PAGESSE (64) Member of the Board	Farmer Chairman of Groupe Limagrain	● 2006 ➡ 2008 ◆ 2011	As well as being Chairman of Groupe Limagrain since 1992, Pierre PAGESSE, is Vice-Chairman of Génoplante (public-private research partner in plant genomics*), a member of the board of INRA (National Institute for Agronomic Research), and of Arvalis (Plant Institute) and is also on the board of the University of Auvergne. He is also Chairman of momagri (movement for a world organization for agriculture).
 Pascal VIGUIER (46) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2007 ☒ 2010	Pascal VIGUIER became a Groupe Limagrain Board member in 1999, and has held terms of office in the Vegetable and Field seed divisions. Today he is Chairman of the Cereal Ingredients division of Groupe Limagrain. He has also been a member of the Puy-de-Dôme Young Farmers Committee.

● Commencement ➡ Renewal ☒ Expiry with request for renewal ◆ Expiry

The majority of the Directors on the Board of Vilmorin are from Groupe Limagrain. As a result they all benefit from specialist experience in agriculture and agronomy, along with real experience in seeds.

As the reference shareholder for the company, Limagrain has always encouraged Vilmorin's development by providing regular and consistent investment support. As an international cooperative group, and specialist in seeds and cereal products, it approaches agriculture in a global, sustainable vision guaranteeing Vilmorin's long-term development strategy.

Limagrain is structured around a holding company, Groupe Limagrain Holding, a joint stock company in which the Société Coopérative Limagrain is the majority shareholder. Located in Auvergne (France) in the plain of Limagne, Limagrain had about 3,500 co-operative farm members on June 30th 2010, following the merger that took place in December 2009 with the Domagri Cooperative. Limagrain held 72.3% of Vilmorin's capital stock on June 30th 2010. The Group is willing to consider lowering this rate depending on market opportunities and with the objective of developing the interests of Vilmorin.

Respecting the recommendation of the European Commission of February 15th 2005, Vilmorin opened up

its Board of Directors in December 2007 to integrate an independent director, Didier MIRATON. However, Vilmorin's Board of Directors has not yet formally adopted a corporate governance code as a reference to define its own practices. Nevertheless it has adopted certain recommendations of AFEP/MEDEF such as the remuneration of corporate officers and the implementation of an Audit Committee.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors wishes to pursue and further explore adaptation of its organization system during the course of fiscal 2010-2011 in order to reconcile its approach to corporate governance with the guidelines of this code. The following topics will be studied as a priority: the gradual implementation and composition of the Board of Directors' committees (Appointments Committee and Remunerations Committee the periodical examination of the works of the Board of Directors, and the number of independent directors that sit on the Board.

Vilmorin's Board answers to its majority shareholder in the same way it answers to all its other shareholders, since their common objectives and interests are to invest in a company that is both healthy and profitable with a long-term vision.

● HOW THE BOARD OF DIRECTORS OPERATES

The Board of Directors meets regularly. Meetings are convened by written notice to attend from the Chairman, and are held at the head office or any other place fixed in the notice. During fiscal year 2009-2010, the Board of Directors for Vilmorin met six times; the attendance rate for the Board of Directors was 92%. Moreover, for the purpose of the offices they hold in the subsidiary companies of Vilmorin, the Members of the Board took part in twenty-five meetings during the course of the fiscal year 2009-2010, with an attendance rate of 89%. The work of the Board of Directors is structured through its missions of evocation, orientation and monitoring.

The main topics discussed by the Board of Directors during the past fiscal year dealt with:

- ▶ an analysis and approval of the orientations presented by the Executive Committee for the medium-term plan;
- ▶ the conditions of the capital stock increase;
- ▶ confirmation of the objectives of the Vegetable and Field seeds divisions both in terms of international development and research investments;
- ▶ implementation of the Group development plan, in particular on Asian markets;
- ▶ closing of the half-yearly and annual corporate and consolidated financial statements;
- ▶ approval of the budget for the fiscal year 2010-2011.

Management and control bodies

● THE GENERAL MANAGEMENT

Vilmorin's General Management is the responsibility of the Chairman of the Board, Gérard RENARD, with the assistance of Adrian HUIGE, CEO.

After managing the Advanta seed group for more than 7 years, Adrian HUIGE, 62, joined Vilmorin in 2004. He contributed particularly to the restructuring and integration of Advanta's European activities in the Field seeds division of Vilmorin.

● THE EXECUTIVE COMMITTEE

Vilmorin's Executive Committee is chaired by Adrian HUIGE.

The Executive Committee meets twice every month. Its vocation is:

- ▶ to define the strategic orientations of Vilmorin, and to submit them to the Board of Directors, and then to ensure their implementation;
- ▶ to arbitrate on budgetary proposals from the different business units and check regularly that budgetary decisions are respected;
- ▶ to analyze any opportunities for external growth, partnerships or divestments, to submit them to the Board, and then to make sure they are properly finalized;
- ▶ to define the main rules and operating procedures for Vilmorin;
- ▶ to establish projects to close the half-yearly and annual consolidated and corporate accounts.



The Executive Committee:

Alain PERRIN: VP for the Field seeds division.

Daniel JACQUEMOND: Chief Financial Officer.

Adrian HUIGE: Chief Executive Officer.

Emmanuel ROUGIER: Chief Operating Officer, and also in charge of the Garden products division.

Jean-Christophe GOUACHE: VP for the Vegetable seeds division.

● THE AUDIT COMMITTEE

The Board of Directors has consolidated its work by setting up an Audit Committee at the beginning of 2010, chaired by its independent Director, and under the exclusive and collective responsibility of the members of the Board.

This specialized committee is responsible in particular for monitoring the preparation of financial information, the efficiency of all the risk management systems and legal control of the accounts by the statutory and external auditors.

Agreements with corporate officers and economic interests of the management bodies

● STOCK OPTIONS, STOCK PURCHASING, VOTING RIGHTS, AGREEMENTS WITH CORPORATE OFFICERS

The members of the Board of Directors each hold three Vilmorin shares. No operation or agreement has been concluded by the company with its corporate officers. No loan or guarantee has been granted or signed in their favor by the Group's banks.

● TOKEN PAYMENTS OR ALLOWANCES PAID TO CORPORATE OFFICERS

Following the resolution approved by the Annual General Meeting of shareholders on December 8th 2009, the Board of Directors has decided to allocate all the token payments for attendance (10,000 Euros) to Didier MIRATON, the independent Director. It will propose to the Annual General Meeting of December 17th 2010 to fix the token payments for attendance for the fiscal year 2009-2010 at 20,000 Euros.

Daniel CHÉRON, member of the Board, is also a salaried member of Groupe Limagrain, the reference shareholder of Vilmorin, and thus it should be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin in 2009-2010 amounted to 124,800 Euros, including a variable part of 19,300 Euros. The total commitments concerning end of career allowances for Daniel CHÉRON on June 30th 2010 came to 191,900 Euros.

Adrian HUIGE, CEO, has held a contract of mandate since January 2009 in compliance with the recommendations of AFEF/MEDEF of October 2008, and received an allocation for the fiscal year 2009-2010 of 218,100 Euros.

● REMUNERATION OF MEMBERS OF THE MANAGEMENT BODIES

In 2009-2010, the sum of remunerations and income in kind made to members of the Executive Committee, comprising five members, came to 1.3 million Euros. Moreover, the total amount funded to retirement benefits of members of the Executive Committee came to 0.8 million Euros on June 30th 2010.

Conflicts of interest

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

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

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

Finally, no judgment has been pronounced with regard to any of the company's corporate officers which might have, or has had recently, any significant effect on its financial situation.

Statutory auditors

Incumbent statutory auditors

► KPMG AUDIT Département de KPMG SA

1, cours Valmy – F - 92923 Paris la Défense Cedex
Represented by Mrs. Catherine PORTA

Date of renewal: 2008

Date of expiry of term of office: 2014 (AGM for the accounts of the fiscal year closing on June 30th 2014)

► VISAS 4 Commissariat

56, boulevard Gustave Flaubert –
F - 63010 Clermont-Ferrand

Represented by Mrs. Corinne BESSON

Date of renewal: 2005

Date of expiry of term of office: 2011 (AGM for the accounts of the fiscal year closing on June 30th 2011)

Substitute Statutory Auditors

► M. Denis MARANGE

1, cours Valmy - 92923 F - Paris la Défense Cedex

Date appointed: 2008

Date of expiry of term of office: 2014 (AGM for the accounts of the fiscal year closing on June 30th 2014)

► M. Olivier DELARUE

56, boulevard Gustave Flaubert –
F - 63010 Clermont-Ferrand

Date of renewal: 2005

Date of expiry of term of office: 2011 (AGM for the accounts of the fiscal year closing on June 30th 2011)

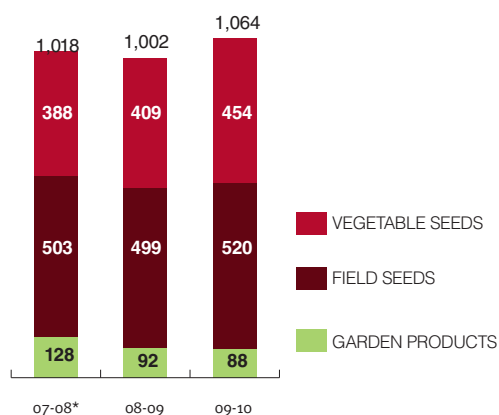
| KEY FIGURES

KEY FIGURES

CORE BUSINESS WITH A DEFENSIVE PROFILE

In an environment hit by the economic and financial crisis, Vilmorin has shown dynamic internal growth over fiscal 2009-2010, particularly internationally and in its Vegetable seeds division.

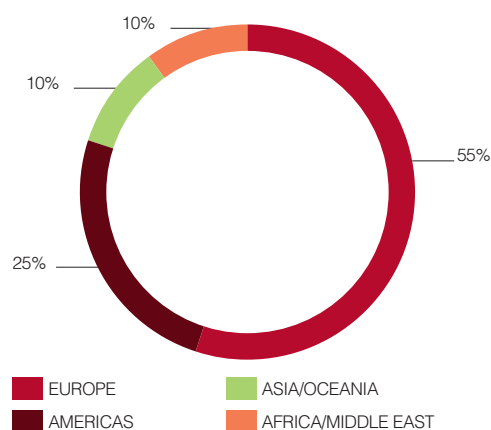
EVOLUTION OF SALES (IN M€) (REVENUE FROM ORDINARY ACTIVITIES)



REGULAR INTERNATIONAL BUSINESS DEVELOPMENT

In 2009-2010 Vilmorin achieved a growing proportion of its sales on markets outside Europe, fixing South America and Asia as priority zones for growth.

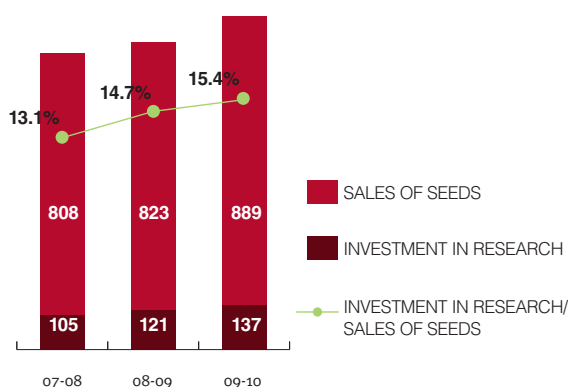
GEOGRAPHICAL ANALYSIS OF SALES (AS A %)



INTENSIFICATION OF INVESTMENT IN RESEARCH, A VECTOR OF INNOVATION

In compliance with its strategic orientations, in 2009-2010 Vilmorin intensified its research programs both in conventional plant breeding* and biotechnology*.

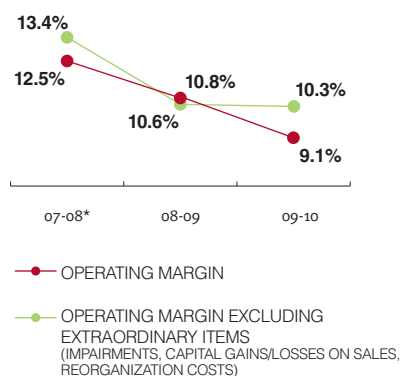
INVESTMENT IN RESEARCH (IN M€)



OPERATING MARGIN IN PART REINVESTED IN RESEARCH

Extraordinary items excluded, the operating margin for fiscal year 2009-2010 remained at virtually the same level, an indication of the intensification of investment in research.

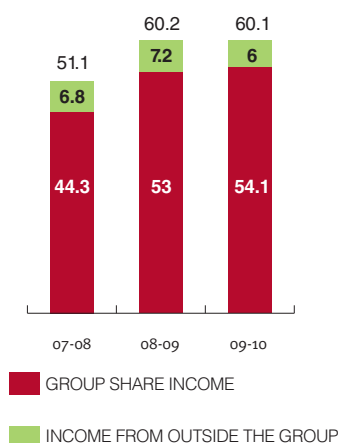
EVOLUTION OF THE OPERATING MARGIN (AS A % OF SALES)



STABILITY OF THE NET INCOME

In spite of the increase in extra resources devoted to organic growth, the net income came to 60.1 million Euros, stable in comparison with June 30th 2009.

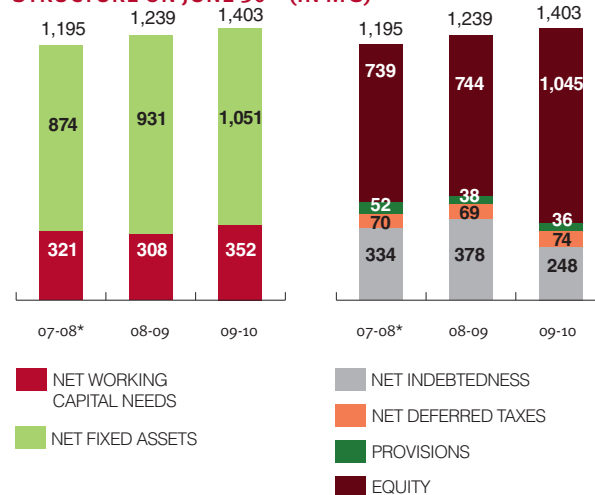
EVOLUTION OF INCOME (IN M€)



A SIGNIFICANTLY CONSOLIDATED FINANCIAL STRUCTURE

Vilmorin's balance sheet situation on June 30th 2010 shows increased financial flexibility, reinforced by the capital stock increase of 200 million Euros made in April 2010.

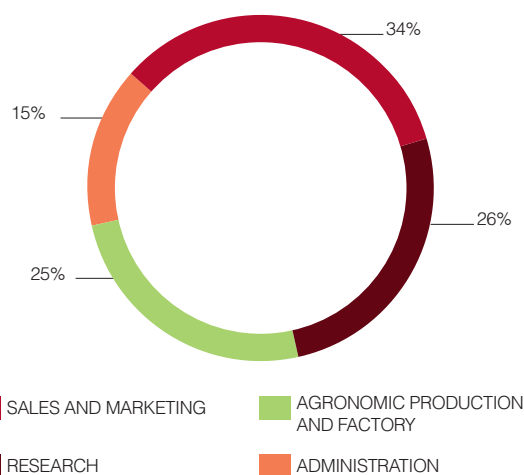
CONSOLIDATED BALANCE SHEET STRUCTURE ON JUNE 30TH (IN M€)



HUMAN RESOURCES LARGELY GEARED TO RESEARCH AND SALES

During fiscal year 2009-2010 Vilmorin employed an average headcount of more than 5,836 and on June 30th 2010 had a permanent workforce of 4,870.

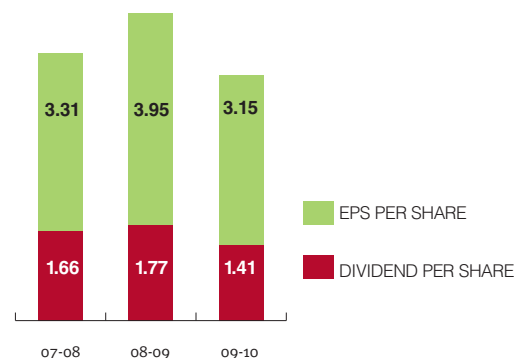
BREAKDOWN OF PERMANENT STAFF ACCORDING TO FUNCTION (AS A %)



A REGULAR AND ATTRACTIVE POLICY OF DISTRIBUTING DIVIDENDS

In keeping with its policy of distributing its results, for 2009-2010 Vilmorin is paying out a dividend of 1.41 Euro per share, corresponding to a distribution rate of its group share net income of 45%.

EVOLUTION OF THE EARNINGS PER SHARE, GROUP SHARE (EPS) AND DIVIDEND PER SHARE (IN €)



NB: calculated on the basis of 13,391,857 shares for 2007-2008 and 2008-2009 and 17,218,101 shares for 2009-2010

*Pro-forma financial statements for 2007-2008: the financial statements of companies comprising the Garden products division, initially classified as "discontinued operations" have been integrated as "continuing operations" and have been restated pro-forma in order to facilitate comparability.

ACTIVITIES

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A single core business – seeds – deployed within a decentralized organization

19

Vegetable seeds

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Field seeds

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Garden products

ACTIVITIES

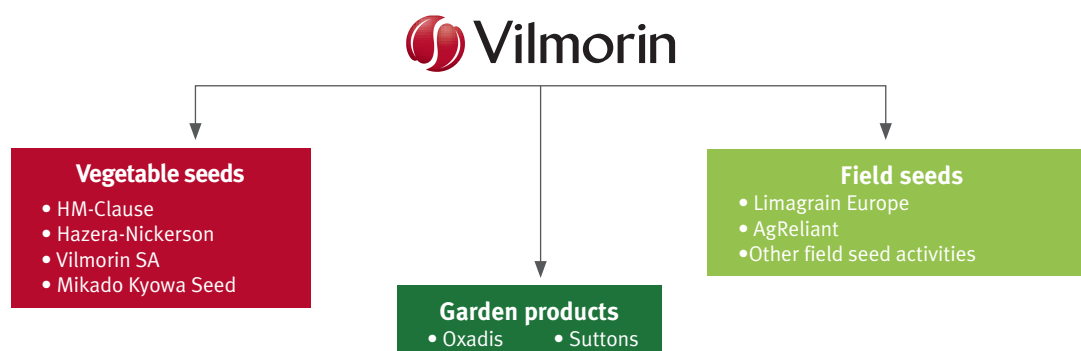
A single core business – seeds – deployed within a decentralized organization

From research to distribution, Vilmorin controls all the stages in its business and proposes high quality products, perfectly adapted to each of its target markets.

Research	Production	Processing	Distribution
The key to creating value and competitiveness	Guaranteeing controlled procurement	Optimizing seed quality	As close as possible to markets
In a context of growing industrialization of innovation, Vilmorin benefits from an international set-up of internal and external skills and research centers located on the main targeted markets. Vilmorin develops varieties with better yield, specific resistances, (to diseases, insects, herbicides, etc.) or improved nutritional qualities.	Seed production must provide two guarantees: maximum flexibility and the capacity to respond to market conditions, while maintaining top quality at the best possible prices. The careful choice of the best production areas is a vital factor in seed quality. Vilmorin entrusts its production to an international network of carefully selected seed multiplication farmers* who work to very strict specifications.	Processing concerns the phases of preparation (cleaning, drying) and seed treatment (applications of phytosanitary products used to protect the plant against certain parasites or diseases), as well as packaging and storing. Vilmorin makes full use of the irreplaceable expertise of its teams, modern industrial equipment, and standardized controls to guarantee product quality.	In order to work in close contact with its customers, almost all its subsidiaries act as direct seed distributors. More than 30% of the employees at Vilmorin work in sales teams, supported by a portfolio of strong brands, each with specific positioning.

Vilmorin's operational organization is structured around three business divisions. Each of these divisions is segmented into different Business Units, and each of these BUs is responsible for a specific development strategy defined in accordance with the combined criteria of crops and geographical zones, and benefitting from its own dedicated organization.

This choice of proximity management is what differentiates Vilmorin from others, ensuring detailed knowledge of its markets and closer responsiveness. Shared functions such as the scientific programs, the growth policy and finance are all centralized.



Vegetable seeds

Vilmorin creates, produces and sells novel vegetable seeds for the professional agri-food market.

Market gardeners – who produce vegetables for fresh markets – and indirectly processors, specialists in canning, deep-freezing and freeze-drying, make up its target customers.

The product line comprises thirty different crops, and in particular those that are most widely consumed throughout the world: tomato, melon, carrot, pepper, squash, bean, cauliflower, water melon, onion, lettuce, etc. Developed to respect the performance demands of vegetable producers and processors (increase in productivity, resistance to diseases and insects, perfect adaptation to growing and processing conditions, etc.), the varieties sold must also anticipate and meet the expectations and cultural diversity of consumers (better organoleptic* qualities, improved nutritional values, etc.), taking into account their cultural diversity, while optimizing added value for vegetable producers.

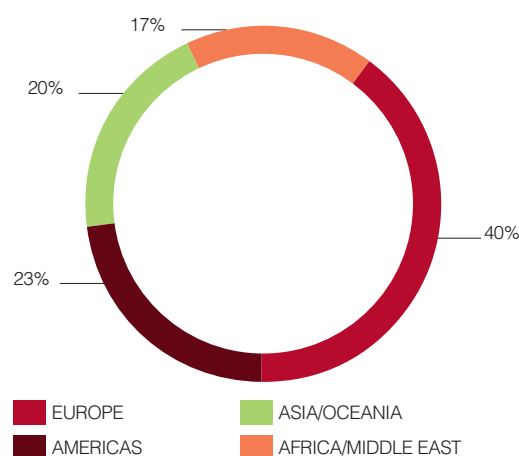
● KEY INDICATORS 2009-2010

- ▶ No. 2 worldwide (tomato, melon, carrot, onion, sweet pepper, etc.).
- ▶ Contribution to consolidated sales: 454 million Euros (+ 9% like for like).
- ▶ Sales from proprietary varieties*: 89%
- ▶ Number of employees: 2,560.

● ORGANIZATION IN FOUR BUSINESS UNITS, TO COVER ITS MARKETS EFFICIENTLY

The operational organization of the Vegetable seeds division is structured around four Business Units. Organized around international, multi-cultural teams, each of these Business Units has its own strategy, defined in accordance with the global guidelines laid down by the management of the Vegetable seeds division, in terms of marketing and research in particular. With their commercial organization specifically adapted to their markets, the BUs successfully combine their portfolio of brands, their sales forces and their distribution networks. With its close approach to markets, from research right through to sales, this organization is suited to developing market shares, and covers a large number of highly profitable niche markets, with a better response to the needs of vegetable producers.

GEOGRAPHICAL ANALYSIS OF SALES



● AN EXCEPTIONAL FISCAL YEAR 2009-2010

Extremely dynamic organic growth

The Vegetable seeds division closed fiscal year 2009-2010 with sales up 9% like for like, higher than estimated market evolution trends. This excellent performance is above all due to the highly dynamic commercial approach of all the Business Units; they won market shares from their competitors, in particular on the North American continent, and in markets in the Mediterranean basin and Asia. The research programs initiated several years ago are now providing novel varieties that offer added value. Finally, these results are confirmation of the pertinence of the decision to organize the division into operational units that are flexible and close to their markets. In order to ensure that these growth trends continue in the years to come, further investment has been made this year in the research programs. Similarly, extra resources have been devoted to sales development and marketing, in order to improve our cover of target markets, some of which, such as the Mediterranean basin, are the result of the displacement of production areas.

MAIN VEGETABLE SEED BRANDS



Structuring external growth operations

Pursuing its strategy to consolidate in key areas of growth and in strategic crops, during the course of the fiscal year Vilmorin made two acquisitions, and finalized the purchase of two research programs. These operations will create short-term value, but will also strengthen the company's positions in the long-term.

Su Tarim. Turkey

Through its subsidiary HM-Clause, Vilmorin has purchased a majority stake of 51% in the Turkish company Su Tarim, one of Clause's historic partners. Su Tarim is based in Antalya and has an excellent commercial and technical network covering all the vegetable production areas in Turkey. Moreover, the company owns recent research facilities and breeding* programs suited to the local market, particularly in tomato, pepper and cucumber. This acquisition will strengthen the presence of HM-Clause on one of the three main vegetable markets in Europe, and on which Vilmorin is a leading player.

With the agreement of the other shareholders of Su Tarim, Vilmorin has a contractual option to increase its stake in the medium term and acquire all the remaining stock.

Mesa Maize. United States

Based in Olathe (Colorado), Mesa Maize, the fourth largest American seed company for sweet corn for fresh produce market, was purchased by HM-Clause, in order to extend its product range as required.

Historically positioned on the industrial segment, HM-Clause now has the necessary genetic resources* to satisfy consumer demands (taste, texture etc.) and position the company more globally on the sweet corn market with the long-term goal of becoming a key player on the second most important vegetable seed market in the United States.

PHRO. Poland

The acquisition of the tomato research program of PHRO, a company specialized in the production and distribution of tomatoes in Poland and Germany, provides a useful addition to HM-Clause's germplasm, with the objective of creating new, more efficient varieties suited to growing in heated greenhouses and rootstock.

Trinity Growers. United Kingdom

The acquisition through its subsidiary Vilmorin SA, of the cauliflower assets (germplasm and commercial varieties) of the company Trinity Growers, based in the county of Kent, will enrich the existing breeding* program with the perspective of developing novel seeds. This operation will also enable Vilmorin SA to benefit from supplementary trial facilities in the United Kingdom, and establish a seed production partnership.

● OBJECTIVES FOR 2010-2011

In the context of global growth in the vegetable seeds market, Vilmorin has set the following objectives for fiscal year 2010-2011:

- ▶ Achieve, as it has in previous years, average growth in sales comparable to the estimated trend in growth for the vegetable seeds market.
- ▶ Stay on the look-out for any external growth opportunities, including targeted operations that strengthen our positions in research and our commercial presence in strategic zones, particularly in Asia.
- ▶ Use the new Business Units organization to reinforce synergy between the companies, and particularly between the research programs and organization of information systems.

● A CONSTANTLY PROGRESSING MARKET

The value of the world market for vegetable seeds was estimated to be at around 3.5 billion dollars in 2009, corresponding to an average annual growth of 3% since 2002.

(Sources: P. Mc Dougall - Studies of 2007, 2008 and 2009)

The regularly increasing consumption of vegetables drives the growth of Vilmorin's target markets.

It is a consequence of the rising world population, and the evolution of the food habits of consumers who have become more aware of a well-balanced, healthy lifestyle.

A market made up of many high added value niches

The operators in the professional vegetable seeds market work side by side in the major production and consumption zones. The sector has become highly concentrated over the past ten years, yet it still remains scattered in terms of products.

This trend can be explained by the numerous specificities of the vegetables market:

- ▶ A great diversity of species, with wide ranges, covering all the sales possibilities, from production in season, to that of counter season.
- ▶ Production units with all kinds of production infrastructures: open field, cold or heated greenhouses, etc.
- ▶ A vast dispersion of production zones.

The vegetable market is highly sensitive to the technical performance of seeds. Indeed the variety the grower chooses will determine the quality and added value of his or her production. It is therefore a strategic choice, above all driven by economic considerations, and by the criteria of yield, resistance to disease and suitability to trends in consumption.

Innovation driving the market

Even though the market for vegetable seeds is powered by the global increase in vegetable consumption, it is mainly dependent on the research results of seeds companies and the development of innovation.

A competitive market that has become concentrated

The level of investment required, the ability to stay out in front, the quality of genetic resources* and the expertise required all make it difficult for any newcomer to break into the market.

The different steps taken towards concentration over the past few years have significantly strengthened the size and power of the main operators in this market. Currently the top five operators represent more than half of the world market for sales of vegetable seeds.

Companies	Countries	Sales of vegetable seeds (in M€)
Monsanto	United States	577
Vilmorin	France	447
Syngenta	Switzerland	360
Nunhems (Bayer Crop Science)	Germany	240
Sakata	Japan	179

Sources: internal and company disclosures

Field seeds activity in Europe

Limagrain Europe (formerly known as Limagrain Verneuil Holding), a subsidiary held 80% by Vilmorin, holds the field seeds activities – cereals and oilseed crops – in Europe. Through its distribution networks that vary according to the country and crop, Limagrain Europe's customer target is farmers.

● KEY INDICATORS 2009-2010

- ▶ No. 1 in Europe for straw cereal seeds.
- ▶ No. 3 in Europe for corn seeds.
- ▶ Contribution to consolidated sales 2009-2010 (Limagrain Europe and its subsidiaries): 367.2 million Euros (- 1.9% like for like).
- ▶ Number of employees: 1,277.

● A WELL-ELABORATED STRATEGY THAT OPTIMIZES COVER OF THE EUROPEAN MARKET

A balanced product range segmented in relation to strategic interests

To optimize its research and marketing efforts, Limagrain Europe has segmented its crops into three main categories:

- ▶ **Strategic crops for which it holds strong competitive positions:** corn, straw cereals (wheat and barley), rape and sunflower.
- ▶ **Support crops:** complements to the strategic crops range. For these species, research efforts are limited and production is carried out by sub-contractors.
- ▶ **Other crops:** amenity grasses, cotton, beet, etc., distributed according to market opportunities.

The four strategic crops are powerful creators of growth depending on short-, medium and long-term perspectives.

- ▶ **Rapeseed varieties**, because of their economic profile, have a short lifespan. The crop is extremely profitable, and will be even more so as its hybrid* form becomes more and more popular.
- ▶ **Corn** is a highly profitable crop too, given high-performance germplasm* that is particularly well suited to the needs of the forage corn market in Northern Europe. It is liable to develop even further through the launch of new varieties developed for grain corn, the main corn market in Europe, and the emergence of the market for genetically modified plants.

- **Sunflower**, which is very similar to corn, is developing fast, especially in Eastern Europe.
- **Straw cereals (wheat and barley)**, sold through two different distribution circuits, have varieties with a life cycle that is longer than average. Their profitability, which is indirectly influenced by the prices of agricultural raw materials, is lower than for other strategic crops, and can vary from one year to the next. However the long-term outlook for the creation of value are encouraging, with the perspective of developing hybrid wheat. This is a strategic development that will lead to an improvement of crop yield and the general quality of the plant, for which Vilmorin is well placed and has the resources to succeed.

A distinctive marketing and sales approach

The segmentation strategy adopted by Limagrain Europe is undoubtedly one of the factors behind success. In corn for example, the company has fine-tuned the segmentation of its range according to two criteria:

- **The market targeted:** market for forage corn and industrial applications.
- **The qualities targeted:** digestibility and starch content for forage corn, and varieties devoted to the production of ethanol or gas for the agrofuels segment. An umbrella brand policy for the LG line-up embodies this segmentation.

Finally, privileged commercial partnerships with European cooperative distribution networks continue to represent another sizeable advantage.

MAIN FIELD SEED BRANDS IN EUROPE



Advanta®: marque enregistrée par
Advanta Netherlands Holdings BV



● FINE RESISTANCE OF BUSINESS IN 2009-2010 DESPITE DIFFICULT AGRICULTURAL MARKETS

On June 30th 2010, sales for Limagrain Europe came to 367.2 million Euros, down almost 2% like for like compared with fiscal year 2008-2009.

In order to ensure its future development, throughout the fiscal year Limagrain Europe pursued its upstream research programs (molecular marking* and transgenesis*) and breeding* (grain corn and wheat).

Sunflower: an excellent campaign

Limagrain Europe increased its sunflower sales by 40%, reaping the fruit of its breeding* programs run within Soltis (a French joint venture between Vilmorin and Euralis, specialized in sunflower research). Product innovation, market focus and dynamic sales networks all played a part in these results, which were particularly successful in Turkey and certain East European countries.

Rapeseed: fine performances, following on from the previous fiscal year

In rapeseed, Limagrain Europe continued to gain new market shares and this year again improved its sales (in France and Germany in particular) of this profitable crop.

Corn: a carefully managed season in the context of diminishing acreage in Europe.

Limagrain Europe demonstrated strong capacity to sustain its corn business on a European market marked by a reduction of cultivated acreage, estimated globally to be 1.4% (source: Eurostat).

After deciding to run its business activities with caution in Eastern Europe last year, Limagrain Europe has begun to redeploy in this zone and is winning back market shares, particularly in Ukraine and Russia, but in proportions that have not matched its initial objective. Eastern Europe is a high potential zone and the priority is to continue to develop here; accordingly a research center was opened in Ukraine this year.

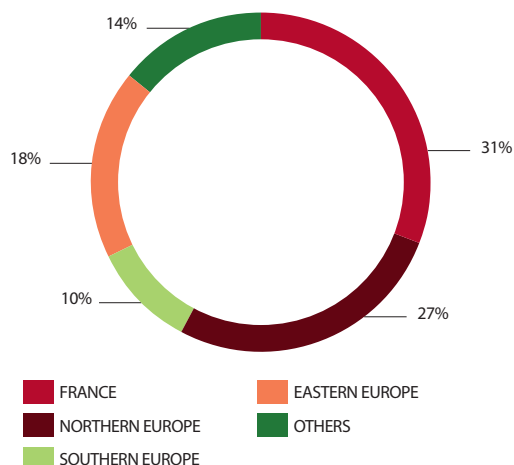
Elsewhere, Limagrain Europe strengthened its competitive positions on the forage market in Belgium, by acquiring the company Clovis Matton (Western Flanders). The company has been one of Limagrain Europe partners for many years, and made sales of more than 15 millions Euros in 2008-2009. Clovis Matton also has its own cereal breeding* program.

Straw cereals: a drop in business over the fiscal year

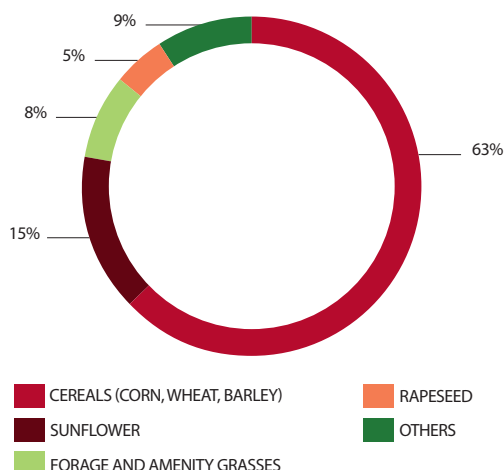
Hit hard by the low prices of agricultural raw materials, sales of certified straw cereal seeds (wheat, barley) in the long distribution circuit were down significantly, as a result of a much greater use of farm seeds.

However, delegation of varieties to agricultural cooperatives (so-called short distribution circuit) held up well with a level of royalties close to the previous fiscal year.

GEOGRAPHICAL ANALYSIS OF SALES (EXCLUDING ROYALTIES)



ANALYSIS OF SALES PER CROP (EXCLUDING ROYALTIES)



● OBJECTIVES FOR 2010-2011

- ▶ Continue to gain market shares in rapeseed and sunflower.
- ▶ Consolidate positions in corn and succeed with the launch of new grain corn varieties.
- ▶ Pursue deployment in Eastern Europe and continue to set up new sites in this strategic area.
- ▶ Encourage the deployment of new Business Units in field seeds in the Americas.

● A BUOYANT MARKET

Dominated by corn, straw cereals and two fast developing oil crops, rape and sunflower, the European market has overall progressed regularly and repeatedly. 2009-2010 was nevertheless marked by a drop in cultivated acreage estimated at 1.3% and a difficult agricultural environment.

(Sources: Eurostat, Maiz'Europe and European Commission)

Reduced acreage for conventional crops

In 2009-2010, almost 59 million hectares of cereals were grown in Europe, a decrease of 2.3% compared to the previous year.

The market mainly concerns wheat (almost 23 million hectares) and grain and silage corn (around 14 million hectares). In 2009 oilseed crops represented 10.7 million hectares, up 5.9% compared with the previous year, with nearly 7 million hectares devoted to rapeseed and almost 4 million hectares to sunflower.

(Source: Eurostat and Maiz'Europe)

Marginal acreage of GMO* crops

Growing, selling and importing genetically modified plants are subject to European directives, and regulations. Only one GM* variety is authorized for growing and selling in the European Union, whereas more than fifteen types of transgenic corn are authorized for import.

Certain member states have nevertheless suspended authorization to grow GM* crops, triggering the safeguard clause provided in the EU law. This is specifically the case of France, Germany, Italy, Hungary, Austria, Greece and Luxembourg.

Consequently, GMO* were only marginally grown in Europe in 2009 with 94,750 hectares (mainly in Spain, the Czech Republic, Portugal, Poland and Romania), i.e. less than 1% of world acreage. Down 12% this year, the European market (with the exception of Spain) has been hit by the restrictive measures implemented by Germany and the global corn acreage.

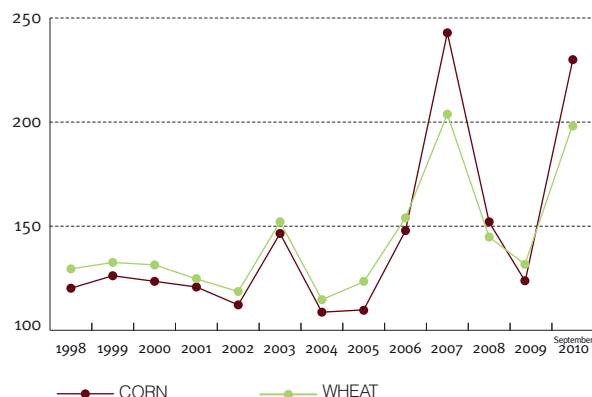
Like its main competitors, this context has no direct impact on Vilmorin, which does not currently generate many sales from genetically modified varieties in Europe. Nevertheless, convinced that these markets will open up in the medium term, Vilmorin is running specific research programs with the aim of selling its own genetically modified seeds, integrating insect resistance traits*, on the European market.

Persistent fluctuating prices of agricultural raw materials

Once again this year the prices agricultural raw materials experienced strong variations.

This trend can be explained by the lack of coherence between supply and demand, fluctuating weather conditions and the fact that there is greater financial speculation on agricultural markets.

EVOLUTION OF THE PRICES OF CORN AND WHEAT IN EUROPE (IN EUROS PER TON)



Sources: Cereals market, France Agrimer, report on the cereals campaign for 2009-2010

THE COMPETITIVE PANORAMA

	Straw cereals	Corn	Sunflower	Rapeseed
No.1	Vilmorin	Pioneer	Syngenta	Monsanto
No.2	KWS	KWS	Pioneer	NPZ Lembke
No.3	RAGT	Vilmorin	Vilmorin	DSV
No.4	DSV	Monsanto	Euralis	Vilmorin

Sources: Internal estimates

Field seeds activity in North America

AgReliant, a joint venture was set up in July 2000 and is consolidated 50/50 with the German seed group KWS. The fourth largest American seed producer on the corn seed market, AgReliant breeds, produces and sells corn and soybean seeds in the United States and Canada.

The original aim in creating this company was to unite the research efforts of the two companies and to climb into the rankings of the top local seed companies. The company has achieved dynamic growth since it was first set up, and today research, production, distribution and administration are fully pooled.

KEY INDICATORS FOR 2009-2010

- No. 4 on the US market for corn seeds.
- Contribution to consolidated sales in 2009-2010 (at 100%): 299.8 million Euros (+ 12.4% like for like).
- Number of employees consolidated (at 100%): 746.

SPECIFIC POSITIONING ON THE NORTH AMERICAN MARKET

High added value seeds

AgReliant offers North-American farmers high-quality germplasm*, which, when combined with technical options, enables producers to adapt seeds to their specific needs.

These options concern two possibilities:

- **Traits***, giving the plant the characteristic sought after. These resistance genes incorporated into the plant's genome*, protect it against certain destructive insects (corn-borer and rootworm) or herbicides. The latest genetically modified varieties now combine several resistance genes, using the stacking* technique. These technologies are now considered to be a standard offer by the farmers.
- **Plant protection products**, giving protection to the plant against certain parasites or diseases.

An original sales policy, another key factor in success

By devoting more than half of its staff to a first rate sales team, AgReliant can cover three distribution networks in the United States: direct sales to the farmer, farmer-dealer networks and sales through distributors.

In all these different distribution methods, and predominantly the first, brand reputation, the real link between the farmer and the seed producer, is a vital factor in marketing strategy.

AgReliant's sales teams therefore rely on a portfolio of six reputable brands for the different geographical sectors that extensively cover the Corn Belt, the heart of the North American market.

FIELD SEEDS BRANDS IN NORTH AMERICA



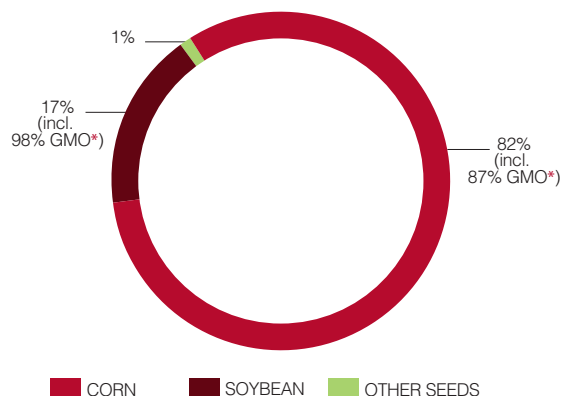
● ANOTHER YEAR WITH DOUBLE DIGIT GROWTH

Although the season was later than usual this year, AgReliant achieved sustained sales growth of almost 12% like for like.

This rise is mainly due to an increase in the proportion of GM* products in sales. More than 87% of AgReliant's sales of corn seeds come from genetically modified varieties. This proportion reaches 98% for soybean seeds. This trend has accelerated and reflects the company's capacity to anticipate rapid changes occurring in the market and to create value by regularly launching novel products.

The acquisition of Dahlco, a company specialized in the distribution of corn, soybean and alfalfa seeds in Minnesota, to the North of the Corn Belt, has strengthened AgReliant's competitive position.

ANALYSIS OF SALES PER CROP



● OBJECTIVES FOR 2010-2011

- ▶ Intensify sales of products with high added value.
- ▶ Continue to develop by giving a strong push to investment in upstream research, particularly in molecular marking*.

● A PROGRESSING MARKET

Over the first semester of 2010, the North American seed market was marked by a slight rise in corn acreage (35.6 million hectares) and soybean acreage (31.9 million hectares), estimated to be respectively 1.6% and 2% (source: USDA 2010). This growth should continue as a result of the development perspectives offered by genetically modified seeds and the increasing agrofuels market.

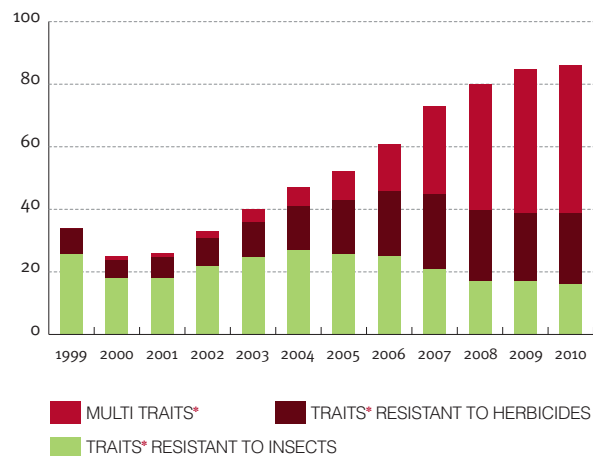
Genetically modified plants: a virtuous growth circle

With an acreage of 64 million hectares in 2009, which is almost half the acreage in the world, the United States is by far the biggest producer of genetically modified plants. Their proportion is increasing regularly, and today they cover 86% of corn acreage, more than 90% of soybean acreage, and 95% of sugar beet acreage in the United States.

Varieties integrating several resistance traits* are being used more and more, and today represent a significant share of the market.

Although on average these seeds are more expensive than conventional seeds, genetically modified seeds enable farmers to reduce their running costs considerably, in particular pesticide and herbicide treatments, guaranteeing a much higher harvest.

EVOLUTION OF GENETICALLY MODIFIED CORN ACREAGE IN THE UNITED STATES (AS A %)



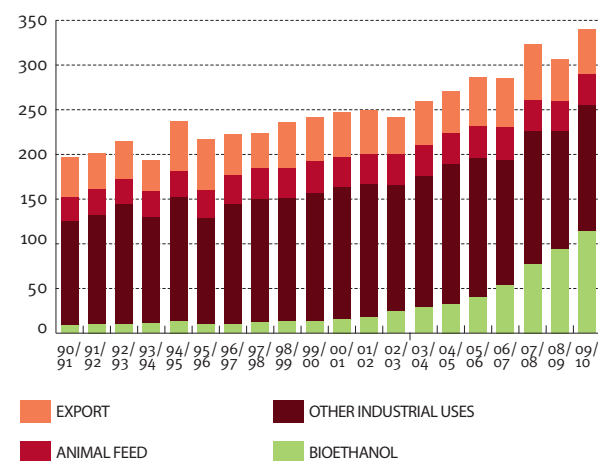
Source: USDA 2010

Impetus for corn production given by agrofuels

Since 2000 corn acreage in the United States has risen considerably particularly because of demand from bioethanol factories. In 2010, almost 34% of domestic American corn production is devoted to this market.

The US government has set a target of 35% for 2018.

EVOLUTION OF THE TOTAL APPLICATIONS FOR CORN IN THE UNITED STATES (IN MILLIONS OF TONS)



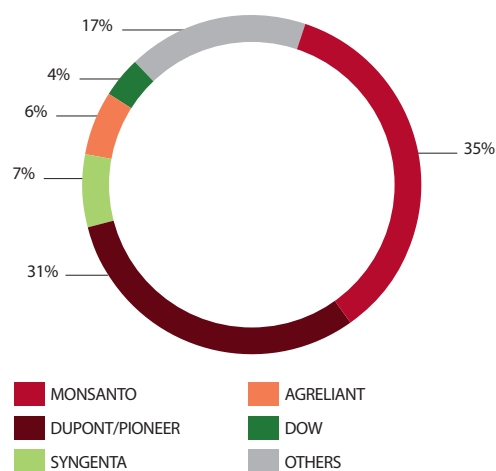
Source: USDA 2010

A concentrated competitive environment

Within a concentrated competitive environment (80% of the market being held by four players), in recent years AgReliant has managed to strengthen its market shares in the heart of the Corn Belt.

AgReliant now has all the means to confirm this trend in the years to come.

ESTIMATE OF MARKET SHARES IN CORN SEEDS (SPRING 2009)



Source: internal estimates

Garden products

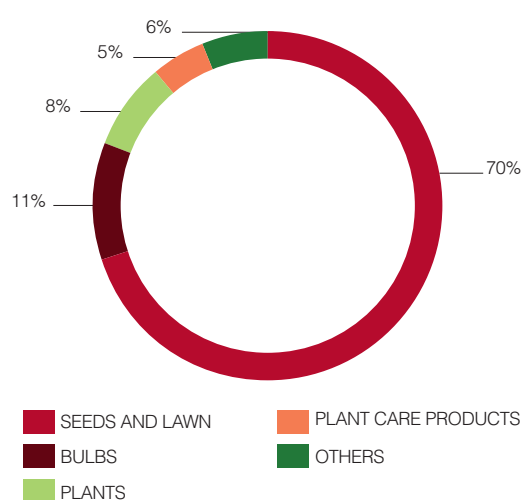
Vilmorin offers home gardeners a range of garden products mainly comprising vegetable and flower seeds, bulbs and plant care products. Represented on all the main European gardening markets, its customers comprise garden centers, DIY stores and supermarkets, along with amateur gardeners who buy directly by mail order.

The Garden products division is structured around two companies: Oxadis in France and Suttons in the United Kingdom.

● KEY INDICATORS FOR 2009-2010

- Contribution to consolidated sales: 88.3 million Euros (- 0.3% like for like).
- Number of employees: 477.

ANALYSIS OF SALES PER FAMILY PRODUCT



MAIN GARDEN PRODUCTS BRANDS



● CONTRASTING PERFORMANCES IN 2009-2010

Restated for currency fluctuations and scope, sales reached 88.3 million Euros, almost the same level as the previous year. Nevertheless this figure gives no indication of the heterogeneous performances between the two companies.

The year once again Suttons achieved considerable growth through its mail order sales, and particularly on the Internet.

In spite of the excellent level of sales made by its subsidiary CNOS Garden in Poland, Oxadis closed fiscal year 2009-2010 with a drop in sales. Novel products and renewed advertising to the general public in the spring of 2010 (the campaign "Les Réveils Jardins") were just not enough to stimulate a market that was more competitive this year.

In this context, Vilmorin will continue to study opportunities to consolidate the Garden products division in accordance with its strategic arbitration, aiming to position its activity on the professional seeds market.

● OBJECTIVES FOR 2010-2011

- Continue to reposition the division, particularly through product innovations and advertising campaigns to the general public.
- Study opportunities to consolidate the Garden products division.

STRATEGY

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Historic growth opportunities driven by the challenges of the market

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A specific development model to reinforce world leadership positions

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Three strategic priorities to accelerate growth

STRATEGY

Historic growth opportunities driven by the challenges of the market

Vilmorin is above all positioned on the food market. The company innovates to develop vegetable and field seeds with high added value in order to contribute to meeting the world's food needs better. The seeds market has been regularly growing by 7% per year since 2002 (source: P. Mc Dougall), as a result of several complementary factors.

● THE INCREASE IN THE NEEDS FOR AGRICULTURAL RAW MATERIALS

The growth in the world population, the evolution of food habits and an increase in the use of biofuels are leading to a significant increase in the need for agricultural raw materials.

The United Nations Food and Agriculture Organization (FAO) thus considers that in order to feed 9 billion people by the year 2050, food production will need to be increased by 70%. Since there has been little increase until now in the arable land available (aggregate annual growth rate over 5 years of 0.2%) any increase in yields and crop intensity from current arable land would represent considerable leverage. In this sense, an increase in the yields of cereals, that form one of the world's staple diets, will play a preponderant role. It will rely on progress achieved through plant breeding, an improvement in growing practices and the use of input, which will nevertheless be more limited in a regulatory context that is growing more and more constrictive.

● THE INCREASE IN THE USE OF COMMERCIAL SEEDS

Progress in agronomic techniques, combined with the introduction of more innovative seeds on the markets, are encouraging farmers and growers to substitute more efficient commercial seeds for farm seeds. This change will become highly significant on markets for wheat and rice, two crops for which seeds are not purchased in a majority of cases.

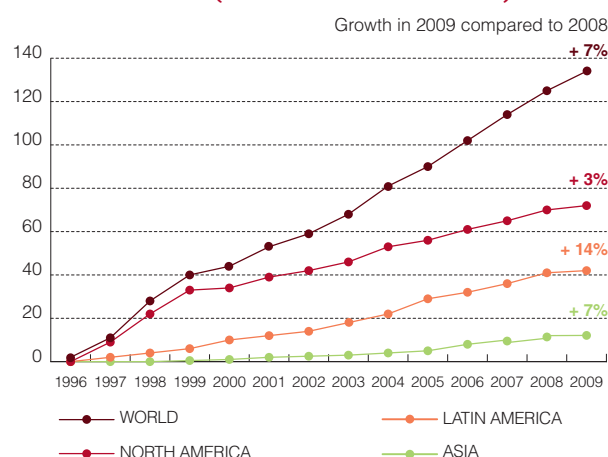
As far as commercial corn and vegetable seeds are concerned, their use is more widely practiced, and is continuing to increase, thus contributing to an increase in the value of the world market.

● THE RELENTLESS INCREASE IN THE USE OF GENETICALLY MODIFIED SEEDS

Providing greater efficiency to agricultural production, genetically modified seeds offer one possible solution to adapting supply to demand. With a much higher yield per hectare and considerable reductions in the use of pesticide treatment, they also make it possible to improve the intrinsic qualities of the plant: today from a sanitary and technical point of view, and tomorrow for nutrition.

This market is thus expanding fast in volume, but also in value. Indeed, since it combines the benefits of genetic resources* and the growing integration of several traits* within the same variety, genetically modified seeds are currently being sold at a price 50% to 100% above that of conventional seeds.

EVOLUTION OF THE SURFACE AREAS OF GENETICALLY MODIFIED PLANTS (IN MILLIONS OF HECTARES)



Source: ISAAA 2010

● THE DEVELOPMENT OF INDUSTRIAL APPLICATIONS FOR AGRICULTURAL PRODUCTION

Parallel to the market for food, markets that exploit agricultural raw materials for industrial purposes continue to make headway, strengthening the potential for growth of the seeds market.

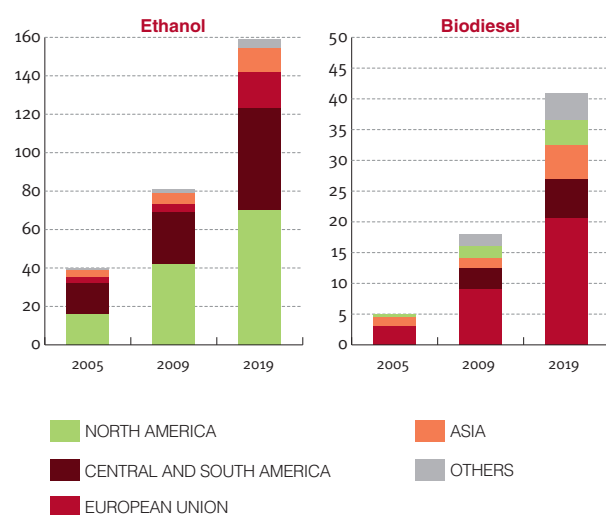
This especially concerns agrofuels – including ethanol (produced from corn, mainly in North and South America) and biodiesel (obtained from oilseed rape in Europe) – and the development of plant chemistry (also known

as “green chemistry”), in particular with the market of biodegradable plastics.

The expansion of these markets, still modest in size, has led to an increase in the surface areas used, with an ensuing positive influence on the volume of activity.

While remaining attentive to the evolution of these markets, Vilmorin has not yet initiated a significant research program devoted to these applications. It does sell corn and rape varieties whose yield performances are significantly higher.

EVOLUTION OF THE WORLD PRODUCTION OF AGROFUELS (IN BILLIONS OF LITERS)



Sources: FAO. Perspectives for 2010-2019

A specific development model that is geared to strengthening positions of world leadership

In a business sector that is characterized by the strong concentration of its players and borne by innovation and internationalization, Vilmorin draws strength from its specific economic model, with a firm ambition: to accelerate its development both on the vegetable seeds and the field seeds markets.

● A STRONG CAPACITY FOR INNOVATION, BEHIND WINNING MARKET SHARES AND IMPROVING PROFITABILITY

As the main source of added value, research is at the heart of the challenges Vilmorin faces to develop its business activities.

As a result of its locations worldwide and the expertise of its research teams, Vilmorin is able to develop solutions that are adapted to new market requirements and strengthen its competitiveness through innovation.

Innovating to meet the needs of each player in the supply chain

It takes seven to ten years of development to come out with a new field or vegetable crop variety including the time it takes to certify this new variety. Breeders need to take into account the expectations of all the players in the supply chain as they work, and thus:

- improve agronomic characteristics (yield, resistance to diseases, drought tolerance, earliness, etc.) for farmers and growers;
- meet the technical constraints of industrialists (standardization of calibration, appearance of the vegetables once they have been processed, texture of the food products, etc.);
- take into account the constraints of distributors (canning, earliness, appearance, prices, etc.);
- improve the organoleptic* characteristics of the products by anticipating evolutions in consumer tastes and cultural differences (taste, nutritional qualities, practical aspects, etc.).

Accelerating the breeding process by using plant biotechnology*

In order to create new varieties, research is first and foremost dependent on the diversity of plants. Access to genetic resources* is fundamental for the continuation of seed production. Enriching this heritage and progress in breeding* are guaranteed by taking full advantage of breeders' know-how, the opening of new research centers and a steadfast policy in terms of external growth and partnerships.

Moreover, future progress in plant breeding is dependent on mastering plant biotechnology*. The tools used to identify gene functions accelerate the process of plant breeding significantly: on average three years of development are saved.

The breeder gains precious time by identifying the plants of interest early and more efficiently, according to the breeding* objectives. Furthermore, this acceleration of the time it takes to create a new variety ensures that research can react faster to evolutions in demand. Investment in biotechnology* today represents 25% of the research budget and has continued to progress significantly during the course of fiscal year 2009-2010. It will also grow in years to come, as the company improves its financial profile.

This trend is being accompanied by a progressive resizing of research, in the form of skills platforms, in order to meet the needs of changes occurring in the breeding* profession. With the increase in the number of data to handle and the integration of new skills (genomics*,

molecular biology, bioinformatics, etc.) today's breeder has to manage multi-disciplinary project teams working in a network. This organization makes sure that different existing techniques and skills will be applied more systematically and with better cost controls.

PLANT BIOTECHNOLOGY: CONTINUOUS PROGRESS



Key indicators for 2009-2010

- ▶ 15.4% of seeds sales invested in research: 25% devoted to plant biotechnology* and 75% to conventional breeding*.
- ▶ 137 million Euros invested in research in absolute value.
- ▶ 200 million Euros invested in research including funding in the form of partnerships.
- ▶ More than a hundred new varieties created every year.
- ▶ Sales from proprietary* varieties of 89% in vegetable seeds and around 2/3 in field seeds.

Multidisciplinary international organization

Vilmorin's research is built up around an internal and external set-up providing access to new skills and technologies.

- ▶ **More than 80 research stations and more than 1,200 researchers and technicians all over the world** all contribute to upstream research and conventional breeding*. Structured in the form of skills platforms, this organization helps to optimize the process of plant breeding.
- ▶ **Strategic partnerships and international cooperation agreements are pursued and strengthened all the time, enriching upstream research:** during the course of 2009-2010, Vilmorin signed a strategic alliance with the laboratory Arcadia Biosciences, an American company specialized in the development of technologies and products for agriculture that are more respectful of the environment and human health.

This long-term agreement concerns the development and selling of wheat seeds that optimize the use of nitrogen. The combined effect of Arcadia's technology and Vilmorin's genetic resources* will lead to the development of high yield wheat. This wheat will require around half the input of nitrogen compared to conventional crops and will offer economic benefits to farmers, contributing to greater respect for the

environment. Through this agreement Vilmorin will also gain priority access to the future technologies developed by Arcadia and applicable to wheat.

Vilmorin's research organization is also reliant on historical partnerships:

- **Keygene (Netherlands):** experts in genomics* applied to vegetable plants, and in which Vilmorin has held a stake since 2001 in partnership with the Dutch seed companies Enza Zaden and Rijk Zwaan, and the Japanese seed company Takii.
- **Biogemma (France):** European specialists in field crop plant biotechnology*, held in partnership with the seed companies Euralis and RAGT and the financial institutes for the oilseed chain (Sofiprotéol) and the cereal chain (Unigrains).
- **Australian Grain Technologies (Australia):** Australian leader for breeding*, developing and distributing novel cereal varieties. Vilmorin holds a stake of more than 32% in the company's capital stock, with the aim of consolidating its expertise in hybrid wheat and intensifying its current research programs (genetic resources* and technologies).
- **Soltis (France):** a 50/50 joint venture between Vilmorin and Euralis, specialized in sunflower research.
- ▶ **Vilmorin's researchers also work in association with public and private research institutes:** Génoplante (France), INRA (France), CIRAD (France), Avesthagen (India), CSIRO (Australia), CAAS (China), University of Davis (United States), HRI (United Kingdom), Hebrew University (Jerusalem, Israel), Aro-Volcani Centre (Israel), John Innes Centre (United Kingdom), Max Planck Institute (Germany), PRI (Netherlands), Crop and Food Research (New Zealand), CRC (Canada), Evogene (Israel), Cogenics-Groupe Roche (United States), Yissum, subsidiary of the University of Jerusalem (Israel), Cellectis (France) etc.

● GROWING INTERNATIONAL DEVELOPMENT COMBINED WITH A STRONG CAPACITY TO STEER A DECENTRALIZED ORGANIZATION

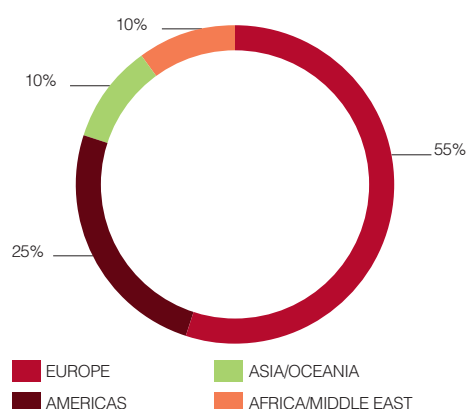
Within a worldwide market, the internationalization of Vilmorin's activities is the driving force behind its development. It is underpinned by a combination of organic and external growth involving acquisitions, strategic alliances and partnerships.

International growth, which accompanies changes in the markets, also helps to deal with several issues of great importance, including:

- ▶ access to genetic resources* and their enrichment;
- ▶ spreading out risks: climate, industrial, logistic, etc.;
- ▶ economic optimization;
- ▶ adapting products to their markets: agronomic conditions, specific cultural features, etc.
- ▶ and anticipating demand.

All the stages in the development of seeds have acquired a global dimension today: research centers are largely sited outside France; seeds are produced and processed in the two hemispheres, while products are distributed to the main zones where seeds are used.

GEOGRAPHICAL ANALYSIS OF SALES



A determined strategy on mature markets through the optimization of existing sites

Western Europe: moderate growth

In Western Europe, with market shares between 10 and 20% depending on the crop, Vilmorin is a leading player and benefits fully from the recurring growth on this market.

Perspectives for development are linked to the emergence of genetically modified plant crops, and to the permanent launching of novel vegetable and field

seed crops. Moreover, the evolution of the agrofuels market will also contribute to its progression, but this will depend on national energy policies.

North America: growth opportunities in value

In North America, Vilmorin is one of the top four players that share out nearly 80% of market shares in field seeds and vegetable seeds. The market for vegetable seeds has benefited from regular growth, as populations have grown and new products have arrived.

With a slight increase in corn acreage this year, reckoned to be 1,6%, the market for field seeds has also been growing in value because of the increase in acreage for genetically modified crops and the rise in the sales of varieties that integrate several traits*.

Source: USDA 2010

A targeted strategy to conquer new zones for development

Asia: the largest world market for seed

The Asian market, characterized by a continuous population increase and changes in its consumption patterns, is progressing very fast.

Over the past few years Vilmorin has defined China, India and Japan as priority areas for action and investment.

China: a steady approach

China alone represents more than half the production of vegetables in the world, and is also a major producer of cereals, with dominant positions in the production of rice and corn.

Within this complex market Vilmorin's development must be accompanied by conditions that guarantee protection of its intellectual property and its values, particularly with regard to management and its organization model. Moreover, foreign companies are currently limited to a stake of 49% in Chinese companies, so access and conditions of use of genetic resources* must be carefully assessed before any investment.

Through its vegetable facilities, its local involvement and its strategic alliance with Longping High-Tech (LPHT), Vilmorin is now well represented in China, and is one of the few major players in this still very scattered market.

Based in the province of Hunan, in the south east of China, LPHT is one of the world leaders for hybrid rice, with strong competitive positions in vegetable seeds (pimento, peppers, etc.).

Listed on the Shenzhen stock exchange, in 2009-2010 LPHT (and its consolidated subsidiaries) made sales of 133 million Euros and invests nearly 4 million Euros every year in research. Through this participation, Vilmorin should accelerate its growth in this region of the world, particularly by opening up research partnerships in corn, wheat and vegetables.

India: growing demand for varieties with high added value

The market for seed in India is estimated to be worth almost one billion dollars, of which Vilmorin estimated about 100 million dollars are truly accessible. It is characterized by a strong dispersion of players, a rate of use of commercial seeds that is regularly progressing and fast acceleration of progress in plant breeding.

Vilmorin has decided to develop a seed unit independently on this market, in particular through its local vegetable seed subsidiaries and by building up a field seeds activity. It was with this objective in mind that Vilmorin took control of Avesthagen's field seeds assets, held by the company Atash Seeds. Atash Seeds owns germplasm* and research programs that mainly concern corn, sunflower and rice, and a plant biotechnology* laboratory based in Hyderabad.

Japan: a key position for vegetable activities

The only seeds company with foreign capital, Mikado Kyowa Seed, in which Vilmorin is the majority shareholder, forms a solid base to develop business in Asia. At the same time Vilmorin remains on the look-out for any opportunity for partnerships or external growth on this vegetable seeds market with high added value.

South America: a new area for the development of Field seeds

Historically, South America has provided Vilmorin with the opportunity to reinforce its capacity to produce counter-season seeds in order to extend the periods of product availability in the Northern hemisphere.

On top of this strategic benefit, this area now offers high potential for the development of field seeds. Wheat and corn are grown here widely, with extensive use of genetically modified varieties.

Australia: a wheat market of the greatest importance

Australia is a zone where Vilmorin is pursuing its investment through its exclusive partnership with Australian Grain Technologies, the Australian leader in breeding*, developing and distributing novel cereal varieties.

The Mediterranean basin and Eastern Europe

The need to optimize running costs and out of season supply are leading to the displacement of production areas. Growers now prefer countries with low production costs and areas adapted to early production.

Thus certain countries in Eastern Europe, Africa (North Africa, Senegal), Central America and Asia have, in recent years, begun to replace some of the more traditional producing countries. Vilmorin considers such displacement in its development strategy for new locations. New subsidiaries or breeding* stations have therefore been opened recently in Russia, Ukraine and Algeria in particular.

● **ACQUISITIONS ENCOURAGED
BY A DISTINCTIVE EXTERNAL
GROWTH STRATEGY**

In spite of increased acquisition costs, Vilmorin is pursuing its external growth policy, making sure that the integration of the company taken over is achieved according to a gradual, well-structured process. Product development, local distribution networks and the brand policy are preserved in most cases, while functions that can generate synergies (upstream research, administration) are pooled.

MAIN DEVELOPMENT OPERATIONS (1993-2010)

	Sales	Acquisitions	Divestments
1993 (introduction to the Paris stock market)	€184 million		
1994		Suttons (United Kingdom)	
1996		Clause (France) and Harris Moran Seed Company (United States)	
1998		Nickerson Zwaan (Netherlands)	
2000		Keygene ⁽¹⁾ (Netherlands) and Kyowa (Japan) AgReliant ⁽³⁾ in partnership with KWS	
2002			Elidia (France)
2003		Hazera Genetics (Israel)	
2005			Ferry Morse (United States)
2006		Mikado (Japan) Limagrain field seeds activities (Europe and the United States) Avesthagen ⁽¹⁾ (India)	
2007		LPHT ⁽¹⁾ (China)	
2008		Global Genetics ⁽²⁾ (United States) Australian Grain Technologies ⁽¹⁾ (Australia)	Flora Frey (Germany)
2009		LSL Biotechnologies – LSL Plant Science ⁽²⁾ (Mexico) Genefresh ⁽²⁾ (United States) K&B Development ⁽²⁾ (United States) Gentropic ⁽²⁾ (Guatemala)	
2010	€1 billion	Clovis Matton (Belgium) Dahlco (United States) Field seeds assets ⁽²⁾ of Avesthagen (India) Arcadia Biosciences ⁽¹⁾ (United States) Su Tarim (Turkey) DonMario Semillas ⁽³⁾ (Argentina) Mesa Maize (United States), Trinity Growers (United Kingdom) BSF Ag Research ⁽²⁾ , Genesis Seed Research ⁽²⁾ , Trio Research, Trigen ⁽²⁾ (United States)	

⁽¹⁾ Minority stakes or research partnerships.⁽²⁾ Isolated assets (intangible, inventories, personnel in some cases).⁽³⁾ Joint venture.

Three strategic priorities to accelerate growth

Strengthened by the success of its capital stock increase and the trust expressed by its shareholders, Vilmorin is pursuing its development plan both in vegetable seeds and field seeds. Building from a solid financial structure, reinforced in October 2010 by the closing of a syndicated loan deal of 300 million Euros (maturing in 2015), Vilmorin is working to accelerate its growth according to three strategic priorities.

● VEGETABLE SEEDS: INTENSIFY ORGANIC GROWTH AND ESTABLISH BUSINESS IN NEW GEOGRAPHICAL ZONES

The development of Vilmorin's Vegetable seeds division, No. 2 worldwide on this market, is reliant on a

combination of organic and external growth. It will be pursued, supported by its organization in Business Units, with an emphasis on three main orientations.

Optimize industrial plant and intensify biotechnology* platforms

The modernization and extension of certain production sites contribute directly to the final product quality and customer satisfaction. Therefore regular investments are made in Vilmorin's different sites spread out over the world. An example is the investment program deployed over several fiscal years on the French sites of the Business Units Vilmorin SA and HM-Clause.

Linked to evolutions in the world consumption of vegetables, the development of the vegetable seed market mainly depends on capacity to develop novel seeds. Mastering biotechnology*, particularly molecular

marking*, contributes directly to the acceleration of plant breeding and is now a vital tool for breeders. Research investment allocated to the technique will therefore be intensified in coming years.

Achieving targeted external growth operations on developing markets

Operations undertaken to consolidate our current geographical set-up, and solidify the key zones and strategic crops of the Business Units will continue in the years to come.

In particular Vilmorin will strengthen its presence in Asia (south east Asia, Korea and India), by purchasing minority or majority stakes, and through partnerships.

Even though there is no doubt we must be present in China, given the size of its market (50% of world vegetable production), it is a country we should approach cautiously. Vilmorin's presence through the distribution networks of all its Business Units is the first stage in its local development.

● CORN: WINNING MARKET SHARES THROUGH INNOVATION AND MOVING ACROSS NEW FRONTIERS

Becoming a major player on the grain corn market

The world market for corn is divided between grain corn (more than 90% of world acreage) and silage corn, a European particularity. In a context where its competitive positions in corn are becoming more and more international, Vilmorin needs to strengthen its presence on the first segment. Research programs have been initiated to launch novel products that meet farmers' needs. The first will be introduced in Europe for the next fiscal year.

Selling proprietary genetically modified varieties

With an adoption rate growing every year and an increasing number of countries using this technology, the market for genetically modified corn seeds is continuing its development. In this context, Vilmorin's ambition is, in the medium term, to develop its own transgenic corn variety seeds:

- So-called first generation: with insect resistance traits*, intended for the European market.

- So-called second generation: improving yield, integrating better resistance to drought, and resistance to mycotoxins*, intended for the world market.

Developing on the South American market

While Vilmorin has historically been present on the corn market in Europe, and in North America through its joint venture with AgReliant, the South American market represents a new area for strategic development. In order to create conventional and genetically modified varieties that are adapted to the expectations of local farmers, Vilmorin's objective is to exploit all its expertise by ultimately combining European and North American genetic resources*, along with proprietary technologies. As the first step in its ambitious world development plan, Vilmorin has set up a development platform based in Argentina, dedicated to the South American market: Limagrain South America.

Initially, this platform will be hosting the corn research assets of the Argentinian company DonMario Semillas, already a partner of Vilmorin in their wheat joint venture.

● WHEAT: FROM EUROPEAN TO WORLD LEADERSHIP

Although it is the most widely grown cereal in the world (222 million hectares grown in the world in 2010), wheat is suffering from low world stocks and a drop in its yield. A lack in any major innovation in this crop, and the really low use of commercial seeds are the reasons for this situation, which is leading to a serious risk for the world food balance.

The seeds sector is thus working to come up with more efficient seeds, guaranteeing a better yield.

As the leader in Europe, empowered by its historical expertise and high-quality genetic resources* associated with specialized partners, Vilmorin has all the assets at its disposal to stand out as the world reference in this strategic crop.

Its strategy relies on the constitution of genetic resources* that are perfectly adapted to local conditions, access to innovative technologies and the establishment of new sales networks.

Accordingly, several key steps, concentrating on two of the largest wheat markets, were made during fiscal year 2009-2010.

North America

Launched in 2009, Vilmorin's wheat seeds development plan in North America has resulted in:

- ▶ signing a strategic and technological partnership agreement with the biotechnology* company Arcadia Biosciences based in Davis (California). This agreement concerns the development of wheat seeds that optimize the use of nitrogen and priority world access for Vilmorin to any future technology developed by Arcadia that is applicable to wheat. This long-term collaboration is a vital component in the world development plan, and in the future will enable us to develop seeds that are more innovative and environmentally friendly.
This agreement is accompanied by the purchase of a minority stake by Vilmorin of 7.25% in the capital stock of Arcadia Biosciences and reciprocally by the entry of Arcadia in the capital stock of Limagrain Cereal Seeds (LCS) with 35%. LCS, a subsidiary held 65% by Vilmorin and based in Fort Collins (Colorado) now constitutes the development platform for wheat in the Americas;
- ▶ launching scientific collaboration programs with certain American universities;
- ▶ building up a diversified portfolio of genetic resources* that are adapted to local climate conditions;
- ▶ and running, right from the start, its own sales network in the main zones of American production. The acquisition by LCS of the assets of Genesis Seed Research, BSF AG Research and Trigen, and the take-over of the company Trio Research, all contribute to the successful achievement of this strategy.

South America

In this zone, Vilmorin has laid the foundations for its future development by signing a joint venture agreement (50/50) with the company DonMario Semillas, which is among the top Argentinian seeds companies. Founded in 1983, with sales of more than 50 million Euros, DonMario Semillas holds solid competitive positions in the markets for wheat, corn and soybean in Argentina. The company also has locations in Brazil and Uruguay.

This alliance, which concerns wheat seed, will help us to distribute new varieties resulting from the combination of the genetic resources* and technologies of the two companies both to Argentina (the No. 1 producer of wheat in South America) and more widely throughout this continent.

The agreement also allows for the international distribution of products developed by this joint venture.

Financial and legal information /58	Being a vilmorin shareholder /50	Development and responsibility /38	Strategy / 28	Activities /16	Key figures /12	Governance /06
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COMBINING DEVELOPMENT AND RESPONSIBILITY

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Mastering innovation and sharing access to knowledge

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Developing business while limiting its impact on the environment

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Anticipating by assessing and limiting risks

COMBINING DEVELOPMENT AND RESPONSIBILITY

Vilmorin's ambition is to pursue its expansion and consolidate its performances in order to reinforce its position as the fourth largest seeds company in the world. Its development strategy is conducted respecting five main responsibilities regarding research and innovation, management, social and economic contribution, respect for the environment and risk management.

Mastering innovation and sharing access to knowledge

Through its continuous efforts in research and innovation, Vilmorin creates a continuing flow of new, better performing plants while respecting mankind and the environment.

● **BENEFITING FROM PLANT BIOTECHNOLOGY* WITHIN THE FRAMEWORK OF THE MOST STRINGENT LEGISLATION**

As part of its research activities, Vilmorin utilizes biotechnology* to support work in breeding*. Transgenesis*, used to create genetically modified plants, is one of the techniques used to develop new varieties when all other so-called conventional possibilities have been explored. It is part of the continual progress being made in plant breeding* techniques, and is used to develop more and more sophisticated plants, as close as possible to market expectations.

All this research work, whether performed in a laboratory or an open field, is governed by European and international legislation and regulations. Thus in the European Union, which has some of the strictest legislation in the world, authorization is only granted after deliberation by independent expert committees certifying that the use of the technologies are without risk for health

or the environment. Once these authorizations have been granted, the crops are subject to strict environmental and sanitary monitoring.

● **SHARING ACCESS TO KNOWLEDGE FOR GREATER BIODIVERSITY**

Genetic heritage* is one of the founding concepts in seed improvement and the lasting success of a company. Access to the widest possible genetic variability is vital for insuring globally that plant breeding can continue to progress.

In order to protect this heritage, each country is free to choose its own protection system, according to the two following principles:

The Proprietary Variety Protection Certificate (PVPC)

The PVPC is a title of intellectual property created at the convention of the International Union for the Protection of New Varieties of Plants (UPOV). It applies specifically to plant breeding* and its objective is to encourage breeders to create new varieties while leaving access to genetic variability open.

In particular it protects the ownership, production and sale of the commercial variety for the duration of twenty-five years. However it integrates two fundamental elements:

- ▶ **The breeder's exemption:** a commercial variety protected by a PVPC can be used without financial compensation by another seed company in order to create a new variety with characteristics that are original and distinct from the original variety used.
- ▶ **The farmer's exemption:** in certain conditions and for certain crops, the PVPC authorizes the farmer to use a part of his harvest to re-sow in his own plots the following year.

Patents

Patents grant the seeds producer authorization for exclusive use of the invention for a limited number of years and on a defined geographical territory. In return, all information concerning this invention is made available to the general public.

The field of protection for patents covers the creation, ownership, production and distribution of the seeds. So any seeds producer wishing to use the patented variety must request authorization and pay for the right of use.

In Europe, a plant variety can only be protected by a PVPC. However certain governments such as the United States, Japan and Australia have authorized the system of double protection of varieties. Nevertheless, the coexistence and interaction of these two intellectual property systems do create difficulties and constitute a fundamental question which is still under debate in international organizations such as the ESA (European Seeds Association) and the ISF (International Seeds Federation).

● MOVING FORWARD WITH DISCUSSIONS ON REGULATIONS

Vilmorin is represented in the seeds federations and plays an active role in current exchanges, particularly those concerning access to patented material for use in plant breeding*. Its position, which is shared by other European seeds companies, is to defend the widest possible access to all existing genetic resources*, to promote the principle of the breeder's exemption in all protection systems, and where appropriate, to defend a system of double protection if it does not restrict access to existing genetic variability.

Vilmorin also participates actively in discussions on the use of plant biotechnology* for scientific research. It is involved in consultation committees that work with all those linked to the world of agriculture to investigate the impact on society of the development of biotechnology*.

The aim is to make information available to citizens so that they can form their own opinions, and at the same time, to promote the emergence of clearer, better balanced rules.

Promoting employee involvement

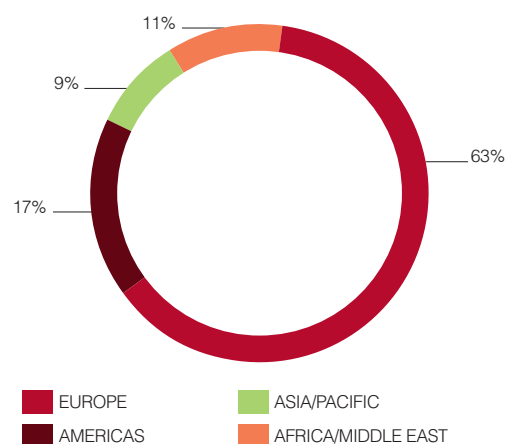
Vilmorin's development is reliant on the expertise and involvement of its employees. Human resource management must accompany growth, anticipate change and strengthen existing teams.

The main guiding principles of human resource management are defined by corporate management after examining the proposals and achievements of the human resource managers in the main companies in the group, who come together for corporate human resources committee meetings. Since Vilmorin has more than forty-five different nationalities, each operating company then applies these orientations while respecting its own legal and cultural specificities and corporate values; job motivation, mobility, sense of innovation, and team/corporate spirit.

PERMANENT STAFF: KEY FIGURES

	08-09	09-10
Divisions		
Vegetable seeds	2,368	2,560
Field seeds	1,565	1,730
Garden products	485	477
Holding	102	103
Geographical zones		
France	1,682	1,710
Non-France	2,838	3,160
Gender		
Men	2,886	3,093
Women	1,634	1,777
Categories		
Management	1,304	1,387
Non-Management	3,216	3,483

GEOGRAPHICAL ANALYSIS OF EMPLOYEES



ABSENTEEISM

Absenteeism is defined as being all the working days where staff are absent for reasons other than paid holidays, time in lieu, training courses and union representation. This rate was 6.7 days per employee in 2009-2010, down by 13%.

	08-09	09-10
Number of days of absenteeism	34,869	32,820
Sick leave	19,527	20,368
Maternity	8,020	7,004
Exceptional leave	1,743	714
Others, including work accidents	5,579	⁽¹⁾ 4,733
Number of days per employee	7.7	6.7

⁽¹⁾ Including 982 days for work accidents. Data unavailable for 2008-2009.

STAFF TURNOVER

367 employees left Vilmorin during fiscal year 2009-2010 representing a turnover rate of 7.5%, 30% of which involved resignations.

	08-09	09-10
Retired	81	66
Resigned	167	111
Discharged	161	⁽¹⁾ 127
Others	56	63
Total number of employees	465	367

⁽¹⁾ Including 11 discharged because of reorganization affecting the personnel, either because of a drop in activity or streamlining measures.

ADOPTING INTERNATIONAL CAREER MANAGEMENT

As a result of the increasing international dimension of Vilmorin and its organization, career management must take on a global dimension. The challenges are threefold: we must encourage the geographical and functional mobility of managers within the different companies, detect young talent and also anticipate the replacement of staff leaving for retirement.

Anticipating human resource needs

A structured talent management system was launched three years ago to anticipate human resource needs and identify the competences required to implement corporate strategy and rise to the economic challenges of tomorrow.

Deployment of this approach was pursued over fiscal year 2009-2010 with a target population comprising executives, managers and experts. Their competences, potential and professional orientation were all assessed and analyzed with the aim of setting up individual or collective development plans, in relation to Vilmorin's objectives.

This global approach is gradually being introduced to all Vilmorin's companies.

A pro-active international recruitment policy

Relations and communication with higher education are kept up by the main operating companies and business units in each country involved. During 2009-2010 Corporate Human Resources finalized the structuring of its recruitment approach: a list of correspondents responsible for relations with international schools and universities was drawn up, and communication tools were implemented.

At the same time a recruitment process has been initiated for "young sprouts" who join the company for a work placement or on an international volunteer program. This involves following their evolution more attentively with a view to recruiting them at a later stage.

PURSUING A DYNAMIC SOCIAL POLICY

Encouraging the employability of seniors

Bearing in mind the fact that professional careers will be getting longer, a new agreement was signed during fiscal year 2009-2010 concerning the employment of senior employees (as of forty-five years) in French companies. It involves accompanying all colleagues more actively during the second half of their professional lives, and encouraging the transmission of their know-how and experience to the following generation.

The object of this signed agreement is:

- ▶ to facilitate keeping senior employees in their jobs;
- ▶ to anticipate the evolution of professional careers;
- ▶ to ensure the transmission of know-how and competences, and to develop tutoring;
- ▶ to improve working conditions and prevent situations of physical or mental stress;
- ▶ to adapt the final years in a career and accompany the transition from work to retirement.

Several measures have been defined, including a mid-career interview to discuss employment perspectives, support and training initiatives, organize

an optional preventive medical examination and implement action plans in each company in order to improve the working conditions of senior employees.

At Vilmorin's initiative, this agreement, which will be applied throughout France, will also be sent out to non-French subsidiaries based abroad with the aim of encouraging them to adopt a certain number of these measures.

Profit-sharing and savings schemes: a proactive approach

Profit-sharing that goes beyond legal requirements, is applied in each company, and whatever the hierarchy or profession. They comprise a proportion based on the performances of the group and another based on those of the company. They are mainly calculated on the basis of operating income, adopted as the best indicator of performance.

This measure, which is of French origin, has been extended to companies outside France. Almost 2.6% of the payroll was thus devoted to profit-sharing in 2009-2010.

A corporate savings scheme, the operating costs of which are fully borne by the company, is available to all French employees. It is made up of two funds that are exclusively reserved for them and that involve investment profiles that combine security and performance. A third, shared return fund, was introduced in 2009. It comprises commercial papers from the Association du Développement de l'Initiative Économique (ADIE). ADIE is a state-approved public utility to help people who are unable to find a job or have a bank account to set up their own company and thus create their own job though microcredit.

EVOLUTION OF PROFIT-SHARING

Collective profit-sharing (in K€)	
07-08*	5,938
08-09	4,524
09-10	6,889

* Excluding Garden products division.

Developing skills

Nearly half the companies run training programs that go beyond legal requirements. 1.3 million Euros were spent on these programs in fiscal year 2009-2010, and 14,811 hours were devoted to the development of

employee skills. Other training schemes mainly involve adaptation to the workstation and the evolution or consolidation of the function held.

EVOLUTION OF TRAINING EXPENDITURE AND HOURS

	Training expenditure (in M€)	Training hours
07-08*	1.1	31,302
08-09	1.5	35,128
09-10	1.3	42,348

* Excluding Garden products division.

● ENCOURAGING SOCIAL DIALOGUE

Individualized accompaniment

It is estimated that 90% of employees have an annual individual interview with their line manager. Using guidelines set down by Corporate HR, this interview involves:

- ▶ drawing up an assessment of the previous year;
- ▶ assessing skills;
- ▶ defining training needs;
- ▶ deciding on individual objectives for the following year;
- ▶ and discussing the possible mobility (functional and geographical) of the employee.

A copy of the report of this interview is given to the company's Human Resources Manager, who will continue with the interview directly if the employee so requests. The Executive Managers and the Top Executives meet the Corporate Human Resources Manager on average once every two years.

A European works council

A European works council representing the different companies in Vilmorin meets twice a year to promote information for the employees in the group, and dialog between the group's management and employee representatives for group's European companies. During fiscal year 2009-2010, 44 agreements were negotiated, with 40 being signed, dealing mainly with salaries, profit sharing and working conditions.

Tools and events to encourage internal communication

Internal magazines and information letters are devoted to employees and contribute to creating communication channels with the employees, wherever they are located.

For example, Clause publishes three news bulletins every year on risk management with the aim of developing employee awareness of quality, safety and environment issues.

Different seminars and conventions are organized every year for the Top Executives, the Executive Managers, the sales and marketing teams and the researchers. They provide the opportunity to exchange experiences, with direct and privileged contact with the General Management of Vilmorin, and can contribute to performance assessment where certain employees stand out in terms of potential.

Intranet networks have also been developed in recent years, particularly in certain companies whose teams are scattered over several sites and countries. In this respect Limagrain Europe has designed a specific site to encourage better dissemination of news to employees.

One of the most recent Intranet networks has been set up for Vilmorin's international community of researchers, representing more than 1,200 employees. This system involves areas such as information exchange, best practices and project work.

Improving health and safety: prevention is the guiding principle

The risk management policy, described on page 75, has the specific objective of implementing standards in terms of health and safety for people which are applicable to all the Vilmorin sites.

Most companies also have internal committees or staff members responsible for insuring that the health and safety of employees are protected at their place of work. They set out reports and carry out analyses on work accidents, and propose and implement corrective measures.

Contributing to the development of the social and economic environment

● RESTORING THE STRATEGIC POSITION OF AGRICULTURE AND ESTABLISHING EFFICIENT WORLD REGULATION OF THE AGRICULTURAL SECTOR

As agricultural markets become more and more global, ever-greater economic and social pressure is being put on farmers. In order to guarantee food security for a world

population that will grow by 2 billion inhabitants by the year 2030, true regulation of this sector is indispensable. Its fundamental objective will be to succeed in limiting the volatility of food commodity prices generated by the deregulation of the markets and excessive speculation. It is within this context that for several years Vilmorin has been actively supporting initiatives that attempt to control and restrict the volatility of agricultural prices. And one such example is Vilmorin's support for momagri, movement for a world organization of agriculture.

Founded in 2005 at the initiative of French farmers, momagri's objective is to promote this regulation of agricultural markets by creating new evaluation tools and by drawing up proposals for an agricultural and international food policy. Bringing together figures from agriculture, humanitarian bodies, health, defense and business, momagri cooperates with a variety of international bodies, think tanks* and agricultural organizations in different countries.

In order to disseminate its proposals, momagri relies on two structures:

- A think tank*, which was created in 2005: this is a lobbying group that determines its actions and proposals mainly on the basis of a novel economic model. This model, for the first time, describes the specific nature of the agricultural sector and the close correlation between the liberalization of agricultural exchanges and the increased volatility of prices. It is now fully recognized by academics internationally, by politicians (European Parliament) and within international organizations (IMF and FAO).
- An agricultural rating agency, set up in 2009 and which is growing in international scope through the entry of non-European shareholders. Using the premises of momagri's economic model, it develops indicators and technical analyses to assess agricultural policies and practices. Its first indicators will be made public at the end of the year 2010.

Thanks to these reliable and updated technical analyses, whose independence will be guaranteed by a scientific council, agricultural policies will be more efficient, not only from an economic, but also from a food security point of view.

● TARGETED INITIATIVES TO SUPPORT SOCIAL AND HUMANITARIAN PROJECTS

Vilmorin's companies regularly participate in different social and humanitarian projects, playing a positive role in the development of their social environment. For example, the following projects were run in fiscal 2009-2010:

Hazera: social reintegration through agriculture

In 2009 Hazera launched a social reintegration program for young people in difficulty. The vocation of this project, called "Kedma Youth Village", and run in conjunction with several Israeli agricultural companies, is to familiarize youngsters aged 13 to 18 with the different professions involved in farming. They grow their own fruit and vegetables in ecological greenhouses, and then through classes in marketing and management they learn how to sell their own produce. This program helps these teenagers develop into responsible citizens, aware of how important it is to develop agriculture for the generations of today and the future.

Participation of the company Harris Moran in the race "The Relay for Life" in the United States

For several years now our company Harris Moran has been supporting "The American Cancer Society". A team of employees is involved in different projects (raffle, on-line gifts, selling products, etc.) all year long to collect funds which are then used in the fight against cancer. Once a year the Harris Moran team, which has adopted the name "Seeds of Hope", participates in the "The Relay for Life" race, running in a relay for 24 hours.

In 2009-2010, the 30 company volunteers were thus able to bring in more than 10,000 dollars of donations.

Developing business while limiting its impact on the environment

● PRESERVING THE ENVIRONMENT THROUGH THE DEVELOPMENT OF MORE SOPHISTICATED SEEDS

For several years, Vilmorin has been developing vegetable and field seed varieties that are resistant to different forms of pathogens*. These resistances, integrated using conventional plant breeding* or transgenesis*, can allow for significant reductions in the consumption of fertilizers and agrochemical products in the field. Pelletting* commercial seeds with protection products also contributes to minimizing treatment throughout the lifespan of the plant.

Furthermore, genetically modified plants contribute significantly to diminishing the impact of agricultural production on the environment. Their use means that there is less spraying of chemical products, growing practices become more friendly, and water consumption

is limited by developing varieties that are resistant to hydric stress.

● CONTRIBUTING TO ENRICHING BIODIVERSITY

With more than one hundred new varieties registered every year, a genetic heritage* of more than 10,000 plant varieties collected over the past 260 years, and 2,000 varieties proposed in its commercial line-ups, Vilmorin makes an active contribution to the conservation of biodiversity.

● LIMITING IMPACT ON THE ENVIRONMENT

Consumption of resources

- **Water:** given the modest surface areas cultivated, in all just over 3,000 hectares for research and a little over 71,000 hectares for seed production throughout the world, Vilmorin consumes very little water. Consumption was estimated to be around 1 million m³ in 2009-2010. The main sources of consumption are for sanitary purposes and irrigation. An indication of the vigilance applied is that several companies have set up specific irrigation systems, such as drip irrigation in order to control and limit the quantity of water used.
- **Energy:** even though it consumes relatively little energy (just over 42 Gwh for fiscal year 2009-2010), Vilmorin regularly invests in measures to limit its consumption. An example from the field seeds activity is that the heat from the combustion of corncobs (the central part that holds the grain) is used to dry humid corn just after harvesting.
- **Fuel:** consumption is very low and represents a minor environmental impact for Vilmorin.

Air, water and soil pollution

Since the surface areas used by Vilmorin are limited, pollution levels generated are relatively low. Most of the production sites are owned by Vilmorin, and they are carefully monitored and serviced.

- **Air:** dust generated during seed processing is the main source of any pollution. To limit such releases into the air most of Vilmorin's companies have installed systems to filter and capture this dust.
- **Water :** research activities are organized to limit as much as possible any discharge into water. In the greenhouses, for example, all the fertilizer-based solutions are recycled and flow through a closed circuit. All the more recent stations recycle their wastewater, using wastewater recovery stations.
- **Soil :** the spreading of fertilizers on commercial seed crops, and the agrochemical treatments used, can

be a source of soil pollution. Different preventive and corrective actions are taken, including the strict respect of certified products and recommended dosages.

Moreover, several of Vilmorin's companies have initiated biological fight* methods in the greenhouses, leading to a spectacular reduction in the number of sprays. Finally, the development of varieties resistant to insects and viruses, and with fewer needs for fertilizer for growing, means that fewer chemical products are required.

Recycling waste

Waste generated by Vilmorin mainly concerns plant matter, treated seeds or non-hazardous industrial waste. Vilmorin's activity generates very little hazardous waste.

The majority of Vilmorin's companies are careful to recycle as much of their waste as possible, estimated to be more than 12,000 tons for the year 2009-2010. As far as possible, plant waste is used as compost or animal feed. For example Vilmorin SA recycles 80% of its waste as compost.

With regard to other forms of waste (packing materials, paper, cardboard, plastics), they are selectively sorted in most cases. On several of Vilmorin's sites, this adapted sorting is accompanied by specific communication (specific sorting instructions, notices in display areas, etc.) and monthly monitoring in some cases, in order to track the evolution of the tonnage of ultimate waste and the quantity of usable waste.

Moreover most of our companies have abandoned rock wool for their research in greenhouses, and have generally adopted liners made of coco fiber, a substrate which can be recycled, and which is therefore more ecological.

Anticipating by assessing and limiting risks

With vigilance and rigor at all times, Vilmorin assesses as accurately as possible all the risks that might affect its business, and takes suitable measures to control them. A global risk management program was initiated during fiscal year 2007-2008, and developed further during subsequent fiscal years, with the aim of strengthening the existing system and harmonizing minimum safety and prevention standards applicable to all the sites in the world.

● GRADUALLY REINFORCING INTERNAL CONTROL OF RISK MANAGEMENT

Working through a dedicated team

A team dedicated to risk management was formed in 2009. It comprises:

- ▶ a global risk management steering committee. This committee is in charge of determining risk management orientations, validating methodologies and work and control plans, and reporting to Vilmorin's Executive Committee and to the Board of Directors;
- ▶ an operating coordination committee which, in liaison with dedicated working groups, is in charge of dealing with and controlling risks, defining minimum standards to be respected for each theme identified, and making sure they are applied.

Overall risk management organization is placed under the direct responsibility of the Chief Financial Officer, who is also a member of Vilmorin's Executive Committee. It also reports regularly to the Vilmorin Audit and Risk Management Committee.

Listing all the risks

With the support of a consultant, in order to guarantee a methodical approach and independent analysis, in 2009 Vilmorin mapped all the risks to set down an exhaustive list of potential risks in order of importance. These risks were then weighted using criteria of frequency, occurrence and impact. In the spring of 2010 a summary of this work was presented to the Audit and Risk Management Committee, with identification of the priorities to deal with risks concerning research and intellectual property. The situation concerning these risks will be presented during the course of fiscal year 2010-2011.

Enriching the risk management manual

The main areas adopted as being strategic are the safety of persons and property, the GMO* environment and the protection of intellectual property. They have been defined and presented in a risk management reference manual, which was disseminated to the companies in the group during the year, with the following standards set:

The same level of health, safety and respect for everyone throughout the world

The standards laid down concern both the safety and health of the personnel, but also security at the different sites and the protection of property.

Examples of standards:

- ▶ One person at each site is responsible for safety issues.
- ▶ An annual risk prevention plan for each workstation in terms of safety has been implemented for each site, regularly involving more than thirty employees.
- ▶ Each workstation is assessed for risks in terms of hygiene and safety.
- ▶ All the premises are non-smoking.
- ▶ A policy has been adopted to fight against any discrimination in terms of employment and facilitating access to the workstations.
- ▶ It is forbidden to employ children under sixteen.

Strict procedures to preserve varietal purity

Vilmorin creates, produces and sells both conventional and genetically modified plants. On top of local regulatory obligations, very strict procedures have been set up in order to preserve the varietal purity of crops, and cater for the coexistence of different crops. These procedures specifically concern the minimum distance for isolation between plots, technical operations in the field and in the factory, and traceability procedures.

Examples of standards:

- ▶ All seeds that come in from outside are inspected and analyzed before they are used for breeding* or production programs. Results of analyses must comply with the internal specifications in force.
- ▶ Traceability is ensured throughout the process from growing in the fields right up processing in the factory.
- ▶ All seed deliveries are inspected and recorded. This information is preserved in order to ensure there is traceability.
- ▶ Production contracts with partners are written taking into account specific internal conditions with the aim of guaranteeing the required quality for the production.

Reinforced protection of intellectual property

The objective of the standards laid down is to ensure that the systematic protection of plant creations is scrupulously enforced, and that all the intellectual property created by Vilmorin is respected, and also that of third parties.

Examples of standards:

- ▶ Each company is to set up an "Intellectual Property Committee" in order to validate the coherence of its intellectual property practices with those defined by Vilmorin.

- ▶ The contract of employment for every employee taken on to work in Vilmorin's companies contains clauses dealing with intellectual property.
- ▶ Employees working in research and breeding* are trained in intellectual property and the preservation of legal security in their company and in Vilmorin.
- ▶ Companies must respect valid third party intellectual property rights, particularly in terms of access and usage.

These first three themes will be completed during fiscal year 2010-2011 by information systems security and dealing with environmental risks.

Other rules will progressively be added to this reference manual as a result of the risk mapping analysis. At a later stage it is planned to strengthen the standards. This approach will thus represent a tool for continuous progress.

Continuing progress approach

Following the dissemination of the manual, the first five audits were conducted during fiscal year 2009-2010 in companies that have seed production units. The audits, central to the system and run by specifically trained auditors, will include assessments in the field, an analysis of discrepancies, and written reports.

● ASSESSING RISKS AND TAKING SUITABLE MEASURES TO CONTROL THEM

At the same time as this fundamental approach, Vilmorin has identified risks that could affect its activity and taken measures to reduce them. You will find below the risks specifically linked to its business activities.

All the risks are presented in detail in the Chairman's report on the functioning of the Board of Directors and on internal control, on Page 74 of this document.

Risks with regard to research

Vilmorin's international activities and the challenges that lie ahead with regard to access to germplasm* and brand reputation mean that there is a real risk of counterfeit varieties appearing on the market.

The means adopted to protect these assets consist in particular in developing:

- ▶ physical security of the installations, the genetic material, and the know-how (fencing, access restriction, duplication of sources, etc.);
- ▶ protection of secrets and know-how;
- ▶ a suitable intellectual protection policy;

- bodies that reflect on the relevance of orientations adopted with regard to the competition, market expectations and scientific evolution.

If, even in spite of the implementation of these means, property infringement is noted, Vilmorin has three ways available to defend itself, depending on the circumstances:

- A legal approach through intellectual property. The Proprietary Variety Protection Certificate (PVPC), in particular the breeder's exemption, is a way of limiting counterfeit, since it authorizes another breeder to use a commercial variety to create a new variety, with original characteristics that are distinct from the first, before it can be freely exploited.
- A technical approach using molecular marking*. This tool is used to look at the genome* of a competing variety for any similarities with a variety from Vilmorin's research programs.
- A regulatory approach through the registration of varieties in official French and European Catalogs. This helps to ensure marketing protection and to restrict the abusive use of varieties and their commercial name.
With the rise of infringement, European seeds companies are working through the ESA (European Seeds Association) to promote a professional approach to establish a guide of good practices. With this guide it will be possible to restrict the abusive use of germplasm*, brands, packaging and logos.

Risks with regard to seed production

The production plan, a vital aspect in the appropriate supply of markets and also control over inventory levels

With several factors taken into account (market needs, the life span of each variety, figures concerning the previous harvest, production zone, etc.), the production plan conditions the appropriate supply of markets and also control over inventory levels.

The production plan involves several different players. It is coordinated by the production managers, and confirmed by the General Management in each company.

Climate and weather risks: diversifying production zones

The varied international locations of production areas, and research locations, make it possible to share out and limit the inherent risks of meteorological uncertainty. In terms of production, this diversification of sites throughout the world is also a prerequisite because of the highly seasonal nature of the business, and the specific needs of the different species and variations in demand.

There are about twenty production basins spread out over all 5 continents to ensure seed production.

Risks regarding suppliers: lasting relations based on predefined pricing systems

To produce its seeds, Vilmorin makes use of an international network of seed multiplication farmers* rigorously selected with a view to medium, or indeed long-term partnerships. The specifications accompanying the contract that binds Vilmorin to its network of seed multiplication farmers* defines all the conditions and objectives laid down for production: surface area for production, quality, the schedule of operations required, the standard of inputs to be used, etc. It also defines the purchasing price of the seed with fixed or variable parameters, which are not structurally indexed on the evolution of the prices of agricultural raw materials.

Monitoring and control of the application of the contract are run by the agronomic department in each company. Through the contract system set up, Vilmorin retains control over its seeds, and remains totally independent economically.

Risks involved in processing

Processing stages

Being able to guarantee the quality of seeds is crucial since any claims could have really unwelcome financial consequences. Indeed, the claims lodged by the professional clientele would involve not so much a reimbursement of the value of the seeds, but more the global value of the expected harvest. In order to avoid such a scenario, the seed quality is controlled throughout the processing stages, from the time the product arrives until it is distributed.

Approved installations

With regard to approved installations, all Vilmorin's businesses, wherever they are located in the world, rigorously respect regulations. For example, Vilmorin's activity at its site in La Ménitré (Anjou-France) is subject to approval in several areas, including the storage of combustible materials in covered warehouses, since their volume is greater than 50,000 m³.

Distribution risks

Risks regarding clientele: a wide portfolio of customers

Vilmorin is not globally confronted with excessive concentration of customers that might lead to a sudden drop in business. Moreover the risks of failing to recover customer debts are moderate in most distribution areas. Vilmorin's subsidiaries provide suitable solutions according to their particular business, and the country they operate from.

EVOLUTION OF THE WEIGHT OF THE MAIN CUSTOMERS IN THE GROUP'S SALES (AS A % OF CONSOLIDATED SALES)

	07-08*	08-09	09-10
Weight of the top five customers	3,2	4,2	3,3
Weight of the top ten customers	4,9	6,7	5,7

* Excluding Garden products division.

Political risks: caution in the choice of locations

Any possible political risks are taken into account in investment decisions and in the location of industrial, technological and commercial assets. In spite of the context of international tension in recent years, particularly in the Middle East and in certain Asian countries, Vilmorin has not been affected economically in its international business.

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BEING A VILMORIN SHAREHOLDER

Vilmorin on the stock market

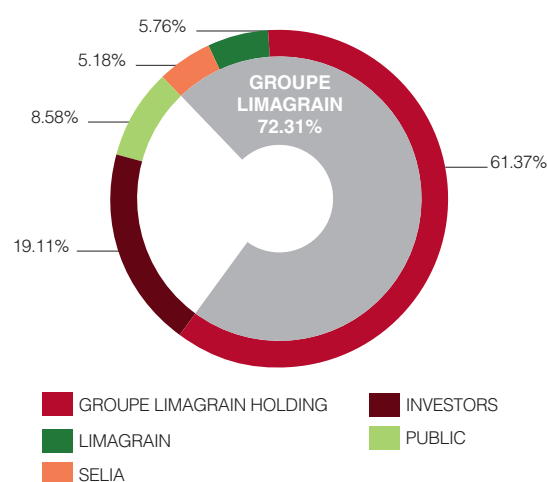
● THE CAPITAL STOCK AND THE SHAREHOLDERS

Capital stock

Following the increase in the capital stock made in April 2010, on June 30th 2010, the capital stock was 262,576,040.25 Euros, divided into 17,218,101 nominally fully paid up shares of 15.25 Euros.

Limagrain is Vilmorin's reference shareholder and directly or indirectly holds 72.31% of its capital stock.

ANALYSIS OF THE CAPITAL STOCK ON JUNE 30TH 2010



Sources : Euroclear and internal

ANALYSIS OF THE CAPITAL STOCK AND VOTING RIGHTS ON JUNE 30TH 2010

	Single vote shares	Double vote shares	% of stock	Total number of votes	% of the total number of votes
Groupe Limagrain Holding	6,947,195	3,620,016	61.37	14,187,227	62.70
Limagrain	100,514	891,603	5.76	1,883,720	8.33
Sélia	-	892,503	5.18	1,785,006	7.89
Treasury	219	-	-	-	-
Directors	18	9	-	27	-
Public	4,760,786	5,238	27.69	4,771,271	21.09
Total	11,808,732	5,409,369	100	22,627,251	100

- **Stock and voting rights held by the different administrative and management structures:** not significant.
- **Stock and voting rights held by the employees, directly or indirectly:** not significant.
- **Declaration of shareholder agreements:** within the framework of the intervention of the Strategic Investment Fund (SIF) in the equity of Groupe Limagrain Holding (GLH), Coopérative Limagrain, the SIF and GLH came to a shareholder's agreement on March 2010 in the capital of the companies GLH and Vilmorin.

- **Collective commitment to preserve shares:** a shareholder recorded two collective commitments to preserve shares on October 15th and 22nd 2009 in compliance with article 885 I bis of the French Tax Code. These collective commitments were signed for the duration of two years from the date of their registration. They are renewable by tacit agreement for an indefinite duration. On the date they were signed, the commitments concerned 2,715,003 shares, representing 20.3% of the financial rights and 28.7% of the voting rights. Two riders to these commitments will be recorded during fiscal year 2010-2011 in order

to take account of the increase in the capital stock made on April 15th 2010.

- **Potential capital stock:** Vilmorin diversified the nature of its resources by issuing a debenture loan at the end of fiscal year 2007-2008, with an option to convert and/or exchange the bonds into new or existing shares, with a total value of 150 million Euros (refer to Note 22.2.2 of the consolidated financial statements).
- **Non-issued authorized stock:** none, as no commitment to raise the stock had been made.
- **Shares non-representative of the stock:** none.
- **Stock options:** none.

Notification of crossing the threshold

Any physical or moral person, acting alone or with others, who goes above, or back under, the threshold of 3% of the capital stock or voting rights or any multiple of this percentage, is required to inform the company (decision of the General Meeting of July 22nd 1993). The conditions under which the Company should be informed are laid down in article 12 of the by-laws.

If such conditions are not respected, any shares above this threshold and which should have been declared, are deprived of voting rights under conditions laid down by the law, if one or several holders of shares to the value of 5% or more of the capital stock so request in the minutes of the General Meeting.

At the same time, and with the aim of monitoring the composition of its shareholders, the company is authorized to make full use of legal recommendations for the identification of holders of shares which grant immediate or subsequent voting rights in its shareholders' meetings.

At the time of the intervention of the Strategic Investment Fund (SIF) in the equity of Groupe Limagrain Holding (GLH) during the course of fiscal year 2009-2010, the Caisse des Dépôts et Consignations (CDC) informed Vilmorin of the crossing of the threshold, both above and then below, indirectly through the SIF and CDC Entreprises Valeurs Moyennes (CDC EM) over which it has control according to the terms of article L.233-3 of the French Commercial Code.

● VILMORIN SHARE

Share data sheet

- **Date of introduction to the second market of the Paris stock exchange:** November 3rd 1993.
- **Place of quotation:** Euronext Paris. Compartment A, eligible for SRD (Deferred Settlement Order) since February 26th 2008.
- **Euronext indices:** Next 150, CACMid 100, SBF 250, SBF 80.
- **ISIN code:** FR 0000052516 (RIN).
- **Eligible for PEA.**
- **ICB nomenclature sector:** "Farming & Fishing".
- **Number of shares:** 17,218,101.
- **Close of the fiscal year on June 30th.**

Servicing of the shares

Vilmorin has mandated BNP Paribas Securities Services for its financial servicing. For the servicing of the shares, please contact:

BNP Paribas Securities Services

Les Grands Moulins de Pantin
9, rue du Débarcadère - F-93761 Pantin Cedex

Tel:

For French shareholders: 0826 109 119

For other shareholders: +33 (0)1 55 77 40 57

Fax: +33 (0)1 55 77 34 17

This service is available every working day from 8.45 am until 6 pm.

Management and liquidity of the shares

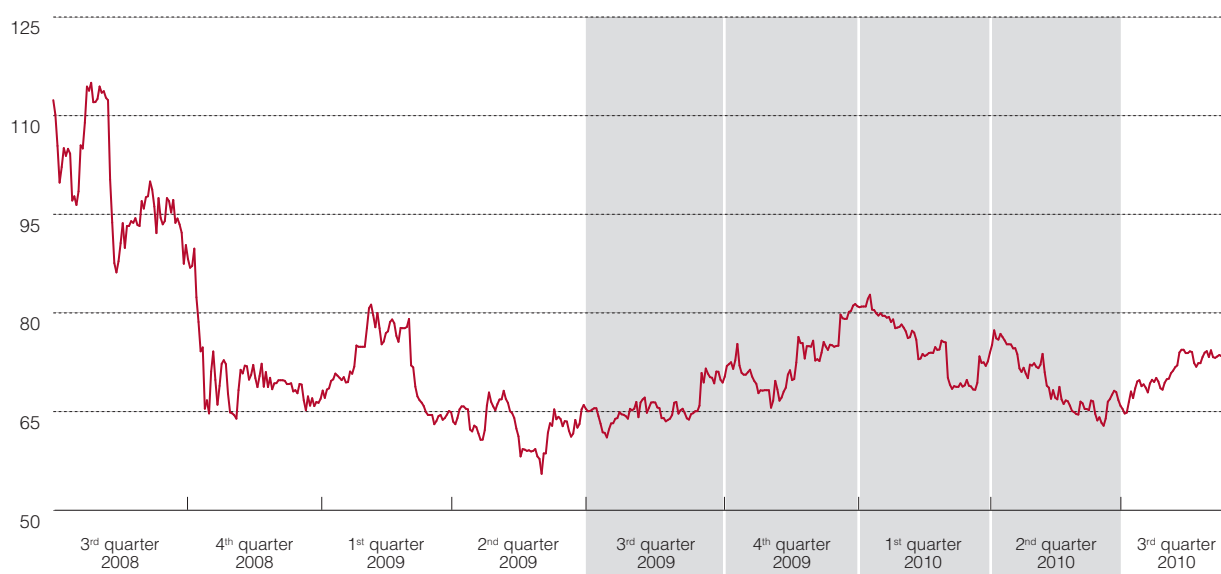
On February 26th 2010 Vilmorin terminated its liquidity contract with Oddo Corporate Finance.

As of March 1st 2010 and for a period of 12 months renewable by tacit agreement, Vilmorin has entrusted the running of its liquidity contract to Natixis Securities. This company complies with the AMAFI deontology charter of September 20th 2008, approved by the AMF (authority governing the French stock markets) on October 1st 2008.

Assets that appear on the liquidity account:

- At the beginning of the contract:
 - number of shares: 7,989
 - in cash: 114,530.95 Euros
- On June 30th 2010:
 - number of shares: 219
 - in cash: 628,725.13 Euros

EVOLUTION OF THE QUOTED PRICE OF VILMORIN'S SHARES (IN EUROS)



Source: Euronext

● DIVIDENDS OVER THE LAST FIVE FISCAL YEARS AND DISTRIBUTION POLICY

With comparable economic and financial conditions, Vilmorin will do all it can to maintain its profit distribution policy along the lines of previous years. The net dividend per share proposed to the Annual General Meeting of December 17th 2010 is 1.41 Euro.

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Number of shares receiving dividend	13,388,283	13,391,857	13,384,191	13,387,796	⁽¹⁾ 17,218,101
Net dividend (Euros)	1.62	1.66	1.66	1.77	1.41

⁽¹⁾ The number of treasury shares at the date the dividend is paid out should be deducted from this figure.

Dividends claim limit

The legal limit of five years from the date they are payable. After this date, unclaimed dividends are paid to the State by the company.

Tax regulations

► **French residents:** dividends received are liable to income tax in the category of stock revenue. Taxation is applied as follows:

- general allowance of 40% on the amount of the dividends received,
- annual fixed and overall allowance of between 1,525 Euros (single) and 3,050 Euros (couple),
- taxation in accordance with the progressive rate of income tax,

- a tax credit of 50% deducted from taxes, and for which the maximum amount is 115 Euros (single) or 230 Euros (couple).

Since January 1st 2008 it is now possible to opt for a reduced levy of 18% at source on total gross dividends (this option is only of interest to those receiving a high dividend – more than 40,000 Euros for a married taxpayer). The dividends are also subject, whatever their fiscal status, to a welfare tax contribution of 12.1% on their gross value, deducted at source by the paying establishment.

- **Non French residents:** dividends received by non-resident shareholders have tax withheld at source, the rate of which varies according to local tax conventions signed by France. The maximum internal rate is 25%. Generally speaking, the taxes are deducted by the financial intermediaries. Taxes are withheld in France and usable in principle for a tax credit in the country of residence.

Informing and exchanging

Since its introduction to the stock market in 1993, Vilmorin has done all it can to be as precise, reliable and transparent as possible on its strategy and development perspectives, taking the expectations of its different financial partners into consideration.

All information disclosed by Vilmorin is available electronically on its website (www.vilmorin.info) or upon request from the Corporate Finance Department.

● PUBLICATIONS AVAILABLE TO ALL THE FINANCIAL COMMUNITY

Every year Vilmorin publishes several tools for the purpose of the company's shareholders and the financial community in general.

Annual report

The annual report is available both in French and in English on Vilmorin's website, and in printed form in French. It is updated at the time of the disclosure of the half-yearly financial statements.

The website

All the information published by Vilmorin is accessible on its website: www.vilmorin.info. The site was completely revamped at the beginning of fiscal year 2010-2011 with the objective of making it easier to follow and improving access to information. Apart from all the regulatory financial information, there are three areas of interest respectively for analysts/investors, journalists and individual shareholders so they can find the information that is of interest to them in particular. This information concerns, for example, a presentation of the company, regulatory information, financial analyses, evolution of the share value, financial presentations, press files, letters to the shareholders, etc.

The site can also be consulted in English.

● RELATIONS WITH INDIVIDUAL SHAREHOLDERS

Vilmorin is concerned to maintain a healthy balance between private and institutional shareholders.

For this purpose the company takes specific action in favor of individual shareholders. On June 30th 2010, the total of individual shareholders of either nominative or bearer shares stood at more than 7,000.

Letters to the shareholders

The letter to the shareholders is printed in several thousand copies, in French. During the course of fiscal year 2009-2010, three letters were published, including an issue with a more pedagogical vocation, providing information on plant biotechnology* and genetically modified plants, and a special issue devoted to the increase in capital stock.

A fourth letter will be published during fiscal year 2010-2011 with a report on the Annual General Meeting.

The shareholder's guide

Every year Vilmorin publishes a shareholder's guide in French with a format and summarized content better adapted to individual shareholders. It is handed out at the Annual General Meeting and at other shareholders' meetings.

Active membership of the FFCI (French Federation of Investment Clubs)

Vilmorin joined the FFCI in 2005 and participates in shareholders' meetings organized by the Federation. The company also distributes its letters to other shareholders attending these meetings.

Shareholders' meetings

In 2009-2010 Vilmorin participated in the shareholders' meeting in Annecy organized by the Journal des Finances and ran an informational meeting at the Actionaria Fair.

Actionaria Fair

Vilmorin, a faithful participant in the Actionaria Fair in Paris, was present for the fifth consecutive year at this two-day event in November 2009, with very fruitful results both in terms of participation and the quality of the contacts.

It is an important event in the company's communication strategy with regard to individual shareholders, and Vilmorin's management and financial communication team were all present. Altogether 150 people attended the informational meeting on the company and the round table devoted to Midcaps companies, with the participation of Vilmorin.

This year an expert was present at the stand for half a day to answer questions concerning GMOs*.

The company will be present once again for the 2010 fair.

Implementation of the Consultative Committee for Shareholders

The Consultative Committee for Shareholders was formed in the spring of 2010 with the objective of contributing to the development strategy for individual shareholders, understanding shareholder expectations better and improving on financial communication. It will convene three times per year and the letter to the shareholders, the shareholder's guide, the Annual General Meeting, the website and presentations to individual shareholders will be among the topics examined.

Its members were selected on the basis of application files by two of Vilmorin's Directors, the Chief Financial Officer and the Financial Communication Officer.

The Committee comprises:

- five individual shareholders representing the shareholders:

Arnaud BUNEL,
Michel CHIRON,
Caroline MEIGNEN,
Viviane NEITER,
Louis REYNAL DE SAINT MICHEL,

- and two Directors from Vilmorin:

Philippe AYMARD,
François HEYRAUD.



From left to right:
Michel CHIRON, Philippe AYMARD, François HEYRAUD, Caroline MEIGNEN,
Louis REYNAL DE SAINT MICHEL, Viviane NEITER, Arnaud BUNEL.

It is managed by:

- Vilmorin's Chief Financial Officer:

Daniel JACQUEMOND,

- the Financial communication team:

Claire PLANCHE, Financial Communication and Investor Relations Officer, and

Claire-Marie SONNIER, Financial Communication Assistant.

The first meeting of the Consultative Committee for Shareholders was held on June 2nd 2010. A presentation of the members and of Vilmorin and the first exchanges on the financial communication tools were on the agenda for this first meeting.

To write to the Consultative Committee for Shareholders

Vilmorin & Cie
Consultative Committee for Shareholder
BP 1
63720 CHAPPES
France

● RELATIONS WITH ANALYSTS, INSTITUTIONAL INVESTORS AND THE PRESS

In 2009-2010, seven financial analysts followed the share price: CM-CIC Securities, Crédit Agricole Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Natixis, Oddo Midcap and Portzamparc.

Société Générale and Goldman Sachs are responsible for share coverage starting in fiscal year 2010-2011.

Informational meetings and site visits

Seven informational meetings held for investors, analysts and journalists were organized in 2009-2010 concurrently with the disclosure of financial information. Vilmorin also organized three visits to industrial sites in France (Vilmorin SA in Angers and Clause in Valence) and Turkey (Vilmorin Anadolu, a subsidiary of Vilmorin SA).

Meetings with investors

During the course of the fiscal year 2009-2010 Vilmorin participated in fifteen meetings with investors and analysts in the form of conferences or road-shows, including more than a third outside France (New York, London, Geneva, etc.).

Press files and theme kits

The press file for journalists is regularly updated for the company's main disclosures. It is periodically supplemented with theme kits on topics chosen and dealt with in accordance with journalists' expectations and the latest news at Vilmorin: biotechnology*, the Chinese market, innovations in vegetable seeds are a few examples.

● SCHEDULED AGENDA FOR 2010-2011 (SUBJECT TO MODIFICATIONS)

- ▶ **November 9th 2010:** Disclosure of sales for the first quarter*
- ▶ **November 19th and 20th 2010:** Actionaria Fair at the Palais des Congrès in Paris
- ▶ **December 17th 2010:** Annual General Meeting of the Shareholders in Paris
- ▶ **December 28th 2010:** Payment of the dividend
- ▶ **February 8th 2011:** Disclosure of sales for the first semester*
- ▶ **February 23rd 2011:** Disclosure of results for the first semester*
- ▶ **May 9th 2011:** Disclosure of sales at the end of the third quarter*
- ▶ **August 3rd 2011:** Disclosure of sales for the year*

* Disclosure after the end of trading at the Paris Bourse.

● CONTACTS

Daniel JACQUEMOND, Chief Financial Officer
Claire PLANCHE, Financial Communication and Investor Relations Officer

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Fax: +33 (0)4 73 63 41 80

E-mail: daniel.jacquemond@vilmorin.info
 claire.planche@vilmorin.info

Participating in General Meetings

● INVITATIONS TO NOMINATIVE SHAREHOLDERS TO ATTEND

The shareholders who have held their nominative shares for at least one month at the time the meeting is published, are convened to any General Meeting by ordinary letter, or for any shareholder who so wishes, by registered letter at his or her own expense.

Invitations to attend can also be sent by electronic mail if the shareholder has opted for this form of communication in accordance with conditions laid down in article R. 225-63 of the French Commercial Code.

● CONDITIONS OF ATTENDANCE

Any shareholder can attend General Meetings, whether personally or by proxy, in the conditions laid down by law, upon justification of his or her identity and ownership of the shares, either by nominative registration, or by registration of the certificate of the authorized intermediary, at one of the places indicated in the invitation to attend, in accordance with regulations in force, stating that the bearer shares registered up until the date of the Meeting are not available to be shown; the period during which these formalities must be accomplished expires on the third working day before the date of the General Meeting at midnight, Paris time.

The General Meeting can be attended by all the shareholders whatever the number of shares they hold, on condition they are fully paid up.

Any shareholder can also participate in General Meetings by means of a videoconference or by any other means of telecommunications fixed by laws and regulations, and which are stipulated in the invitation to attend the General Meeting.

● VOTING RIGHTS ACCOMPANYING THE SHARES

In all the Meetings, provided all laws and decrees are respected, each member attending the meeting has the same number of votes as the number of shares he holds or represents, without any limits.

Nevertheless, double voting rights compared to other shares, in proportion to the stock they represent, are granted to any shares fully paid up and held nominatively for four years at least with the same shareholder's name (decision of the General Meeting of July 22nd 1993).

This right is also granted, as soon as they are issued in the case of an increase in stock through incorporation of the reserves, profits or issue premiums, to nominative shares allocated free of charge to a shareholder by virtue of former shares which provide this right.

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FINANCIAL AND LEGAL INFORMATION

Legal information

● INFORMATION OF A GENERAL NATURE

Name, head office and administrative offices

Name:

Vilmorin & Cie.

Head Office:

4 quai de la Mégisserie - 75001 Paris - France.

Administrative offices:

BP 1 - 63720 Chappes - France.

Jurisdiction

French jurisdiction

Legal status

Vilmorin & Cie is a "société anonyme" (limited liability company) with a Board of Directors, and is governed by Book II of the French Commercial Code.

Date of creation, and duration of the company

The Company was created on March 2nd 1990 under the name of SSBP (Société de Services de la Branche Potagères & Fleurs); this name has been since changed as follows:

- ▶ Modification of name to Ceres (EGM June 27th 1990).
- ▶ Modification of name to Vilmorin & Cie (EGM June 29th 1993).
- ▶ Modification of name to Vilmorin Clause & Cie (EGM December 9th 1997).

- ▶ Modification of management system (EGM March 16th 1998), to adopt the system of Board of Directors, replacing the Board of Management and Board of Trustees.
- ▶ Modification of the by-laws in compliance with the French law of January 15th 2001 governing new economic regulations (EGM December 3rd 2002).
- ▶ Modification of name to Vilmorin & Cie (EGM July 3rd 2006).
- ▶ Modification of the by-laws (EGM December 11th 2008).
- ▶ The duration of the company is 99 years, unless it is extended or cut short by an Extraordinary General Meeting of the shareholders.

Object of the company

Under the terms of article 2 of the by-laws, the object of Vilmorin & Cie is:

- ▶ to acquire a stake, and to participate in any company in which it thinks it may have an interest;
- ▶ to make rational and profitable use of the resources pooled by its subsidiaries and to take any civil or commercial measures for this purpose;
- ▶ to co-ordinate and develop the activity of its subsidiaries by setting up missions to provide them with monitoring and control;
- ▶ to provide its subsidiaries, or any other persons, with the means to improve their management, reduce their overheads and facilitate the distribution of their products;
- ▶ to carry out research on the subject of plants and all processes that can be applied to plant improvement and the development of new varieties;

- ▶ to exploit and sell any knowledge thus acquired, any patents, and any new plant varieties, in whatever form, directly or indirectly, or by granting a license for use or any other form;
- ▶ to acquire stakes in whatever form, interest and participation in any company, group or enterprise, whether French or of another nationality, which has a similar object or that is liable to help it develop its own business.

In order to attain these corporate objectives, the company can:

- ▶ create, acquire/sell exchange, rent or let out, with or without a promise of sale, manage and run, directly or indirectly, any industrial or commercial establishment, any factory, any site or premises whatsoever, any furniture or equipment;
- ▶ obtain or acquire any patent, license, process and trademark, exploit them, create or contribute or grant any license to manufacture or produce in any country;
- ▶ and generally, to carry out any operation of a commercial, industrial, financial nature, or regarding moving or fixed assets, that may be useful, whether directly or indirectly, to the corporate object, or contribute to its achievement.

It may act, directly or indirectly, on its own behalf or on behalf of a third party, and either alone or in association, as a shareholder, or as a company, with any other company, or physical or moral entity, and proceed with

operations that comply with its object, either directly or indirectly, whether in France or in another country, and in whatever form.

Company Trade Register

The Company is registered on the Paris Company Trade Register under number 377 913 728.

N° SIRET: 377 913 728 00020.

N° SIREN: 377 913 728.

N° APE: 7010 Z (Activity of head offices).

Fiscal year

The fiscal year is for twelve months, running from July 1st until June 30th of the following year.

Place where documents concerning the company may be consulted

The legal documents concerning Vilmorin & Cie (by-laws, minutes of Annual General Meetings, Statutory Auditors' reports and any documents available to shareholders) can be consulted at the head office of the company, 4, quai de la Mégisserie - F-75001 Paris. Moreover, this information and certain historical financial information concerning regulatory information is available on the Vilmorin website (www.vilmorin.info) in the section Publications.

All litigation to be referred to

Tribunal de Commerce de Paris.

● INFORMATION CONCERNING THE STOCK

Evolution of the capital stock

Decision and date	Nature of the stock increase	Nominal amount and premium per share	Stock raised to	Total number of shares
03.02.90	Creation of company 2,500 shares issued	FRF 100	FRF 250,000	2,500
06.29.93	3,820,000 shares issued to pay for a partial contribution of assets from Groupe Limagrain Holding	FRF 100	FRF 382,250,000	3,822,500
06.29.93	Equivalent of 1,817,500 shares issued in cash reserved for Groupe Limagrain Holding	FRF 100	FRF 564,000,000	5,640,000
10.04.93	Transfer of shares at nominal price of FRF 100 to shares at FRF 300	FRF 300	FRF 564,000,000	1,880,000
12.17.93	166,700 shares issued reserved for Crédit Lyonnais	FRF 300 + Premium of FRF 6	FRF 614,010,000	2,046,700
11.26.96	921,015 shares issued with stock warrants	FRF 300 + Premium of FRF 170	FRF 890,314,500	2,967,715
11.96 – 06.30.97	177 warrants exchanged corresponding to 59 shares	FRF 300 + Premium of FRF 180	FRF 890,332,200	2,967,774
07.97 – 06.30.98	93 warrants exchanged corresponding to 31 shares	FRF 300 + Premium of FRF 180	FRF 890,341,500	2,967,805
07.98 – 06.30.99	927 warrants exchanged corresponding to 309 shares	FRF 300 + Premium of FRF 180	FRF 890,434,200	2,968,114,
07.99 – 06.30.00	336 warrants exchanged corresponding to 112 shares	FRF 300 + Premium of FRF 180	FRF 890,467,800	2,968,226
07.00 – 06.30.01	662,301 warrants exchanged corresponding to 220,767 shares Conversion of the nominal unit value to €45.75 using part of the legal reserves of FRF 319,944	FRF 300 + Premium of FRF 180 -	FRF 956,697,900 € 896,429,75	3,188,993 3,188,993
01.18.06	Division by 3 of the nominal value of the share from €45.75 to €15.25	15.25	No modification	9,566,979
07.03.06	3,824,878 shares issued to remunerate a partial contribution of assets made by the company Limagrain Agro-Industrie	15.25	€204,225,819.25	13,391,857
04.13.2010	Issue of 3,826,244 new shares with pre-emptive shareholder subscription rights	15.25	€262,576,040.25	17,218,101

Modifications occurring in the breakdown of the capital stock over the course of the last three fiscal years

	06.30.08			06.30.09			06.30.2010		
	Number of shares	% of stock	Voting rights	Number of shares	% of stock	Voting rights	Number of shares	% of stock	Voting rights
Groupe Limagrain Holding	7,455,304	55.67	58.93	7,786,304	58.14	60.69	10,567,211	61.37	62.70
Limagrain	891,603	6.66	9.49	891,603	6.66	9.49	992,117	5.76	8.33
Sélia	892,503	6.66	9.50	892,503	6.66	9.50	892,503	5.18	7.89
Treasury shares	5,404	0.04	-	7191	0.05	-	219	-	-
Public and various	4,147,043	30.97	22.08	3,814,256	28.49	20.32	4,766,051	27.69	21.09
Total	13,391,857	100.00	100.00	13,391,857	100.00	100.00	17,218,101	100.00	100.00

Financial authorizations granted by the Annual General Meeting of December 8th 2009

In order to provide Vilmorin with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 8th 2009 authorized the Board of Directors to issue, with a maximum nominal value of 250 million Euros:

- ▶ bonds or any other assimilated debt security, in one or several operations, either in France or in another country, with or without public issue;
- ▶ shares/securities that can be used, either immediately or subsequently, to increase stock; these securities may be issued alone, or else combined with bonds or other assimilated debt securities.

During fiscal 2009-2010, the second delegation was applied.

The Board of Directors will request new financial delegations at the Annual General Meeting of December 17th 2010

● INFORMATION CONCERNING THE RATE ON THE STOCK MARKET AND MANAGEMENT OF THE SHARES

Interventions of the company with regard to its own shares

The Annual General Meeting of December 8th 2009, deliberating on the provisions of articles 241-1 to 241-8 of the General Regulations of the Autorité des Marchés Financiers and the European Regulations n° 2273/2003, which came into force on December 22nd 2003, granted the Board of Directors the powers to intervene by purchasing or selling its own shares on the stock market at a maximum price of 150 Euros per share, with the number of shares thus acquired being limited to a ceiling of 1,000,000 shares, representing a maximum potential commitment of 150 million Euros.

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

During the fiscal year ending June 30th 2010, the company conducted, either directly or indirectly, the following operations:

- ▶ number of shares purchased = 150,776;
- ▶ average purchasing price = 73.54 Euros;
- ▶ number of shares sold = 157,748;
- ▶ average selling price = 73.31 Euros;
- ▶ number of treasury shares held on June 30th 2010: 219 corresponding to less than 0.1% of the stock, at a purchasing value of 14,647.73 Euros, which is an average unit price of 66.88 Euros.

It is proposed to the Annual General Meeting of December 17th 2010 to authorize the Board of Directors, for a maximum period of 12 months, to buy or to sell treasury shares in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, with the aim of:

- ▶ ensuring the liquidity of transactions and managing the share market through an investment service provider acting independently through a liquidity contract in accordance with applicable regulations;
- ▶ handing over shares when rights are exercised to convert securities that give access in any way, both immediately or at a future date, to company shares;
- ▶ preserving and handing over shares for the purpose of exchange or payment within the context of an external growth operation, and in compliance with generally accepted market practices and regulations in force;
- ▶ exercising any other practice which might be accepted or recognized by the Autorité des Marchés Financiers or any other objective that complies with regulations in force.

These operations will be carried out in compliance with regulations in force and in the following conditions:

- ▶ the maximum purchasing price is fixed at 150 Euros per share;
- ▶ the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 150 million Euros.

* Prospectus of December 9th 2009 registered with the AMF.

Share scorecard report

	07-08	08-09	08-09
Daily average of transactions			
number of shares	17,013	17,046	15,600
thousands of Euros	1,825.41	1,434.02	1,141.90
Maxima and minima			
highest rate in Euros	134.00	123.50	88.60
lowest rate in Euros	81.25	59.50	63.00
Closing rate of the fiscal year in Euros	119.81	69.63	68.19
Net yield per share % ⁽¹⁾	1.68	1.39	2.54

⁽¹⁾ Net dividend distributed in year N, in proportion to the final rate for year N-1.
Source: NYSE Euronext

Quantities exchanged and evolution of values over the last 18 months

Year	Month	Number of shares exchanged	Stock exchanged (M€)	Highest recorded rate (€)	Lowest recorded rate (€)
2009	April	313,541	21,493	73.00	64.98
	May	572,701	36,850	73.30	59.50
	June	352,297	23,874	71.20	62.70
	July	162,178	11,179	71.50	65.30
	August	220,571	15,460	72.25	66.72
	September	356,050	26,315	78.41	68.00
	October	445,606	33,566	81.90	69.70
	November	222,064	17,216	81.90	70.00
	December	246,972	20,779	87.42	77.90
2010	January	166,293	14,156	88.60	80.89
	February	230,573	17,935	83.00	73.88
	March	831,705	59,683	77.71	67.92
	April	345,343	25,115	77.75	70.10
	May	383,810	25,917	74.74	63.80
	June	397,997	26,148	68.70	63.00
	July	174,949	12,185	72.14	66.75
	August	180,403	13,314	74.96	71.80
	September	232,389	17,880	79.54	73.30

● FURTHER INFORMATION

Investment policy and ownership of fixed assets

Each fiscal year, as part of its budgetary procedures and in reference to its medium term plan, Vilmorin fixes its investment expenditure shared out between the different operating business units.

Thus for fiscal 2009-2010, tangible investments stood at 41.4 million Euros. Depending on each case, and the operating business unit involved, these investments are funded either by bank loans or by cash.

More generally, Vilmorin's investment policy favors holding assets that are directly linked to the business activity; consequently Vilmorin does not own any significant fixed assets that are not directly linked to its business operations. Finally, it is to be stressed that currently Vilmorin has not embarked on any pluri-annual investment program significantly different to investments made in previous fiscal years.

Reference shareholders

Groupe Limagrain, through the companies Limagrain and its subsidiaries Groupe Limagrain Holding and Selia, is Vilmorin's reference shareholder, holding 72.3% of the capital stock (refer to the chapter "How the Board of Directors operates", page 10).

Apart from shares that benefit through the by-laws from double voting rights (nominally registered and held for more than four years), Groupe Limagrain does not hold any security with any particular rights.

Important contracts outside normal business arrangements

Vilmorin runs its business through a large number of suppliers and a diversified customer base.

For its field seeds activities in North America, Vilmorin takes out pluri-annual licenses for the use of technologies included in the sale of genetically modified seeds. With the exception of these pluri-annual contractual relations, for which Vilmorin has alternative solutions if necessary, no contract outside normal business arrangements has been identified as being so important that it is liable to have a significant and recurring impact on its financial profile.

Functioning of the Administration and Management bodies

Corporate governance

In compliance with its commitments, Vilmorin has adopted a governance system that integrates an independent director with reference in particular to the suggestions of the AFEP/MEDEF report of October 2003 and the recommendation of the European Commission of February 15th 2005.

Information on the Audit Committees and the remuneration committees

During 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 responsible in particular for insuring that financial information respects the elaboration process, that the risk management systems are efficient and that the Statutory Auditors and other external auditors control the financial statements in compliance with the law.

Vilmorin does not currently have a remuneration committee.

Information on the subsidiaries

NAME	COUNTRY	HEAD OFFICE	N° siren
Holdings			
CYLONIE RE	Luxembourg	19, rue de Bitbourg - L 1273 - Luxembourg - HAMM	
GEMSTAR	France	5, rue Saint-Germain l'Auxerrois - 75001 PARIS	513 533 612
LIMAGRAIN GENETICS INC	Canada	Centre CDP Capital - 1001 Victoria Square - Bloc E - 8 th Floor - Montreal (H2Z 2B7)	
MIKADO SEED HOLDING K.K.	Japan	1203 Hoshiguki-Cho, Chuo-Ku Chiba-Shi	
VCC JAPAN	Japan	15-13 Nampeidaicho SHIBUYA-KU TOKYO	
VCC SEEDS ISRAEL LTD	Israel	c/o Schwartz, Duvdevany, Lerner - CPA - 76 Herzl Street - HAIFA	
VILMORIN & Cie	France	4, Quai de la Mégisserie - 75001 PARIS	377 913 728
VILMORIN 1742	France	6, Quai de la Mégisserie - 75001 PARIS	504 933 953
VILMORIN HONG-KONG LTD	China	Level 28, Three Pacific Place, 1 Queen's Road East - Hong-Kong	
VILMORIN LUXEMBOURG SA	Luxembourg	11, avenue Emile Reuter - L 2420 Luxembourg	
VILMORIN USA CORP	United States	2711 Centerville Road - Suite 400 - Wilmington (19808) Delaware	
Field seeds			
BIOGEMMA	France	1, rue Edouard Colonne - 75001 Paris	412 514 366
BIOGEMMA UK LTD	United Kingdom	Science Park - 200 Milton Road - CAMBRIDGE CB4 0GZ	
BIOGEMMA USA CORP	United States	Corporation Service Company - 2711 Centerville Road, Suite 400 - Wilmington 19808 - Delaware	
GENOPLANTE-VALOR SAS	France	523, Place des Terrasses - 91034 EVRY	439 202 821
Limagrain Europe			
BELGIAN SEEDS COMPANY AGRO	Belgium	Karrewegstraat 138, 9800 Deinze	
CERES NEDERLAND BV	Belgium	Tinstraat 4, 4823 AA Breda	
CLOVIS MATTON	Belgium	5, rue du Quai, 8581 Avelgem-Kerkhove	
DE WULF & CO	Belgium	58, rue de la Gare, 7780 Comines	
EURODUR	France	Loudes - 11400 CASTELNAUDARY	338 982 614
GIE SEMENCES DE BRIE	France	RD 402 - 77390 CHAUMES EN BRIE	388 147 845
LIMAGRAIN A/S	Denmark	Marsalle III - 8700 HORSSENS	
LIMAGRAIN BELGIUM BVBA	Belgium	Esperantolaan 12 BUS B13 B 3300 Tienen	
LIMAGRAIN CENTRAL EUROPE	France	Biopôle Clermont-Limagne - 63360 SAINT BEAUZIRE	438 205 320
LIMAGRAIN CENTRAL EUROPE CEREALS SRO	Czech Republic	Sazecska 8 - 108 25 Prague 10 Malesice	
LIMAGRAIN DOO BEOGRAD	Serbia	Bulevar Oslobođenja 127 - NOVIA SAD (21000)	
LIMAGRAIN EUROPE	France	Ferme de l'Etang, BP3 - 77390 VERNEUIL L'ETANG	542 009 824
LIMAGRAIN GmbH	Germany	2 Am Griewenkamp - EDEMISSEN - D 31234	
LIMAGRAIN IBERICA	Spain	Ctra Pamplona - Huesca Km 12 - ELORZ- Navarra 31470	
LIMAGRAIN ITALIA SPA	Italy	Via Frescarolo, 115 - BUSSETO PR 43011	
LIMAGRAIN MAGYARORSZAG KFT	Hungary	Gyar Ut.2, PF 325 - BUDAÖRS H 2040	
LIMAGRAIN MOLDOVA SRL	Moldavia	Bd. Stefan Cel Mare 162 - CHISINAU 2004	

% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD	Equity before results in K€	Permanent headcount on 06.30.10	Book value of shares on June 30 th 2010 in K€		Sales of goods in K€	Net income for the fiscal year in K€
					Gross	Net		
100.00	99.99	GI	17,949		22,004	22,004		1,281
99.68	99.68	GI	37		37	37		- 2
100.00	100.00	IG	31,404	1	40,100	40,100		434
64.73	64.73	GI	2,270		3,771	3,771		60
100.00	100.00	GI	- 132		424	424		- 166
100.00	100.00	GI	- 264	1	0	0		62
100.00	100.00	GI	628,536	92				34,160
100.00	100.00	GI	1,448	9	2,000	920	1,343	- 564
72.50	72.50	GI	39,392		29,000	29,000		128
99.99	99.99	GI	22,054		22,642	22,642		- 7
100.00	100.00	GI	93,831		139,155	139,155		3,704
55.01	55.01	GI	48,461	80	30,800	30,800		1,809
100.00	55.01	GI	1,170		16,892	3,188		- 340
100.00	55.01	GI	1		1	1		- 1
33.33	29.33	EM	1,782		2,031	1,755		31
100.00	79.96	GI	4,536		7,500	7,500		- 11
100.00	79.96	GI	120		131	131	403	- 23
100.00	79.96	GI	2,545	42	4,700	4,700	13,751	513
100.00	79.96	GI	260		122	122	1,118	- 40
47.45	37.94	IP	7,283	5	4,541	4,541		- 99
50.00	39.98	IP	331	14	191	191		- 7
100.00	79.96	GI	1,826	3	4,600	4,600	12,890	779
100.00	79.96	GI	238	11	19	19	6,443	- 834
99.99	79.95	GI	3,493	99	6,500	6,500	42,302	3,216
100.00	79.96	GI	1,979	34	2,399	2,399	1,184	1,049
100.00	79.96	GI	306	5	341	341	1,431	- 177
79.96	79.96	GI	257,444	416	241,195	241,195	179,093	900
100.00	79.96	GI	6,863	107	12,049	9,345	28,985	593
100.00	79.96	GI	11,403	83	10,651	10,651	20,458	104
100.00	79.96	GI	2,434	27	12,063	1,739	9,778	- 695
100.00	79.95	GI	716		435	435		- 14
100.00	79.96	GI	350	6	349	349	2,740	232

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NAME	COUNTRY	HEAD OFFICE	N° siren
LIMAGRAIN NEDERLAND BV	Netherlands	Van der Haveweg 2 - 4411RB RILLAND	
LIMAGRAIN NEDERLAND HOLDING BV	Netherlands	Van der Haveweg 2 - 4411RB RILLAND	
LIMAGRAIN ROMANIA SA	Romania	Soseaua Bucuresti Ploiesti KM15.2, Orasul Otopeni - JUDETUL ILFOV 8244	
LIMAGRAIN RU	Russia	Odesskaya street 41/43, room 1 - 350020 KRASNODAR	
LIMAGRAIN TOHUM ISLAH VE URETIM SANAYI TICARET AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 - Kozyatagi-Erenkoy ISTANBUL 34742	
LIMAGRAIN UK LTD	United Kingdom	Market Rasen - LN7 6DT ROTHWELL- Lincolnshire	
LIMAGRAIN UKRAINE T.O.V.	Ukraine	Pavlivska 10 street off. 7 - 01054 KIEV	
NICKERSON INTERNATIONAL RESEARCH	France	Rue Limagrain - 63720 CHAPPEES	388 170 938
NICKERSON SUGAR BEET SEED LTD	United Kingdom	Market Rasen - LN7 6DT ROTHWELL- Lincolnshire	
SEEDLINE	Belgium	5, rue du Quai, 8581 Avelgem-Kerkhove	
SOLTIS	France	Domaine de Sandreau - 31700 MONDONVILLE - BLAGNAC	420 327 231
UNISIGMA GIE	France	2, rue Petit Sorri - 60480 FROISSY	317 760 668
AgReliant			
AGRELIANT GENETICS LLC	United States	1122 E 169 th Street - WESTFIELD, IN 46074	
AGRELIANT INC	Canada	Concession n° 4 - Dover Township - PAIN COURT - Ontario NOP IZO	
Limagrain Cereal Seeds			
AUSTRALIAN GRAIN TECHNOLOGIES PTY LTD	Australia	University of Adelaide - Waite campus building 4B - 5064 URRBRAE S.A.	
INVESTIGACION TRIGO	Argentina	Lavalle 1527, 11 th floor - Office 44 - Buenos Aires	
LIMAGRAIN CEREAL SEEDS LLC	United States	Corporation Service Company - 2711 Centerville Road, Suite 400 - Wilmington 19808 - Delaware	
TRIO RESEARCH INC	United States	6414 N Sheridan Street - KS 67204 Wichita - Kansas	
Limagrain South America			
LIMAGRAIN SOUTH AMERICA	Argentina	Calle Esmeralda 130 4to piso - Buenos Aires	
Limagrain Asia			
ATASH SEEDS PRIVATE LTD	India	Discoverer 9 th floor - International Tech Park - Whitefield Road - 560066 Bangalore	
CHANGSA XINDAXIN VILMORIN AGRI-BUSINESS CO LTD	China	9 th /F Xindaxin Building n° 168 Huangxing Middle Road Changsha (410005) Hunan	
YUAN LONGPING HIGH-TECH AGRICULTURAL COMPANY LTD	China	Agriculture Hi-Tech Park, Mapoling, Second Yuanda Road, Furong district, Changsha	
Vegetable seeds			
BIO SEEDS	Netherlands	Blaak 31 - 3011GA ROTTERDAM	
Mikado Kyowa Seed			
DALIAN MIKADO INTERNATIONAL SEED CO LTD	China	Room 2702, Liangjiu International Building, Dalian, 116011	
MIKADO KYOWA K.K.	Japan	15-13 Nanpeidai-Shibuya-Ku 150-0036 TOKYO	

% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD	Equity before results in K€	Permanent headcount on 06.30.10	Book value of shares on June 30 th 2010 in K€		Sales of goods in K€	Net income for the fiscal year in K€
					Gross	Net		
100.00	79.96	GI	23,883	109	20,931	20,931	19,995	300
100.00	79.96	GI	54,811		126,015	63,649		324
97.14	77.67	GI	- 241		340	3		32
100.00	79.96	GI	8	6	7	7		56
67.00	53.57	GI	17,740	44	7,900	7,900	26,170	7,966
100.00	79.96	GI	20,820	173	22,776	22,776	30,262	- 92
100.00	79.96	GI	- 59	12	8	8	2,443	170
100.00	79.96	GI	14,795		100	100		1,841
100.00	79.96	GI	372		1	1	1,108	82
100.00	79.96	GI	63	4	225	225		11
50.00	39.98	PI	11,119	14	6,995	6,995		2,844
46.00	36.78	EM	239		379	379		- 140
50.00	50.00	PI	60,744	702			285,287	21,643
50.00	50.00	PI	11,451	43	6,791	6,791	15,168	862
32.77	32.77	EM	3,210		8,021	8,021		- 1,461
50.00	50.00	PI	219	3	571	571		- 8
65.00	65.00	GI	16,299					- 528
100.00	65.00	GI	124		611	611		
100.00	100.00	GI	378		3,764	3,764		- 419
61.26	61.26	GI	6,008	77	5,808	5,808	2,597	- 465
46.50	33.71	PI	25,063	4	27,857	27,857		229
21.21	7.15	EM	9,724		11,582	11,582		3,777
25.00	25.00	EM	3,250		1,094	1,094		2,379
80.00	48.36	GI	551	13	229	229	1,499	98
69.27	60.45	GI	25,234	138	12,803	12,803	71,049	2,202

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NAME	COUNTRY	HEAD OFFICE	N° siren
Vilmorin SA			
ANADOLU TOHUM URETIM VE PAZARLAMA ANONIM SIRKETI	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 - Pendik ISTANBUL 34903	
VILMORIN ATLAS	Morocco	158, boulevard Abdellah Ben Yacine 20300 CASABLANCA	
VILMORIN DO BRASIL COMMERCIO DE SEMENTES LTDA	Brazil	Rua Maria Monteiro, 830, 2 nd andar, sala 21 Campinas, Estado de Sao Paulo, 13025-151 CAMBUI - 151 CAMPINAS/SP	
VILMORIN IBERICA SA	Spain	Calle Joaquim Orozco 17 - 03006 ALICANTE	
VILMORIN INC	United States	2551 North Dragon 85745 TUCSON Arizona	
VILMORIN ITALIA SRL	Italy	Center Gross CP 97 - Blocco 22 Via dei Notai 123, 40050 FUNO	
VILMORIN SA	France	Route du Manoir - 49250 LA MENITRE	562 050 864
HM-Clause			
ALLIANCE SEMILLAS DE ARGENTINA	Argentina	Cochrane 2848 CP 1419 Capital federal BUENOS AIRES	
ALLIANCE SEMILLAS SA	Chile	Casa Matriz - Hundaya 27 - Oficina 201 - Las Condas SANTIAGO	
CEEKAY SEEDS & SEEDLINGS PVT LTD	India	59/1, 8 th Main, Radhakrishna Layout Padmanabha Nagar 560070 Bangalore - Karnataka	
CLAUSE	France	Rue Louis Saillant - 26800 PORTES LES VALENCE	435 480 546
CLAUSE (THAILAND) LTD	Thailand	11 th Floor, Panjabhum Building 127 South Sathorn Road, Tungmahamek 10120 SATHORN BANGKOK	
CLAUSE BRASIL COMMERCIO DE SEMENTES LTDA	Brazil	Rua Miguel Penteado n°138 Jardim Chapado CEP 13070118 CAMPESINAS SP	
CLAUSE INDIA PRIVATE LTD	India	6-1-20/2, Walker Town - 500025 New Bhoiguda SECUNDERABAD	
CLAUSE ITALIA	Italy	Via Emilia 11 - Venaria Real (10078)	
CLAUSE MAGHREB EURL	Algeria	Villa n°192 - Quartier Amara 2 - Lotissement Alioua Fodhil - Chéraga	
CLAUSE POLSKA	Poland	Al. Jerozolimskie 56c, 00-803 WARSZAWA	
CLAUSE SPAIN SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera Almería (04745)	A-46032158
HARRIS MORAN SEED COMPANY	United States	555, Codoni avenue - 95352 MODESTO (Californie)	
HENDERSON SEED GROUP TRADING AS CLAUSE PACIFIC	Australia	165, Templestowe - Road Lower Templestowe - 3105 BULLEEN Victoria	
ICA SEEDS SAC	Peru	Fundo la Vina S/N Caserio La Poruma ICA	
LEAFYCO	United States	21866 Rosehart Way - 93908-9736 Salinas - Californie	
MESA MAIZE	United States	1857 J 6/10 Rd, CO 81521 Fruita, Mesa County	
PLANT DEVELOPMENT AUSTRALIA	Australia	165, Templestowe Road - TEMPLESTOWE LOWER, VIC 3107	
PT CLAUSE INDONESIA	Indonesia	Ruko Bumi Prayadan Permai Block B-6 - Mertoyudan 56172 MAGELANG JAWA TENGAH	
SEMILLAS HARRIS MORAN MEXICANA	Mexico	Blvd. V. Carranza 2378-A Mexicali, BV MEXICO CP	
SU TARIM TURIZM INSAAT TAAHHUT SANAYI VE TICARET ANONIM SIRKETI	Turkey	Ali Cetinkaya Caddesi No : 125/7 07300 Antalya	

% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD	Equity before results in K€	Permanent headcount on 06.30.10	Book value of shares on June 30 th 2010 in K€		Sales of goods in K€	Net income for the fiscal year in K€
					Gross	Net		
100.00	99.95	GI	11,373	67	7,683	7,683	15,126	1,175
70.00	69.97	GI	86	6	128	128	1,566	70
100.00	99.95	GI	- 161	12	18	18	1,520	476
99.91	99.86	GI	1,151	31	714	714	7,721	1,328
100.00	100.00	GI	3,307	29	2,879	2,879	6,016	613
100.00	99.95	GI	67	23	64	64	11,190	1,146
99.95	99.95	GI	62,414	381	55,695	55,695	68,912	14,866
100.00	100.00	GI	725	14	839	839	2,690	176
51.00	51.00	GI	1,709	16	506	506	2,619	25
100.00	99.97	GI	- 62		1,791	0		- 54
99.97	99.97	GI	42,044	492	50,194	50,194	123,638	29,018
100.00	99.97	GI	1,086	48	1,300	1,300	164	- 361
100.00	99.97	GI	1,656	18	36	36	9,916	1,964
100.00	99.97	GI	14	89	10	10	3,378	146
100.00	99.97	GI	1,861	36	1,438	1,438	23,394	750
100.00	99.97	GI	18	9	51	51	2,366	245
100.00	99.97	GI	- 46	14	1	1		- 276
100.00	99.97	GI	3,894	75	1,532	1,532	26,255	1,768
100.00	100.00	GI	47,871	269	30,291	30,291	70,726	5,806
100.00	99.97	GI	1,775	21	4,648	4,648	4,800	243
100.00	100.00	GI	- 106	13	210	210	1,401	336
100.00	100.00	GI	2,852	15	13,446	13,446	133	- 851
100.00	100.00	GI	3,200	10	4,592	4,592	459	188
100.00	99.97	GI	3,400		2,276	2,276		- 55
100.00	99.97	GI	203	28	299	299	386	47
100.00	100.00	GI	2,126	39	0	0	22,296	682
51.00	50.98	GI	1,526	26	4,863	4,863	1,511	- 198

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NAME	COUNTRY	HEAD OFFICE	N° siren
Hazera-Nickerson			
ASAMIA COLD STORAGE	Israel	DN Shikmim - BRURIM	
BIOTECH MAH MANAGEMENT	Israel	DN Shikmim - BRURIM	
HAZERA AGRICULTURE TECHNOLOGY AND SERVICES (BEIJING) CO	China	17 Jian Guo Men Wai St 28 th Floor, Suite 210 Chao Yan District - BEIJING	
HAZERA DO BRASIL COMMERCIO DE SEMENTES LTDA	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo	
HAZERA ESPANA 1990	Spain	c/o Landwell, Paseo de la Castellana - 53 MADRID	
HAZERA GENETICS	Israel	Brurim Farm MP - 79837 SHIKMIM	
HAZERA GENETIS MEXICO (2000) LTD	Israel	Brurim MP - 79837 SHIKMIM	
HAZERA HELLAS SEEDS & PLANT MATERIAL	Greece	Agamemnonos str. 51-53 Kallithea - 17675 Athens	
HAZERA HOLDING INTERNATIONAL BV	Israel	D.N. Shikmim - 79837 BRURIM	
HAZERA LTD	Mauritius	c/o Abacus Fin. Sces Ltd - TM Building - Pope Hennessy Street PORT LOUIS	
HAZERA SEEDS INC	United States	6601 Lyons Suite H 10 - Coconut Creek - (33073) FLORIDA	
HAZERA TOHUMCULUK VE TICARET AS	Turkey	Gencilik Mahalessi, Fevzi Cakmak Cad. 2 Mahmut Cil Apt n°75 D7 Antalaya (07100)	
NICKERSON ZWAAN BV	Netherlands	Schanseind 27 BP28 - 4921 PM MADE	
NICKERSON ZWAAN GMBH	Germany	2 Am Griewenkamp - D31234 EDEMISSEN	
NICKERSON ZWAAN LTD	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT ROTHWELL	
NICKERSON ZWAAN SA (PROPRIETARY) LTD	South Africa	319 Pine Avenue, Ferndale, 2125 RANDBURG	
NICKERSON ZWAAN SEEDS PRIVATE	India	312 Batarayanpura BB Road Opposite L&T Gate - 560092 BANGALORE	
NICKERSON ZWAAN SP ZO.O.	Poland	Ul. Gersona 8, - 03307 WARSZAWA	
NICKERSON ZWAAN UKRAINE	Ukraine	Professora Pidvysotstkogo Str.6-B non residential premises 3,4,5 - 01013 KIEV	
Garden products			
TOP GREEN SAS	France	ZA Les Pains - Les Alleuds BRISSAC QUINCE (49320)	432 004 679
Oxadis			
C.H. VAN DEN BERG BV	Netherlands	Nijverheidsweg 1 & 8A - Po Box 4 - 1693 AM WERVERSHOOF	
CNOS GARDEN SP ZO.O.	Poland	Ul Kopanina 28/32 - 60 951 POZNAN	
FLORA GEISSLER GmbH	Switzerland	Müliwisstrasse 212 - 5467 FISIBACH	
OXADIS	France	65, rue de Luzais - BP 37 38291 St QUENTIN FALLAVIER	959 503 111
Suttons			
SUTTONS SEEDS (HOLDING) LTD	United Kingdom	Woodview road - PAIGNTON - Devon - TQ4 7NG	

% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD	Equity before results in K€	Permanent headcount on 06.30.10	Book value of shares on June 30 th 2010 in K€		Sales of goods in K€	Net income for the fiscal year in K€
					Gross	Net		
100.00	100.00	GI	6		1	1		
50.00	50.00	PI	0		0	0		
100.00	100.00	GI	511	24	470	470		- 22
100.00	100.00	GI	- 67	7	238	238	1,421	- 263
100.00	100.00	GI	871	16	819	659	4,194	133
100.00	100.00	GI	95,876	319	83,523	83,523	51,832	5,631
100.00	100.00	GI	115		115	115		
100.00	100.00	GI	150	11	174	174	1,327	- 151
100.00	100.00	GI	- 792		19	19		3,576
100.00	100.00	GI	14		0	0		
100.00	100.00	GI	743	14	0	0	10,480	126
99.99	99.99	GI	154	13	123	123	3,114	- 45
100.00	100.00	GI	20,169	133	20,396	20,396	31,343	- 881
100.00	100.00	GI	790	20	127	127	6,167	271
100.00	100.00	GI	2,918	18	243	243	9,234	494
100.00	100.00	GI	534	18	717	717	2,937	294
100.00	100.00	GI	-3	0	4	4		3
100.00	100.00	GI	699	13	64	64	2,409	62
100.00	100.00	GI	- 48	10	8	8	1,188	105
33.33	33.33	EM	1,604		1,000	1,000		72
100.00	99.98	GI	- 172	20	243	0	6,270	- 193
100.00	99.98	GI	1,678	57	1,719	1,719	4,735	399
100.00	99.98	GI	28	9	346	0	2,513	- 142
99.98	99.98	GI	7,170	230	7,775	7,775	56,806	881
100.00	100.00	GI	3,066	161	5,445	5,445	22,425	331

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Chairman's report on the functioning of the Board of Directors and on 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 L.225-37 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 proposed to the Annual General Meeting of shareholders of December 12th 2007 to appoint Didier MIRATON as independent Director; this resolution was adopted.

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 validated during the course of this fiscal year.

However, your Board of Directors has not yet formally adopted a corporate governance code as a reference to define its own practices, because of the specific structure and organization of the governance of its reference shareholder.

Nevertheless 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 decided for the 3 next years to discuss internally 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 2009-2010 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 92%.

The duration laid down in the bylaws 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 4th 2010.

● 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.

During the fiscal year 2009-2010, an internal auditing charter was 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.

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. From now on, the global approach to risk management in Vilmorin is 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, in liaison with dedicated work groups, an 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. First level risk mapping was initiated during the course of fiscal year 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 sheets.

It is being used to program the internal audit for the fiscal year 2010-2011. A first study has already been initiated on the risks linked to research and intellectual property.

As the risk identification process was being developed, a first version of the risk management reference document was disseminated to all the subsidiaries, analyzing three domains as a priority: safety for persons and goods, the protection of intellectual property, and the co-existence of GMO crops. Two new topics on the environment and safety of information systems are in the process of finalization. This reference document was itself audited with regard to its application, and other such audits will be conducted during the course of the fiscal year 2010-2011.

Analysis of the main risks

During fiscal year 2009-2010 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 June 30th 2010, Vilmorin's bank debt of 445.1 million Euros mainly involved funding at variable rates. Outstanding forward exchange cover stood at 180 million Euros, 40% of the total.

In order to reinforce the structure of its bank debt, in July 2006 Vilmorin set up syndicated credit facilities of 300 million Euros over a duration of 5 years, in partnership with 13 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.

This credit agreement is in the process of being renewed. 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 Standards published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union on June 30th 2010.

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, internal auditing deployed internal control questionnaires with regard to the accounting and financial information. These 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 the fiscal year 2009-2010, no major anomaly has been highlighted.

In order to extend this approach, the methodology and the supporting questionnaires will be reviewed for the fiscal year 2010-2011. The aim of this review is to enrich the AMF questionnaire by adapting it to Vilmorin's organization, professions and environment.

Moreover, the self-assessment conducted by the subsidiaries will be completed using an evaluation based more on the work of external auditors and specific checks made by the Internal Auditing department.

● 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 2009-2010, he was assisted by a CEO, Mr. Adrian HUIGE.

The Chairman has the widest power 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 (meeting of December 11th 2008), 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 2009-2010 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 2010 to fix the directors' fees for fiscal year 2009-2010 at 20,000 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 should be 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 bylaws, 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 4th 2010.

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Report of the Board of Directors to the joint Annual General and Extraordinary Meeting december 17th 2010

To the Shareholders,

The present Annual General and Extraordinary Meeting was convened in accordance with the law and the bylaws of your company:

- ▶ to present and submit for your approval the annual financial statements for the fiscal year closing on June 30th 2010;
- ▶ to delegate to your Board of Directors the necessary powers to proceed with the purchase of your company's own shares and the issue of securities through a public issue with or without pre-emptive rights, according to the best possible market conditions;
- ▶ to proceed with the renewal of the terms of office of certain Directors.

Notice to attend has been sent to you regularly, and all the documents and relevant information have been made available under the conditions and deadlines stipulated according to the law.

● 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 2009-2010 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 37.3 million Euros in 2009-2010 as opposed to 34 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 39.2 million Euros, up 3.3 million Euros compared with 2008-2009.

The total amount of costs not deductible from taxable income amounted to 51,038 Euros for the fiscal year 2009-2010.

The operating income showed a loss of 0.6 million Euros.

The financial result showed a net income of 26.5 million Euros, down 9.9 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 40.4 million Euros, compared with 48.8 million Euros for the previous year.

It also includes a net allocation to financial provisions of 1.5 million Euros, and net exchange gains of change of 0.8 million Euros.

Finally, this financial result also includes 13.2 million Euros of net interest charges.

The extraordinary result showed a net income of 6.3 million Euros, compared with a net loss of 1.2 million Euros in 2008-2009; it includes capital gains from the sale of the minority stake 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 including Vilmorin, Clause SA, Oxadis SA Gemstar and Vilmorin 1742; for the fiscal year 2009-2010 a net income of 5.7 million Euros was recorded, including tax relief for research of 1.2 million Euros granted to the parent company.

As a result of the above-mentioned considerations, the net corporate income came to 32.7 million Euros on June 30th 2010.

After taking account of the capital stock increase made in April 2010, the capital stock stood at 262,576,040.25 Euros, corresponding to 17,218,101 shares with a nominal value of 15.25 Euros each.

On June 30th 2010 loans and financial debts showed a gross value of 557.2 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 52.2 million Euros.

Moreover Vilmorin granted Limagrain Europe SA (field seeds business in Europe) a medium-term loan of 14 million Euros for structural funding of the European assets of Advanta, acquired in 2005.

In order to strengthen the structure of its bank debts, in July 2006 Vilmorin set up syndicated credit of 300 million Euros for the duration of 5 years, in partnership with several banks.

After redemption of 20 million Euros from the amortizable loan, the authorized and confirmed credit line stood at 250 million Euros on June 30th 2010, of which 75 million Euros had not been used on this same date.

This credit and the evolution of its interest payments are accompanied by a commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial costs); on June 30th 2010, Vilmorin was totally on line with these commitments.

Consolidated financial statements

At the close of fiscal year 2009-2010, 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 2010.

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 standards IFRS 3 as revised and the standard IAS 27 as amended were applied for fiscal year 2009-2010. Moreover, with respect to the new standard IFRS 8, Vilmorin can confirm its operating segments as previously determined.

The main changes in consolidation scope come from the acquisition of the companies Clovis Matton (Field seeds. Belgium) in August 2009, Atash Seeds (Field seeds. India), Su Tarim (Vegetable seeds. Turkey) in December 2009 and Mesa Maize (Vegetable seeds. United States) in May 2010, all consolidated by global integration.

Furthermore, during this fiscal year Vilmorin succeeded its development plans in field seeds in South America through the creation of Limagrain South America, and its international wheat projects, as a priority in North America, through the creation of Limagrain Cereal Seeds and the signing of a strategic alliance with the American biotechnology company Arcadia Biosciences.

Consolidated sales for the fiscal year 2009-2010, and corresponding to revenue from ordinary activities, stood at 1,063.8 million Euros, up 6.2% with current data. Restated like for like (currency translations and changes in scope) sales progressed by 4.6% compared with the previous fiscal year.

Restated for inventory write-off and depreciation, gross margin after cost of sales stood at 45.5%, slightly higher than 2008-2009.

Net operating charges stood at 386.4 million Euros, an increase of 41.4 million Euros compared with June 30th 2009.

It should be noted that, respecting its strategic orientations, Vilmorin intensified its research programs both in conventional plant breeding and biotechnology. Total research investment stood at 137 million Euros as opposed to 120.6 million Euros in 2008-2009 and now represents 15.4% of sales of seeds intended for professional markets.

Tax relief for research, recorded as a deduction from research and development costs, came to 23.1 million Euros as opposed to 21.9 million Euros for the previous fiscal year.

The operating charges take into account items of an extraordinary nature concerning impairment on brands, industrial reorganization cost and the sale of assets for a total, this fiscal year, of 12.1 million Euros, compared to an income of 0.6 million Euros the previous fiscal year.

Thus the consolidated operating income stood at 97.1 million Euros, a decrease of 10.8 million Euros compared with the previous year, showing an operating margin of 9.1%.

The financial result shows a net charge of 12.2 million Euros as opposed to 26.6 million Euros in 2008-2009, and this fiscal year integrated a net currency exchange gain of 3.7 million Euros, and total profits on the sale of shares of 4.6 million Euros. In the context of falling interest rates, cost of funding came to 20.5 million Euros and the year was marked by stability in Vilmorin's medium-term indebtedness.

The net charge of income taxes came to 27.8 million Euros as against 20 million Euros the previous year.

The result for discontinued operations corresponds to an increase in the selling price (earn-out) on the sale of Flora Frey in June 2008.

Finally, the total net profit came to 60.1 million Euros, the same as the previous fiscal year. The Group share ("attributable to the controlling company") in this profit was 54.1 million Euros, slightly up compared with June 30th 2009.

Like for like, the change in the balance sheet structure on June 30th 2010 is mainly due to the capital stock increase made in April 2010, for a total of 200.1 million Euros.

Net of cash and bank in hand (373.6 million Euros), total book indebtedness on June 30th 2010 stood at 247.8 million Euros as opposed to 377.9 million Euros on June 30th 2009. The proportion of non-current indebtedness stood at 363.2 million Euros.

The Group's share of equity ("attributable to the controlling company") came to 913 million Euros while that of the minority interests ("attributable to non-controlling minorities") came to 132.2 million Euros.

Vegetable seeds activity

Sales for the Vegetable seeds activity on June 30th 2010 came to 454.3 million Euros, up 10.9% compared to the same period for the previous year.

Like for like they rose by 9%.

The fiscal year 2009-2010 was marked by an exceptional level of activity stimulated by the commercial drive of all the Business Units, the high quality of the line-ups and a recurrent flow of novel products. Globally, sales increased faster than the estimated trend for the vegetable seeds market, with market shares won in North and South America, the Mediterranean basin and Asia.

The priority set for the fiscal year was to increase investment in research and resources devoted to international commercial development. External growth operations concerned highly targeted objectives in order to strengthen Vilmorin's positions in certain crops (tomato, sweet corn, etc.) or certain strategic geographical areas.

Overall, the professional vegetables business showed an operating margin of 14.4%, highly influenced by the impact of exceptional operating charges, and a net contribution to the consolidated result of 44.8 million Euros.

Field seeds activity

Sales for the Field seeds activity on June 30th 2010 came to 519.7 million Euros, up 4.2%; like for like this drop was 1.9% compared with fiscal year 2008-2009.

- In Europe (367.2 million Euros) excellent campaigns in rapeseed and sunflower seed were able to compensate for the drop in corn, due to reduced cultivated acreage. It should also be noted that sales of straw cereal seeds (wheat and barley) dropped acutely during fiscal year 2009-2010, in a difficult agricultural context, with increased use of farm seeds.
- In North America, the sales activity (149.9 million Euros) rose considerably as a result of the slight rise in cultivated acreage, and the progression once again this year of the market for genetically modified plants and market share gains.

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 6.9% and a positive contribution to the consolidated income of 29.9 million Euros, an increase compared with the previous fiscal year.

Garden products activity

Sales for the Garden products activity came to 88.3 million Euros on June 30th 2010, down 3.7% with current data, and virtually the same like for like.

The Garden products division for this past fiscal year showed a positive contribution of 1.1 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 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):

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	6,590,732	47,987	598	27,042	300,	6,666,659

On June 30 th 2009	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	7,775,355	789,482	177,758	52,323	-	8,794,918

● 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 and 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 2009-2010 Vilmorin has not had to deal with any environmental accident or answer any procedures involving the payment of damages.

Social information

On June 30th 2010, the consolidated headcount of Vilmorin stood at 4,870 permanent employees compared with 4,520 on June 30th 2009.

The average annual headcount for fiscal year 2009-2010 stood at 5,836 employees as opposed to 5,236 the previous year.

During the course of the fiscal year Vilmorin hired 515 new permanent employees (including 116 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 143 employees, including 11 laid off.

Nearly half the companies run scheduled training programs that go beyond basic legal requirements. In 2009-2010 the expenditure involved came to 1.3 million Euros and 14,811 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 2009-2010, 40 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 2010, in July 2010 Vilmorin took full control of Atash Seeds by acquiring the total minority stake held by the Indian biotechnology company Avesthagen. Furthermore, Vilmorin acquired germplasm for its North-American wheat activity through Limagrain Cereal Seeds.

● OUTLOOK FOR THE FUTURE

The fiscal year for 2009-2010 was characterized by a market environment still affected by the economic and financial crisis and the continuing volatility of the prices of agricultural raw materials. In this disturbed context, Vilmorin demonstrated its capacity for resistance, 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 2010-2011 should confirm Vilmorin's potential for organic growth in spite of the fact that market conditions remain particularly volatile; moreover, Vilmorin will continue to significantly increase its 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;
- ▶ opening and 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 complementary stake it acquired in the capital stock of the company Australian Grain Technologies, in October 2009, Vilmorin took control of the field seed assets of the Indian biotechnology company Avesthagen, integrated into Atash Seeds.

Moreover, during the course of fiscal year 2009-2010, Vilmorin signed a strategic alliance with the American biotechnology company Arcadia Biosciences, accompanied by the purchase of a minority stake in the capital stock of this company.

As part of its international development, Vilmorin also founded two new subsidiaries in the South American zone, Limagrain South America and Investigacion Trigo. Finally, Vilmorin continued to optimize its financial and legal organization by redistributing a certain number of its participations within the Group participations, in particular resulting in the full direct control of Vilmorin SA.

● SHAREHOLDERS

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

On June 30th 2009, the majority of the capital stock, 61.37%, 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 crossed the threshold as stipulated in the bylaws, indirectly through the Strategic Investment Fund (SIF) and CDC Entreprises Valeurs Moyennes (CDCEVM).

On April 21st 2010, the CDC indirectly held 1,584,593 shares and voting rights, representing 9.2% of the capital stock and 7% of the voting rights.

Vilmorin's bylaws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30th 2010, 5,409,369 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 78.91%.

On June 30th 2010, Vilmorin held 219 treasury shares corresponding to less than 0.1% of its capital stock. In compliance with the provisions of article L.225-102 of the French Commercial Code, we inform you that on June 30th 2010 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 2010	€32,647,358.63
Application to legal reserve	€1,632,367.93
Profits available on June 30 th 2010	€31,014,990.70
Brought forward	€13,032,179.47
Dividends to distribute	€24,277,522.41
To carry forward	€19,769,647.76

The net dividend is set at 1.41 Euros per share. As a proportion of the net profits for the group, the sums distributed amount to 44.8%.

The total amount of dividends (24,277,522.41 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:

	06-07	07-08	08-09
Number of shares	13,391,857	13,391,857	13,391,857
Nominal	€15.25	€15.25	€15.25
Net dividend per share	€1.66	€1.66	€1.77

● 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 51,000 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 R.225-102 of the French Commercial Code, the following table shows the results of our company over the past five fiscal years.

RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

In thousands of Euros	09-10	08-09	07-08	06-07	05-06*
Stock at the end of the year					
Capital stock	262,576	204,226	204,226	204,226	145,896
Number of ordinary shares	17,218,101	13,391,857	13,391,857	13,391,857	9,566,979
Operations and results					
Total sales before tax	37,327	33,993	29,963	27,309	9,171
Profit before tax, profit sharing, amortization, depreciation and provisions	29,723	28,878	- 13,051	25,609	19,778
Income taxes	- 5,687	- 7,476	- 12,256	- 3,697	- 2,074
Profit sharing for the year	-	-	-	-	-
Profits after tax, profit sharing, amortization, depreciation and provisions	32,647	37,004	4,203	25,818	22,507
Profits distributed	24,278	23,704	22,230	22,230	21,694
Profit per share					
Profit after tax and profit sharing, but before amortization, depreciation and provisions	2.06	2.71	-,0.06	2.18	2.28
Profit after tax, profit sharing, amortization, depreciation and provisions	1.90	2.76	0.31	1.93	2.35
Dividend per share	1.41	1.77	1.66	1.66	1.62
Headcount					
Average staff**	89	87	88	82	14
Total payroll	6,027	5,511	4,958	4,720	1,142
Benefits paid out for the fiscal year	3,173	3,011	2,847	3,127	1,031

* Taking into account the division of the nominal value of the share by three.

** 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 2009-2010. The Statutory Auditors have been informed of these agreements, and present them in their special report.

● FREE AGREEMENTS

A list of the agreements concerned by article L.225-39 of the French Commercial Code dealing with current operations, and agreed in normal conditions, was made available for your consultation for the legal duration and sent to your Statutory Auditors.

● CORPORATE MANAGEMENT SYSTEM

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

On June 30th 2010, the Board of Directors and the General management were composed of the following members:

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

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 Mr. Jean-Yves FOUCAULT, Mr. Didier MIRATON and Mr. Pascal VIGUIER.

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 2009-2010, 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 25 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.

However, your Board of Directors has not yet adopted a corporate governance code as a reference to define its own practices.

Nevertheless 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 decided for the 3 next years to discuss internally 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 2009-2010 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 2010 to fix the directors' fees for fiscal 2009-2010 at 20,000 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 2009-2010 was 124,800 Euros, including a variable sum of 19,300 Euros. Total commitments

concerning end of career benefits for Daniel CHÉRON on June 30th 2010 came to 191,900 Euros.

Starting in January 2009, Adrian HUIGE, previously an employee, carried out his functions through a mandate for which the remuneration for fiscal year 2009-2010 was fixed at 218,100 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 2010 and they were pursued during this fiscal year on the same basis as in fiscal 2008-2009.

● PROGRAM TO BUY-BACK SHARES IN ACCORDANCE WITH ARTICLE L.225-209 OF THE FRENCH COMMERCIAL CODE

In compliance with the provisions of article L.225-211 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 8th 2009, we carried out the following operations over the fiscal year:

Number of shares purchased	150,776
Average purchasing price	€73.54
Number of shares sold	157,748
Average selling price	€73.31

On June 30th 2010, our company held 219 treasury shares, corresponding to less than 0.1% of the capital stock, at a purchasing value of 14,647.73 Euros, which is an average unit price of 66.88 Euros.

On September 30th 2010, our company held 942 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 150 Euros per share;
- ▶ the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 150 million Euros.

● AUTHORIZATION TO MAKE A PUBLIC ISSUE

During the Joint Annual General and Extraordinary Meeting of December 8th 2009, 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 10 through 14 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 15 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 2010.

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

With the exception of resolution 15, 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 8TH 2009 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 €210,000,000. Thus 3,826,244 new shares were subscribed to at the nominal value of €15.25, for the total sum, including the issue premium, of €200,112,561.20
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	Delegation applied to the sum of 210 million Euros
Issue of bonds and other assimilated securities	18 months	250 million Euros	Not applied

Consolidated financial statements - Fiscal year 2009-2010

● CONSOLIDATED INCOME STATEMENT

In millions of Euros	Note	09-10	08-09	07-08 Pro-forma
Revenue from ordinary activities	5	1,063.8	1,001.7	1,018.0
Cost of goods sold		- 580.2	- 548.8	- 556.9
Marketing and sales costs		- 166.0	- 155.1	- 152.6
Research and development costs	8	- 98.5	- 83.8	- 75.2
Administrative and general costs		- 109.7	- 108.9	- 94.4
Other income and operating charges	9	- 12.3	2.8	- 11.3
Operating income		97.1	107.9	127.6
Interest costs	10	- 20.5	- 26.2	- 24.3
Other financial profits and costs	11	8.3	- 0.4	- 6.7
Profit from associated companies	18	0.5	- 1.1	1.7
Income taxes	12	- 27.8	- 20.0	- 22.9
Profit from continuing operations		57.6	60.2	75.4
Profit from discontinued operations		2.5	-	- 24.3
Net income for the period		60.1	60.2	51.1
<i>Attributable to controlling company</i>		<i>54.1</i>	<i>53.0</i>	<i>44.3</i>
<i>Attributable to non-controlling minority</i>		<i>6.0</i>	<i>7.2</i>	<i>6.8</i>
Earnings from continuing operations per share - attributable to controlling company	13	3.00	3.96	5.12
Earnings from discontinued operations per share - attributable to controlling company	13	0.15	-	- 1.81
Earnings for the period per share - attributable to controlling company	13	3.15	3.96	3.31
Diluted earnings from continuing operations per share - attributable to controlling company	13	3.18	4.12	4.81
Diluted earnings from discontinued operations per share - attributable to controlling company	13	0.14	-	- 1.69
Diluted earnings for the period per share - attributable to controlling company	13	3.32	4.12	3.12

● DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR

In millions of Euros	09-10	08-09
Income for the period	60.1	60.2
Variation in currency translations	52.7	4.1
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	- 0.8	- 8.4
Change in method ⁽¹⁾	-	- 16.6
Impact of taxes	0.3	
Others	-	0.2
Other items in the total gains and losses for the period net of taxes	52.2	- 20.7
Total gains and losses for the period	112.3	39.5
<i>Including:</i>		
<i>attributable to controlling company</i>	100.8	33.9
<i>attributable to non-controlling minority</i>	11.5	5.6

⁽¹⁾ Mainly concerns tax relief on research (cf. Notes 12 and 29).

● FINANCIAL PROGRESS REPORT

Assets

In millions of Euros	Note	06.30.10	06.30.09	06.30.08
Goodwill	14	299.7	279.0	271.0
Other intangible fixed assets	15	473.2	420.7	393.6
Tangible fixed assets	16	191.0	160.6	131.9
Financial fixed assets	17	41.8	28.1	32.3
Equity shares	18	45.0	42.3	30.4
Deferred taxes	25	14.3	13.0	9.6
Total assets less current liabilities		1,065.0	943.7	868.8
Inventories	19	320.7	257.4	198.8
Trade receivables and other receivables	20	434.3	414.8	385.0
Cash and cash equivalents	21	373.6	251.9	259.9
Total current assets		1,128.6	924.1	843.7
Assets classified as held for sale		-	-	71.7
Total assets		2,193.6	1,867.8	1,784.2

Liabilities

In millions of Euros	Note	06.30.10	06.30.09	06.30.08
Share capital	22	262.6	204.2	204.2
Reserves and income – group share	22	650.4	433.3	411.1
Equity – controlling company	22	913.0	637.5	615.3
Equity – non-controlling minority	23	132.2	116.3	123.8
Consolidated equity		1,045.2	753.8	739.1
Provisions for employee benefits	24	21.3	18.9	17.5
Non-current financial debts	27	363.2	358.2	348.6
Deferred income taxes	25	88.4	82.6	81.7
Total non-current liabilities		472.9	459.7	447.8
Other provisions	26	14.5	19.3	25.1
Accounts payable	28	377.1	338.9	279.7
Deferred income	29	25.7	24.7	5.1
Current financial debts	27	258.2	271.4	234.6
Total current liabilities		675.5	654.3	544.5
Liabilities classified as held for sale	3	-	-	52.8
Total liabilities		2,193.6	1,867.8	1,784.2

● CONSOLIDATED CASH FLOW STATEMENT

In millions of Euros	06.30.10	06.30.09	06.30.08
1 – Trading operations			
Income for the year	60.1	60.2	51.1
Results of companies consolidated under equity method after dividends	0.2	1.5	- 1.7
Depreciation, amortization and losses in value	109.1	98.9	77.9
Net non-current provisions	- 5.4	- 10.7	9.4
Variation in deferred taxes	1.6	3.8	- 6.8
Income from capital operations ⁽¹⁾	- 0.2	- 2.6	30.0
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	-	-
Fair value losses and gains for financial fixed assets available for sale	- 0.6	0.8	- 0.5
Cash flow	164.0	151.9	159.4
<i>Of which cash flow for discontinued operations</i>	-	-	11.2
Dividends received on equity securities	- 0.2	- 0.7	-
Variation in working capital needs with comparable scope			
► Inventories	- 41.6	- 38.5	31.5
► Trade debts	13.6	7.9	- 50.3
► Short-term debts	8.5	35.5	26.0
Cash from operating activities	144.3	156.1	166.6
<i>Of which cash flow from discontinued operations</i>	-	-	10.6
2 – Investment operations			
Sale of fixed assets	15.5	5.0	4.7
Acquisition of fixed assets			
► Intangible fixed assets	- 112.3	- 105.3	- 83.7
► Tangible fixed assets	- 41.4	- 38.9	- 25.9
► Financial fixed assets	- 21.0	- 14.8	- 52.6
Variation in other financial fixed assets	1.2	3.8	- 10.4
Cash flow acquired through scope entries	-23.9	-	2.4
Cash flow conceded through cash exits	0.9	-	- 0.4
Variation in financial fixed assets	-	-	-
Net increase/decrease in cash and cash equivalents	- 4.5	- 5.4	9.3
Cash flows from investing activities	- 185.5	- 155.6	- 156.6
<i>Of which investment cash flows used by discontinued operations</i>	-	-	- 1.4
3 – Cash flows from financing activities			
Increase/decrease in equity ⁽²⁾	203.6	0.1	11.0
Increase/decrease in financial liabilities ⁽³⁾	- 26.6	16.5	117.0
Dividends received on non consolidated participations	0.2	0.7	1.4
Dividends paid out	- 25.1	- 24.2	- 22.8
Cash flows from financing operations	152.1	- 6.9	106.6
<i>Of which investment cash flows used by discontinued operations</i>	-	-	- 10.0
4 – Net effect of currency translation	10.8	- 3.3	- 5.6
<i>Of which financing cash flows from discontinued operations</i>	-	-	- 0.1
5 – Net increase/decrease in cash and cash equivalents	121.7	- 9.7	111.0
6 – Cash and cash equivalents at beginning of period	251.9	261.6	150.6
<i>Of which investment cash flows used by discontinued operations</i>	-	-	2.6
7 – Cash and cash equivalents at end of period	373.6	251.9	261.6
<i>Of which cash at end of period for discontinued activities</i>	-	-	1.7

⁽¹⁾ On June 30th 2008: restatement of Flora-Frey securities and current accounts.

⁽²⁾ On June 30th 2008: restatement of Oceane convertible bonds (cf. Note 22), and on June 30th 2010, capital increase of Vilmorin & Cie.

⁽³⁾ Increase/decrease in financial liabilities:

	06.30.10
Increase in non-current financial debts	19.7
Repayment of non-current financial debts	- 2.5
Net increase/decrease in current financial debts	- 43.8
	- 26.6

● VARIATION IN CONSOLIDATED EQUITY

In millions of Euros	Attributable to controlling company				Total	Attributable to non-controlling minority	Total
	Capital	Premium	Income and other reserves	Currency translation reserves			
06.30.08	204.2	210.9	226.9	- 26.7	615.3	123.8	739.1
Currency translation	-	-	-	4.0	4.0	0.1	4.1
Gains and losses recorded directly in equity	-	-	- 23.1	-	- 23.1	- 1.7	- 24.8
Net income	-	-	53.0	-	53.0	7.2	60.2
Total gains and losses for the fiscal year	-	-	29.9	4.0	33.9	5.6	39.5
Variation in treasury shares	-	-	- 0.3	-	- 0.3	-	- 0.3
Dividends paid out	-	-	- 22.3	-	- 22.3	- 1.9	- 24.2
Variations in scope	-	-	-	-	-	0.1	0.1
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the share capital of the parent company	-	-	-	-	-	-	-
Variation in the share capital of the subsidiaries	-	-	-	-	-	-	-
Restatement	-	-	14.7	- 3.4	11.3	- 11.3	-
Others	-	-	- 0.4	-	- 0.4	-	- 0.4
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 ⁽¹⁾	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

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

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● 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 2010 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 4th 2010.

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. Security exchange operation

Treatment of security exchange operations is not dealt with by IFRS standards. In the absence of a reference, Vilmorin has treated this type of operation in equity.

4.3. 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 2009 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 improve 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 transfers or sales.

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 combination.

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.

7. OPERATING SEGMENTS

The new standard IFRS 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, 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 paragraph 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 3 to 7 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 depreciation 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.

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

11.3.4. Presentation on 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 Note 1 paragraph 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.

This procedure led to a gross reassessment value of 7.4 million Euros. A deferred tax liability has been declared on the differences in value recorded.

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 SHARES

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. 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, 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.

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 (of group of units) in proportion to the book value of each asset in the unit (of 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 Variety Certificate 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 is 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 period closing on June 30th 2010 were as follows:

► Purchase of a complementary stake in Australian Grain Technologies (Australia)

In July 2008, Vilmorin signed a strategic partnership agreement with the company Australian Grain Technologies (AGT), the Australian leader for breeding, developing and distributing cereal varieties. With the agreement of the other shareholders of the company, in August 2009 Vilmorin acquired a further stake in the capital of Australian Grain Technologies (AGT), taking its total stake up to 32.77%.

► Acquisition of the company Clovis Matton (Belgium)

As part of its drive to consolidate its European field seeds organization, Vilmorin has acquired the

company Clovis Matton, based in Western Flanders, through its subsidiary Limagrain Europe (formerly Limagrain Verneuil Holding).

The aim of this operation is to strengthen Limagrain Europe's long-term positions on the Belgian silage corn market. Clovis Matton is one of the group's long-standing partners, and has its own straw cereal-breeding program.

► Takeover of the field seeds assets and access to the upstream technologies of Avesthagen (India).

In October 2009 Vilmorin took majority control (58.82%) of the main field seeds assets belonging to Avesthagen Limited ("Avesthagen"), integrated into the company Atash Seeds Private Limited ("Atash"). A joint venture between Vilmorin (majority shareholder) and Avesthagen, Atash has its own gene pool and research programs focusing mainly on corn, sunflower and rice, and also owns a plant biotechnology laboratory based in Hyderabad (India).

This operation will enable Vilmorin to penetrate the field seeds market in India, reinforcing the activities and sites it has already developed in vegetable seeds.

At the same time as this acquisition, Vilmorin broadened its already existing research partnership with Avesthagen by signing further agreements on world licenses for the use of upstream technologies both for field seed and vegetable seed crops. The agreement mainly involves the development of hybrid rice and genes of tolerance to hydric stress.

In June 2010, Vilmorin increased its stake to 61.26%.

► Sale of shares in a biotechnology company

The financial income includes the recording of capital gains of 4.8 million Euros on the sale of the stake held by Vilmorin in a biotechnology company with which it is pursuing a partnership in upstream technology.

► Acquisition of wheat research assets and a company (United States)

Launched in 2009, Vilmorin's wheat seeds development plan for North America has succeeded in:

- Signing a strategic and technological partnership with the biotech company Arcadia Biosciences based in Davis (California). This agreement concerns the development of wheat seeds that optimize the use of nitrogen and privileged world access for Vilmorin to future technologies developed by Arcadia that are applicable to wheat. It is accompanied by the purchase by Vilmorin of a minority 7.25%

stake in the capital of Arcadia Biosciences and reciprocally Arcadia's entry in the capital of Limagrain Cereal Seeds LLC (LCS) at the level of 35%. LCS, a subsidiary held 65% by Vilmorin, and based in Fort Collins (Colorado) now constitutes the company's wheat development platform for the Americas.

- Launching scientific collaboration programs with certain American universities.
- Building up a diversified portfolio of genetic resources suited to local climate conditions through the acquisition by LCS of the assets of Genesis Seed Research and BSF AG Research, along with a take-over of the company Trio Research.

As a result of these operations, Vilmorin now has a distribution network for the main American production zones.

► **Wheat joint venture with DonMario Semillas (Argentina)**

Vilmorin has laid the foundations of its future development in this zone by signing a 50/50 joint venture agreement with the company DonMario Semillas, one of the leading seeds companies in Argentina. Founded in 1983, with annual sales of over 50 million Euros, DonMario Semillas holds solid competitive positions in Argentina on markets for wheat, corn and soybean. The company also has sites in Brazil and Uruguay.

This joint-venture agreement, involving wheat seeds, will make it possible to sell new varieties in Argentina and more widely throughout the continent, from the combined genetic resources and technologies of the two companies.

The products developed through this joint venture will be sold on international markets in accordance with the provisions set out in the agreement.

► **Takeover of the company Su Tarim (Turkey)**

At the end of December 2009, through its subsidiary Clause, Vilmorin purchased a majority stake of 51% in the Turkish company Su Tarim.

Su Tarim, one of Clause's historic partners, is based in Antalya and has an excellent commercial and technical network covering all the vegetable production areas in Turkey. The company has invested in recent research facilities and breeding programs suited to the local market, particularly in tomato, pepper and cucumber, and will therefore strengthen the presence of Clause on a strategic market, and on which Vilmorin is a leading player.

With the agreement of the other shareholders of Su Tarim, Vilmorin has a contractual option to increase its stake in the medium term and acquire all the remaining share capital.

► **Acquisition of a tomato research program (Poland)**

In September 2009 Vilmorin signed an agreement to take over the tomato research program of PHRO a company specialized in the production and distribution of tomatoes in Poland and Germany. Vilmorin has thus acquired a tomato-breeding program for heated greenhouse production and rootstock, providing an excellent supplement to the genetic material it has already.

► **Acquisition of the assets of the company Dahlco (United States)**

In the United States and through its subsidiary AgReliant, Vilmorin has acquired the commercial and marketing assets of the company Dahlco, specialized in the distribution of corn, soybean and alfalfa seeds in the north of the Corn-Belt, thus reinforcing its competitive edge in this area.

► **Acquisition of Cnos Garden shares (Poland)**

In August 2009, through its subsidiary Oxadis, Vilmorin acquired the 49% remaining shares in the Polish company Cnos Garden held by minority shareholders. It now holds 100% of Cnos Garden's capital.

► **Reorganization of industrial and research locations**

A provision of 4.5 million Euros intended to cover the estimated costs of a plan to optimize industrial and research sites was recorded in the accounts on June 30th 2010.

► **Mesa Maize (United States)**

On March 30th 2010 Vilmorin's subsidiary Harris Moran Seed Company, acquired 100% of the share capital of Mesa Maize. This company makes most of its sales in the United States. Mesa Maize's varieties are recognized as being very tasty, and the germplasm acquired will be complementary to that of Harris Moran Seed Company. The company has a staff of 12 on its site in Olathe (Colorado).

► **Increase in the capital of Vilmorin & Cie**

In March 2010, Vilmorin & Cie successfully launched a capital increase of 200.1 million Euros.

This increase was made by Groupe Limagrain Holding, with a total of 144.4 million Euros, and by a public subscription of 55.7 million Euros.

Note 3: Consolidation scope

1. EVOLUTION OF THE CONSOLIDATION SCOPE

1.1. On June 30th 2010, Vilmorin consolidated 109 companies in accordance with the rules set out in Note 1 paragraph 5 of the Accounting methods and principles in IFRS standards.

	09-10	08-09
By global integration	95	82
By proportional integration	8	7
By the equity method	6	6
Total	109	95

1.2. Variations in scope occurring during the course of fiscal 2009-2010 were as follows:

1.2.1. Entries to the consolidation scope

- ▶ Through the creation of companies
 - Biogemma USA
 - Hazera Hellas Seeds & Plant Material
 - Hazera Genetics Mexico (2000)
 - Limagrain Cereal Seeds (LCS)
 - LeafyCo
- ▶ Through the purchase of a stake
 - Atash
 - Belgian Seeds Company
 - Ceres Nederland
 - Clovis Matton

- De Wulf & Co
- Investigacion Trigo
- Limagrain South America
- Mesa Maize
- Seedline
- Su Tarim
- Trio Research
- ▶ Recently consolidated company:
 - Dalian Mikado

1.2.2. Exits from the consolidation scope

- ▶ Companies wound up
 - Hazera Canaria
 - Limagrain Bulgaria
 - Limagrain Polska

1.2.3. Changes in name

Former names	New names
Marco Polo Nusantara	PT Clause Indonesia
Limagrain Verneuil Holding	Limagrain Europe

2. INFORMATION CONCERNING VARIATIONS IN CONSOLIDATION SCOPE

In millions of Euros	Atash	Mesa Maize	Limagrain South America	Trio Research
Date of entry in scope	07.01.09	03.30.10	04.30.10	06.09.10
% acquired				
Over the fiscal year	58.82%	100.00%	100.00%	100.00%
Previously held	-	-	-	-
Total held	(2) 58.82%	100.00%	100.00%	100.00%
Consolidation method adopted (1)	GI	GI	GI	GI
Acquisition price of the shares				
Agreed during the fiscal year	5.2	4.0	3.8	0.5
Previously agreed	-	-	-	-
Total	5.2	4.0	3.8	0.5
Fair value of assets and liabilities acquired				
Fixed assets	5.5	2.1	3.8	0.4
Working capital needs	- 4.1	- 0.1	-	-
Provisions for liabilities and charges	0.5	-	-	-
Indebtedness net of cash	- 3.5	- 0.8	-	- 0.1
Deferred taxes	-	-	1.2	0.1
Equity	4.4	2.8	0.4	0.1
Acquired equity	2.5	2.8	0.4	0.1
Goodwill	2.7	1.2	1.2	0.1

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

(2) In June 2010, Vilmorin increased its stake to 61.26%.

In millions of Euros	Investigacion Trigo	Su Tarim	Clovis Matton and its subsidiaries	Dalian Mikado
Date of entry in scope	01.18.10	12.16.09	07.01.09	07.01.09
% acquired				
Over the fiscal year	50.00%	51.00%	100.00%	-
Previously held	-	-	-	80.00%
Total held	50.00%	51.00%	100.00%	80.00%
Consolidation method adopted (1)	PI	GI	GI	GI
Acquisition price of the shares				
Agreed during the fiscal year	0.5	4.9	7.5	-
Previously agreed	-	-	-	0.2
Total	0.5	4.9	7.5	0.2
Fair value of assets and liabilities acquired				
Fixed assets	0.5	2.1	1.6	0.1
Working capital needs	-	2.0	1.2	0.3
Provisions for liabilities and charges	-	0.1	0.1	-
Indebtedness net of cash	-	2.6	0.4	- 0.1
Deferred taxes	0.2	-	-	-
Equity	-	1.4	2.3	0.5
Acquired equity	-	0.7	2.3	0.4
Goodwill (2)	0.2	4.2	5.2	- 0.2

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

(2) For Dalian Mikado this concerns goodwill recorded directly in the income statement.

3. COMPARABILITY OF THE INCOME STATEMENTS

In order to compare the results with comparable scope, a pro-forma income statement for 2008-2009 has been established in the following conditions:

- In order to neutralize the impact of currency variations, the income statement on June 30th 2009 has been restated by applying the average rate on June 30th 2010.
- Companies exiting the scope during the course of 2009-2010 have been neutralized for the previous fiscal year, namely:
 - Hazera Canaria
 - Limagrain Bulgaria
 - Limagrain Polska
- Companies entering the scope during the course of fiscal 2009-2010 have been added to the accounts on June 30th 2009, namely:
 - Biogemma USA

- Hazera Hellas Seeds & Plant Material
- Hazera Genetics Mexico (2000)
- Limagrain Cereal Seeds
- LeafyCo
- Atash
- Belgian Seeds Company
- Ceres Nederland
- Clovis Matton
- De Wulf & Co
- Investigacion Trigo
- Limagrain South America
- Mesa Maize
- Seedline
- Su Tarim
- Trio Research
- Dalian Mikado

► Restated information is presented as follows:

In millions of Euros	Variation%	09-10	08-09 restated
Revenue from ordinary activities	+ 4.0%	1,063.8	1,023.2
Operating income	- 7.5%	97.1	105.0
Income from continuing operations	- 3.2%	57.6	59.5
Income from discontinued operations	NS	2.5	-
Income for the period	+ 1.0%	60.1	59.5

Note 4: Operating segments

1. GENERAL PRINCIPLES

The rules applicable to the presentation of operating segments are defined in Note 1 paragraph 7 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.

Application of the standard IFRS 8 has no impact on the information presented in the consolidated financial statements on June 30th 2010.

Existing operating segments on June 30th 2010 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 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 ⁽¹⁾</i>	<i>66.1</i>	<i>84.1</i>	<i>2.4</i>	<i>47.8</i>	<i>-</i>	<i>200.4</i>
Current assets	388.8	432.7	40.5	266.6	-	1,128.6
Total assets	752.8	1,018.6	55.9	366.3	-	2,193.6
Equity ⁽²⁾	-	-	-	-	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⁾ A breakdown of the total can be consulted in the consolidated cash flow statement.

⁽²⁾ The line "Equity" for all Vilmorin's companies is not broken down per business segment.

2.2. Information concerning fiscal year 2008-2009

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Revenue from ordinary activities	409.7	498.9	91.7	1.4	-	1,001.7
Operating income	68.8	42.5	3.2	- 6.6	-	107.9
Income from continuing operations	49.3	31.4	2.0	- 22.5	-	60.2
Income from discontinued operations	-	-	-	-	-	-
Total consolidated net income	49.3	31.4	2.0	- 22.5	-	60.2

	Vegetable seeds	Field seeds	Garden products	Holdings and others	Unallocated	Total
Non-current assets	301.0	547.8	15.5	79.4	-	943.7
<i>Including investments for the period ⁽¹⁾</i>	<i>77.8</i>	<i>58.6</i>	<i>1.8</i>	<i>19.4</i>	<i>-</i>	<i>157.6</i>
Current assets	331.3	367.7	41.1	184.0	-	924.1
Total assets	632.3	915.5	56.6	263.4	-	1,867.8
Equity ⁽²⁾	-	-	-	-	753.8	753.8
Non-current liabilities	66.8	48.6	1.5	342.8	-	459.7
Current liabilities	182.7	235.5	34.3	201.8	-	654.3
Total liabilities	249.5	284.1	35.8	544.6	753.8	1,867.8

⁽¹⁾ A breakdown of the total can be consulted in the consolidated cash flow statement.

⁽²⁾ 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 (%)	09-10	08-09
Sales of goods	+ 7.1	1,016.9	949.9
Sales of services	- 31.9	4.9	7.2
Royalties received	- 5.8	42.0	44.6
Total	+ 6.2	1,063.8	1,001.7

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 (%)	09-10	08-09
Europe	+ 1.4	561.5	553.7
Americas	+ 11.9	256.9	229.5
Asia and Oceania	+ 20.2	96.3	80.1
Africa and Middle East	+ 18.0	102.2	86.6
Total	+ 7.1	1,016.9	949.9

3. ANALYSIS BY PRODUCT

Analysis according to product families is as follows:

In millions of Euros	09-10	08-09
Vegetable and flower seeds	398.6	358.7
Other field seeds	442.1	423.2
Forage and lawn seeds	36.9	34.4
Garden products	93.1	93.5
Other products	46.2	40.1
Total	1,016.9	949.9

4. REVENUE FROM ORDINARY ACTIVITIES AT CONSTANT EXCHANGE RATE

With a constant exchange rate for the period, the revenue for ordinary activities for the previous fiscal year would have come to 1,001.6 million Euros as opposed to 1,063.8 million Euros for this fiscal year, an increase of 6.2%.

5. ROYALTIES RECEIVED

Royalties received mainly concern:

In millions of Euros	Variation (%)	09-10	08-09
Autogamous species	- 9.8	34.9	38.7
Hybrid species	20.3	7.1	5.9
Total	- 5.8	42.0	44.6

Note 6: Personnel costs

1. EVOLUTION OF PERSONNEL COSTS

In millions of Euros	09-10	08-09
Gross salaries	196.6	186.0
Social charges	67.2	62.2
Profit-sharing schemes	6.9	4.5
Total	270.7	252.7

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

	09-10	08-09
France	2,083	2,037
Non-France	3,753	3,199
Total	5,836	5,236

2.1.2. Analysis by employee status

	09-10	08-09
Management	1,234	1,322
Non-Management	4,602	3,914
Total	5,836	5,236

2.2. Permanent headcount at the end of the fiscal year

2.2.1. Analysis France/Non-France

	09-10	08-09
France	1,710	1,682
Non-France	3,160	2,838
Total	4,870	4,520

2.2.2. Analysis by employee status

	09-10	08-09
Management	1,387	1,304
Non-management	3,483	3,216
Total	4,870	4,520

2.2.3. Analysis by function

	09-10	08-09
Administration	730	658
Research	1,261	1,163
Agronomic production and factory	1,242	1,203
Sales and marketing	1,637	1,496
Total	4,870	4,520

Note 7: Provisions for the depreciation and amortization and loss of value of tangible and intangible fixed assets

1. MOVEMENTS ON PROVISIONS

In millions of Euros	09-10	08-09
Provisions for intangible fixed assets		
Development programs ⁽¹⁾	- 80.8	- 72.3
Other intangible fixed assets	- 8.1	- 6.6
Sub-total	- 88.9	- 78.9
Provisions for tangible fixed assets	- 20.2	- 19.3
Total	- 109.1	- 98.2

⁽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	09-10	08-09
Development programs activated during the fiscal year	99.7	89.8
Provisions for the amortization of development programs recorded as fixed assets	- 80.8	- 72.3
Other research and development costs	- 140.5	- 123.2
Tax relief for research	23.1	21.9
Net costs for the year	- 98.5	- 83.8

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	09-10	08-09
Costs identified and recorded as intangible fixed assets (cf. Note 15)	99.7	89.8
Provisions for amortization	- 80.8	- 72.3
Net increase in activated research and development costs	18.9	17.5

It is important to note that out of a total investment in research and development of 140.5 million Euros, only 99.7 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 17.3 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	09-10	08-09
Effect on the income for the period	18.9	17.5
Effect on amortization and depreciation	80.8	72.3
Effect on the cash flow	99.7	89.8
Effect on the investment flows	- 99.7	- 89.8
Total	-	-

Note 9: Other operating income and charges

1. EVOLUTION

In millions of Euros	09-10	08-09
Litigation	- 1.9	- 0.8
Income from the sale of fixed assets	- 3.0	3.2
Income from the sale of consolidated securities	- 1.7	- 0.5
Government subsidies	0.6	0.4
Reorganization costs	- 4.8	- 0.6
Loss of value on fixed assets	- 2.6	- 1.4
Negative goodwill recorded in the income	0.8	-
Other charges and income	0.3	2.5
Total	- 12.3	2.8

2. FURTHER INFORMATION

2.1. On operations for fiscal year 2009-2010

2.1.1. 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

2.1.2. 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

2.1.3. Litigation

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

2.1.4. 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

2.1.5. 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

2.2. On operations for the fiscal year 2008-2009

In millions of Euros	Amount
Losses of value in fixed assets mainly concern:	
Limagrain Central Europe (list of clients in Eastern Europe)	- 0.7
Oxadis (brand)	- 0.7
Total	- 1.4
Income from the sale of fixed assets concerns:	
Tangible fixed assets	3.3
<i>Mainly concern the sale of a site</i>	2.2
Intangible fixed assets	- 0.1
Securities	- 0.5
Total	2.7

Note 10: Interest costs

1. EVOLUTION

In millions of Euros	09-10	08-09
Interest on loans and bank overdrafts ⁽¹⁾	- 17.7	- 29.9
Interest on financial leasing agreements	- 0.1	- 0.1
Losses and gains of fair value on forward cover instruments ⁽²⁾	0.6	- 0.8
Losses and gains on the sale of forward cover instruments ⁽³⁾	- 7.1	- 0.9
Cash income	3.9	5.6
Miscellaneous	- 0.1	- 0.1
Total	- 20.5	- 26.2

⁽¹⁾ Interest costs on loans and bank overdrafts are considerably lower compared with the previous financial year, on the one hand due to lower indebtedness, but also to a drop in interest rates.

⁽²⁾ This figure concerns variation in the fair value of derivatives that do not qualify as forward cover as defined by IAS 39.

⁽³⁾ 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	09-10	08-09
Interest charges	- 25.4	- 33.0
Interest income	4.9	6.8
Total	- 20.5	- 26.2

Note 11: Other financial income and charges

1. EVOLUTION

In millions of Euros	09-10	08-09
Gains or losses on the sales of securities, dilution profits and winding up of business as a result of consolidation exits	4.6	- 0.5
Interest income ⁽¹⁾	0.3	3.5
Interest charges ⁽¹⁾	- 0.7	-
Provisions for the impairment of securities and other financial assets ⁽²⁾	0.2	- 3.1
Gains or losses on currency translation ⁽³⁾	3.7	- 1.1
Other financial gains and losses	0.2	0.8
Total	8.3	- 0.4

⁽¹⁾ Other interest income and charges in particular include the impact of forward cover of raw materials (cf. Note 30 paragraph 2.2).

⁽²⁾ Including a provision of 3 million Euros on Avesthagen securities for fiscal year 2008-2009.

⁽³⁾ Gains on currency translation are mainly recorded for positions in USD, GBP and CAD.

2. FURTHER INFORMATION

2.1. On operations for fiscal year 2009-2010

In millions of Euros	
Gains or losses on the sales of 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

2.2. On operations for fiscal year 2008-2009

In millions of Euros	
Gains or losses on the sales of securities, dilution profits and winding up of business as a result of consolidation exit mainly concern a loss on the winding up of the company Soygenetics	- 0.7

Note 12: Income taxes

1. EVOLUTION

En millions d'euros	09-10	08-09
Current income taxes		
Taxes	- 26.2	- 16.4
Tax relief for research	-	0.2
Total current taxes	- 26.2	- 16.2
Total deferred taxes	- 1.6	- 3.8
Total	- 27.8	- 20.0

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, the cost of internal reclassification of American securities 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 SA	07.01.2000
	Gemstar	07.01.2009
	Oxadis	07.01.2000
	Vilmorin 1742	07.01.2008
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 Corp	Vilmorin Inc. Harris Moran Seeds	United States
Limagrain Nederland Holding BV	Limagrain Nederland BV	Netherlands
Vilmorin Luxembourg SA	Cydonie Ré	Luxembourg

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.

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

- Fiscal year 2007 – 2008 33.33%
- Fiscal year 2008 – 2009 33.33%
- Fiscal year 2009 – 2010 33.33%

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.

2.4. Tax rate applicable

Thus, for these French companies, the legal tax rate is increased by 1.1%.

2.4.1. The basic rate for income (corporation) tax in France is 33.33%.

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

As a %	09-10	08-09
Theoretical tax rate	33.33	33.33
Non-deductible charges and other non-taxable profits	- 2.28	- 2.11
Tax credit and relief	- 0.11	- 3.65
Untaxed income deficits and rate differentials	0.82	6.07
True tax rate	31.76	33.64

2.5. Details of tax receivables and debts due

In millions of Euros	09-10	08-09
Tax receivables due	9.8	29.3
Tax debts due	9.0	6.6

2.6. Information on tax deficits

On June 30th 2010, 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	-	39.0	-	5.2
Deficits with unlimited carry forwards	77.0	5.9	71.2	2.1
Total	77.0	44.9	71.2	7.3

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 13.8 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	09-10	08-09
Attributable to the controlling company in continuing operations	51,654,329	53,024,187
Attributable to the controlling company in discontinued operations	2,500,000	-
Attributable to the controlling company in the consolidated income	54,154,329	53,024,187
Number of Vilmorin shares	17,217,882	13,391,857
Earnings from continuing operations for one share	3.00	3.96
Earnings from discontinued operations for one share	0.15	-
Earnings per share	3.15	3.96

- 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.

En euros	09-10	08-09
Attributable to the controlling company in continuing operations	57,859,385	59,168,151
Attributable to the controlling company in discontinued operations	2,500,000	-
Attributable to the controlling company in the consolidated income	60,359,385	59,168,151
Number of Vilmorin shares	18,176,461	14,350,436
Earnings from continuing operations for one share	3.18	4.12
Earnings from discontinued operations for one share	0.14	-
Diluted earnings per share	3.32	4.12

► Dividends paid out per share

	Dividends distributed in December 09	Dividends distributed in December 08
Amount distributed	€23,696,398.92	€22,230,482.62
Details	€1.77 x 13,387,796 shares	€1.66 x 13,391,857 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 2009-2010 is provisional in nature, and is liable to be adjusted during fiscal year 2010-2011.

1.2. Goodwill impairment tests

Vilmorin carried out impairment tests on its goodwill on June 30th 2010 for all the Cash Generating Units (CGUs) with which goodwill is associated, with the exception of goodwill from acquisitions made in 2010 for which acquisition cost had not been finalized on June 30th 2010 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 activities, 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 activities, 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 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	
06.30.08	279.7
Acquisitions and increases	4.7
Exits	-
Variations in scope	-
Reclassifications	-
Currency translations	0.9
Assets classified as held for sale	3.3
06.30.09	288.6
Acquisitions and increases	0.3
Exits	-
Variations in scope	19.5
Reclassifications ⁽¹⁾	- 5.2
Currency translations	6.3
Assets classified as held for sale	-
06.30.10	309.5

⁽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. Amortization and value losses

In millions of Euros	
06.30.08	8.7
Provisions ⁽¹⁾	0.8
Exits	-
Losses in value	-
Variations in scope	-
Reclassification	-
Currency translation	0.1
06.30.09	9.6
Provisions	0.2
Exits	-
Losses in value	-
Variations in scope	-
Reclassification ⁽¹⁾	- 0.8
Currency translation	0.8
06.30.10	9.8

⁽¹⁾ In fiscal year 2008-2009, this sum mainly corresponds to the client lists of Eastern Europe (0.7 million Euros). During 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	
06.30.08	271.0
06.30.09	279.0
06.30.10	299.7

3. FURTHER INFORMATION

3.1. Analysis by business segments

In millions of Euros	06.30.10	06.30.09
Vegetable seeds activity	31.2	19.6
Field seeds activity ⁽¹⁾	210.3	246.5
Garden products activity	3.2	3.3
Holdings and others ⁽¹⁾	55.0	9.6
Total net of amortization and losses in value	299.7	279.0

⁽¹⁾ The company Limagrain Genetics Inc (44 million Euros) was part of the Field Seeds segment on June 30th 2009. It is now in Holdings and others.

3.2. Variations in scope

Variations in scope concern the following operations:

In millions of Euros	Total
Fiscal year 09-10 ⁽¹⁾	
Atash	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	19.5

⁽¹⁾ It should be noted that the allocation of goodwill is provisional until the end of a twelve-month period in compliance with IFRS 3.

There was no variation in goodwill as a result of variations in scope during fiscal year 2008-2009.

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
06.30.08	447.3	206.0	28.8	37.8	31.7	1.0	2.4	755.0
Acquisitions and increases	89.8	5.7	0.9	2.1	-	-	2.1	100.6
Exits	-	-	- 0.1	- 0.2	-	-	-	- 0.3
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	2.3	0.9	0.4	- 0.4	0.3	-	-	3.5
Reclassifications	- 1.8	- 0.2	0.3	-	-	-	- 0.4	- 2.1
Assets classified as held for sale	-	-	2.5	-	5.2	-	-	7.7
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 and others	-	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
Assets classified as held for sale	-	-	-	-	-	-	-	-
06.30.10	653.6	233.2	38.1	46.2	38.1	6.1	3.7	1,019.0

⁽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.

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
06.30.08	305.5	2.9	23.1	29.4	0.1	0.4	-	361.4
Provisions / Value losses	72.3	-	3.8	2.0	0.7	0.1	-	78.9
Exits	-	-	- 0.1	- 0.1	-	-	-	- 0.2
Write back / Value losses	-	-	-	-	-	-	-	-
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	1.5	0.1	0.3	- 0.4	-	-	-	1.5
Reclassifications	- 1.8	- 0.2	- 1.0	0.7	-	-	-	- 2.3
Assets classified as held for sale	-	-	1.9	-	2.5	-	-	4.4
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
Assets classified as held for sale	-	-	-	-	-	-	-	-
06.30.10	469.9	3.6	31.1	33.4	5.4	2.4	-	545.8

⁽¹⁾ During 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.

1.3. Net values

In millions of Euros	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.08	141.8	203.1	5.7	8.4	31.6	0.6	2.4	393.6
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

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
06.30.08 (net value)	1.0	1.6	2.6
New fixed assets	0.1	-	0.1
Value loss	-	-	-
Currency translations	-	0.1	0.1
Reduction	-	-	-
Provisions for amortization	- 0.3	- 0.6	- 0.9
06.30.09 (net value)	0.8	1.1	1.9
New fixed assets	0.1	0.2	0.3
Value loss	- 0.1	-	- 0.1
Currency translations	-	-	-
Reduction	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

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	Patents and licenses	Germplasm	Brands	Other intangible assets	Total
06.30.08	1.9	1.6	-	-	3.5
Fiscal year 08-09	- 0.1	0.2	⁽¹⁾ 3.2	-	3.3
06.30.09	1.8	1.8	3.2	-	6.8
Fiscal year 09-10	-	0.2	⁽²⁾ 2.0	0.2	2.4
06.30.10	1.8	2.0	5.2	0.2	9.2

⁽¹⁾ This result is mainly due to the reclassification of previous impairments on discontinued operations.

⁽²⁾ 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 09-10	
Atash	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

There were no variations in intangible fixed assets as a result of variation in scope for fiscal year 2008-2009.

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
06.30.08	24.0	117.2	53.9	89.7	11.1	32.3	11.8	340.0
Acquisitions and increases	0.2	7.4	1.7	6.2	0.5	3.4	19.5	38.9
Exits	- 0.6	- 0.9	-	- 2.7	- 1.2	- 1.2	- 0.3	- 6.9
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	2.2	3.0	- 0.4	0.7	0.2	-	0.2	5.9
Reclassifications	0.6	6.9	0.8	6.7	0.5	- 0.1	- 16.4	- 1.0
Assets classified as held for sale	0.4	9.6	- 0.3	9.1	1.2	3.9	-	23.9
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 and others	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
Assets classified as held for sale	-	-	-	-	-	-	-	-
06.30.10	26.8	177.7	66.1	119.2	12.9	43.8	10.6	457.1

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
06.30.08	1.5	66.0	38.7	70.5	9.0	22.4	-	208.1
Provisions / value losses	0.2	5.5	2.8	6.5	1.1	3.2	-	19.3
Exits	-	- 0.7	- 0.1	- 2.6	- 1.1	- 0.9	-	- 5.4
Variations in scope and others	-	-	-	-	-	-	-	-
Currency translations	0.1	1.5	- 0.3	0.4	0.1	0.2	-	2.0
Reclassifications	-	- 1.9	-	1.8	-	- 0.4	-	- 0.5
Assets classified as held for sale	-	6.6	- 0.3	6.4	0.9	3.1	-	16.7
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 and others	-	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
Assets classified as held for sale	-	-	-	-	-	-	-	-
06.30.10	2.0	88.5	46.7	88.3	10.5	30.1	-	266.1

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
06.30.08	22.5	51.2	15.2	19.2	2.1	9.9	11.8	131.9
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

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
06.30.08	1.6	0.3	-	1.9
06.30.09	1.4	0.2	0.2	1.8
06.30.10	1.3	0.0	0.2	1.5

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	Installations, equipment and others	Constructions	Total
06.30.08	0.1	-	0.1
Fiscal year 08-09	- 0.1	-	- 0.1
06.30.09	-	-	-
Fiscal year 09-10	-	0.3	0.3
06.30.10	-	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 09-10	
Atash	0.2
Clovis Matton	0.8
Dalian Mikado	0.1
Mesa Maize	0.9
Su Tarim	1.5
Total	3.5

There were no variations in tangible fixed assets as a result of variation in scope for fiscal year 2008-2009.

2.4. Commitments on leasing contracts

In millions of Euros	Total	< 1 year	1 to 5 years	> 5 years
Direct financing lease	5.3	2.0	3.3	-
Simple lease contracts	27.8	6.9	16.5	4.4

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
06.30.08	18.7	5.2	11.5	35.4
Increases	6.4	0.4	0.6	7.4
Decreases	-	- 2.3	- 0.9	- 3.2
Variations in scope and others	-	-	- 7.5	- 7.5
Currency translations	-	-	1.3	1.3
Reclassifications	-	-	-	-
Assets classified as held for sale	0.2	-	0.8	1.0
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 and others	0.4	-	-	0.4
Currency translations	0.1	0.2	0.5	0.8
Reclassifications	- 0.2	0.1	0.1	-
Assets classified as held for sale	-	-	-	-
06.30.10	37.5	3.6	6.9	48.0

1.2. Provisions

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.08	0.6	2.1	0.4	3.1
Provisions	3.0	-	-	3.0
Write-back	-	-	- 0.1	- 0.1
Variations in scope and others	-	-	-	-
Currency translations	0.1	-	-	0.1
Reclassifications	0.1	-	-	0.1
Assets classified as held for sale	0.1	-	-	0.1
06.30.09	3.9	2.1	0.3	6.3
Provisions	-	-	-	-
Write-back	-	-	-	-
Variations in scope and others	-	-	-	-
Currency translations	0.1	-	-	0.1
Reclassifications	- 0.2	-	-	- 0.2
Assets classified as held for sale	-	-	-	-
06.30.10	3.8	2.1	0.3	6.2

1.3. Net values

In millions of Euros	Financial assets available for sale	Other non- current financial assets	Loans and other receivables	Total
06.30.08	18.1	3.1	11.1	32.3
06.30.09	21.4	1.2	5.5	28.1
06.30.10	33.7	1.5	6.6	41.8

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	06.30.10		06.30.09		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Result (in M€)
Maïcentre	-	-	8.78	1.2	-	-
Morning	41.71	10.7	41.71	10.7	-	-
Avesthagen	4.60	2.0	4.60	2.0	-	-
Arcadia	7.25	18.9	-	-	-	-
Divers	-	2.1	-	7.5	-	-
Total	-	33.7	-	21.4	-	-

2.2. Variations in scope

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

In millions of Euros	
Fiscal year 09-10	
Clovis Matton	0.4
Total	0.4
Fiscal year 08-09	
Exit of Soygenetics from scope	- 7.5
Total	- 7.5

Note 18: Equity shares

1. DETAILS OF EQUITY SHARES

In millions of Euros	06.30.10	06.30.09	06.30.08
Australian Grain Technologies	7.5	6.1	-
Bioseeds	3.8	3.3	3.4
Top Green	1.6	1.6	1.7
Unisigma	0.2	0.3	0.4
Genoplante Valor	1.8	1.8	1.8
Soygenetics	-	-	- 5.6
Longping High-Tech	30.1	29.2	28.7
Total	45.0	42.3	30.4
Variation for the fiscal year	2.7	11.9	-

2. FURTHER INFORMATION

Variation for the fiscal year corresponds to the items below:

In millions of Euros	09-10		08-09	
Proportion of income for the fiscal year	-	0.5	-	- 1.1
Australian Grain Technologies	- 0.5	-	- 0.6	-
Bioseeds	0.6	-	- 0.2	-
Genoplante Valor	-	-	-	-
Longping High-Tech	0.4	-	- 0.4	-
Top Green	0.1	-	-	-
Unisigma	- 0.1	-	0.1	-
Variation in scope, variation in percentages of interest and others	-	⁽¹⁾ 0.7	-	⁽²⁾ 12.7
Distributions	-	- 0.7	-	- 0.4
Currency translation	-	2.2	-	0.7
Total	-	2.7	-	11.9

⁽¹⁾ For fiscal year 2009-2010:

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

⁽²⁾ For fiscal year 2008-2009:

Entry into the scope of Australian Grain Technologies	7.0
Exit of Soygenetics from scope	5.7
	12.7

3. FINANCIAL INFORMATION OF THE MAIN EQUITY SHARES

3.1. For fiscal year 2009-2010

In millions of Euros	Longping High-Tech	Bioseeds	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⁾ Accounts closed on September 30th 2009.

3.2. For fiscal year 2008-2009

In millions of Euros	Longping High-Tech	Bioseeds	Top Green	Unisigma	Genoplante Valor ⁽¹⁾	Australian Grain Technologies ⁽²⁾
Sales	104.6	6.9	21.1	0.8	0.7	1.6
Net income	- 1.6	- 0.7	0.1	0.2	-	- 2.4
Assets	183.0	22.3	7.7	2.3	7.7	10.9
Liabilities (excluding equity)	77.1	6.1	2.9	1.5	4.3	0.7

⁽¹⁾ Accounts closed on December 31st 2008.

⁽²⁾ Accounts closed on September 30th 2008.

Note 19: Inventories

1. EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.10			06.30.09			06.30.08		
	Gross value	Provision	Net value	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	92.0	- 3.5	88.5	48.5	- 3.3	45.2	26.5	- 2.7	23.8
Production in progress	54.7	- 4.3	50.4	45.0	- 4.2	40.8	27.8	- 3.6	24.2
Goods	68.6	- 6.3	62.3	65.7	- 5.7	60.0	76.1	- 7.2	68.9
Finished products	145.2	- 25.7	119.5	138.0	- 26.6	111.4	104.4	- 22.5	81.9
Total	360.5	- 39.8	320.7	297.2	- 39.8	257.4	234.8	- 36.0	198.8
Variation for the fiscal year	-	-	63.3	-	-	58.6	-	-	-

2. FURTHER INFORMATION

2.1. Variations for the fiscal year

In millions of Euros	09-10	08-09
Variations in scope (net of provisions)	2.8	-
Variations in gross values	39.1	41.4
Variations in provisions including:	2.5	- 2.9
<i>New provisions</i>	- 23.9	- 24.8
<i>Provisions used</i>	20.8	21.3
<i>Provisions written back</i>	5.6	0.6
Reclassifications	0.1	-
Currency translations	18.8	3.5
Assets classified as held for sale (net of provisions)	-	16.6
Total	63.3	58.6

2.2. Variations in scope

In millions of Euros	Total
Fiscal year 09-10	
Atash	0.3
Clovis Matton	1.2
Dalian Mikado	0.3
Mesa Maize	0.5
Su Tarim	0.5
Total	2.8

There was no variation in inventories resulting from variations in scope during fiscal year 2008-2009.

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:

- ▶ June 30th 2008: 15.3%
- ▶ June 30th 2009: 13.4%
- ▶ June 30th 2010: 11,0%

Note 20: Trade receivables

1. EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.10	06.30.09	06.30.08
Customer receivables	352.0	315.0	307.2
Advance payment to suppliers	13.9	13.9	10.0
Personnel and social security	1.8	1.2	1.2
State, income taxes	9.8	29.2	32.9
Other tax receivables	38.0	31.7	26.8
Other operating receivables	17.5	22.2	10.0
Prepayments	12.1	11.4	6.6
Gross total	445.1	424.6	394.7
Customer receivables	- 10.6	- 9.7	- 9.5
Advance payment to suppliers	- 0.1	-	-
Other operating receivables	- 0.1	- 0.1	- 0.2
Total provisions	- 10.8	- 9.8	- 9.7
Net book values	434.3	414.8	385.0
Variation for the fiscal year	19.5	29.8	-

2. FURTHER INFORMATION

2.1. Variations for the fiscal year

In millions of Euros	09-10	08-09
Variations in scope (net of provisions)	7.0	-
Variations in provisions including:	0.1	0.5
<i>New provisions</i>	- 4.3	- 2.3
<i>Provisions used</i>	3.3	0.9
<i>Provisions written back</i>	1.1	1.9
Other variations	- 13.7	- 8.4
Reclassifications	- 0.2	-
Currency translations	26.3	0.7
Assets classified as held for sale	-	37.0
Total	19.5	29.8

2.2. Variations in scope

In millions of Euros	
Fiscal year 09-10	
Atash	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

There was no variation in trade receivables resulting from variations in scope during fiscal year 2008-2009.

Note 21: Cash and cash equivalents

1. EVOLUTION OF FAIR VALUES

In millions of Euros	06.30.10	06.30.09	06.30.08
Financial current accounts	2.5	2.5	2.6
Placement securities held for purposes of transaction	265.8	172.4	183.5
Cash and bank in hand	105.3	77.0	73.8
Total	373.6	251.9	259.9
Variation for the fiscal year	121.7	- 8.0	-

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 09-10	
Variations in scope	7.0
Variation of gross values	103.9
Currency translations	10.8
Total	121.7
Fiscal year 08-09	
Variations in scope	0.1
Variation of gross values	- 8.2
Currency translations	- 1.6
Assets classified as held for sale	1.7
Total	- 8.0

2.2. Variations in scope

In millions of Euros	
Fiscal year 09-10	
Atash	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
Fiscal year 08-09	
Advanta Pacific	- 0.3
Soygenetics	0.4
Total	0.1

Note 22: Shareholders' equity - attributable to controlling company

1. COMPOSITION OF THE SHAREHOLDERS' EQUITY

In millions of Euros	06.30.10	06.30.09	06.30.08
Parent stock	262.6	204.2	204.2
Issue premium	350.5	210.9	210.9
Parent legal reserve	11.0	9.2	9.0
Other parent reserves	10.4	1.6	19.8
Consolidation reserves and others	203.3	184.7	153.8
Currency translation reserves	21.1	- 26.1	- 26.7
Income for the fiscal year	54.1	53.0	44.3
Total	913.0	637.5	615.3
Variation for the fiscal year	275.5	22.2	-

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 shares, each with a nominal value of 15.25 Euros. It was increased by 58,350,221 Euros, namely 3,826,244 shares (Cf. Note 2), accompanied by a premium of 139,589,962 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
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

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
06.30.08	149.5	132.8	5.6	11.1
Restatement of the interest on the debt component in 2008-2009	-	2.9	- 1.0	- 1.9
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

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

1. COMPOSITION OF THE SHAREHOLDERS' EQUITY – ATTRIBUTABLE TO NON-CONTROLLING MINORITIES

In millions of Euros	06.30.10	06.30.09	06.30.08
Consolidation reserve and others	123.2	111.6	119.1
Currency translation reserve	3.0	- 2.5	- 2.1
Income for the fiscal year	6.0	7.2	6.8
Total	132.2	116.3	123.8
Variation for the fiscal year	15.9	- 7.5	-

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

Issuing companies	Limagrain Europe	Limagrain Europe
Date of entitlement	June 15 th 2003	June 15 th 2003
Number of securities issued	9,032	9,082
Issue premium	€636.60	€633.19
Total income from the issue	€5.7 million	€5.8 million
Interest rate	Euribor 6 months + margin	Euribor 6 months + margin
Due date	December 31 st 2010	December 31 st 2011
Normal redemption rate	1 Limagrain Europe share for 1 equity note	1 Limagrain Europe share for 1 equity note

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
06.30.08	11.5	1.2	- 0.4	10.7
Restatement of the interest on the debt component in 2008-2009	-	- 0.5	0.2	0.3
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

Note 24: Provisions for employee benefits

Provisions for employee benefits are analyzed as follows:

In millions of Euros	06.30.10	06.30.09
Provisions for lump sums paid at retirement	8.6	7.9
Commitments for "work medal" bonuses and other benefits	0.5	0.5
Pension plans	12.3	10.6
Provisions for employee benefits	21.4	19.0
<i>Including:</i>		
Provision for employee benefits (non current share)	21.3	18.9
Provision for employee benefits (current share)	0.1	0.1
Provisions for employee benefits	21.4	19.0
Financial assets	- 1.0	- 0.8
Net recorded commitment	20.4	18.2

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 19 years at the date of the change. Consequently the provision made

on June 30th 2010 does not include the extra commitment of 0.6 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 1 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	06.30.10	06.30.09
Current value of obligations at opening of the fiscal year	120.7	120.7
Cost of services rendered for the year	2.4	2.4
Financial cost	6.7	7.3
Participants' contributions	0.3	0.3
Net actuarial losses or gains	15.0	1.9
Welfare services paid out	- 5.8	- 5.9
Cost of past services recorded	-	-
Effect of liquidation / reduction of future services	⁽¹⁾ - 6.6	- 4.0
Currency translations and others	9.8	- 2.0
Current value of obligations at close of the fiscal year	142.5	120.7

⁽¹⁾ The sum recorded in effect of liquidation 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	06.30.10	06.30.09
Fair value of forward assets at opening of the fiscal year	81.9	97.2
Expected returns on forward assets	5.1	6.7
Net actuarial losses or gains	10.3	- 15.7
Employers' contributions	3.5	3.9
Participants' contributions	0.3	0.3
Welfare services paid out	- 4.9	- 5.0
Effect of liquidation / reduction of future services	- 6.4	- 3.2
Currency translations and others	6.3	- 2.3
Fair value of forward assets at close of the fiscal year	96.0	81.9

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. The fair value of employee benefit assets is analyzed as follows:

► Ordinary shares	48%
► Bonds	36%
► Real estate	5%
► Others	11%

1.1.3. The true yield for employee benefit assets in 2010 was + 15.4 million Euros as opposed to - 9.1 million Euros in 2009.

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 2010:

In millions of Euros	06.30.10	06.30.09
Adjusted value of the commitment	142.5	120.7
Fair value of assets of defined contributions plans	- 96.0	- 81.9
Deficit / (Surplus)	46.5	38.8
Unrecorded actuarial differences	- 26.5	- 20.3
Unrecorded costs of past services	- 0.7	- 0.9
Others	2.1	1.4
Provisions for employee benefits	21.4	19.0

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	06.30.10	06.30.09
Cost of services rendered	2.4	2.4
Financial cost	6.7	7.3
Expected return on assets	- 5.1	- 6.7
Other charges	-	-
Recognized actuarial losses or gains	1.2	0.1
Cost of past services recognized	0.1	0.1
Effect of liquidations / reductions	0.1	- 0.5
Total	5.4	2.7

4. ACTUARIAL HYPOTHESES

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

► Europe zone

as a %	Europe zone (except United Kingdom)		United Kingdom zone	
	2010	2009	2010	2009
Adjustment rate	5.00 to 5.50	5.00 to 6.00	5.50	6.20
Expected return on assets	1.70 to 5.00	3.40 to 6.00	6.80 to 6.87	6.65 to 6.82
Salaries progression rate	1.00 to 2.50	1.00 to 2.50	4.00 to 4.50	4.00 to 4.30
Pension fund inflation rate	1.50 to 2.00	1.50 to 2.00	2.50 to 3.50	2.50 to 3.30

► Americas zone

as a %	2010	2009
Adjustment rate	5.58	6.48
Expected return on assets	7.50	9.00
Salaries progression rate	5.00	5.00
Pension fund inflation rate	-	-

► Middle East and Asia zones

as a %	2010	2009
Adjustment rate	2.00 to 5.08	2.00 to 4.30
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 5.40
Pension fund inflation rate	-	-

5. GEOGRAPHICAL ANALYSIS OF RIGHTS

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

In millions of Euros	06.30.10	06.30.09
France	9.8	8.4
Europe (except France)	88.8	79.3
Americas	33.7	24.4
Middle East / Asia	10.2	8.6
Adjusted value of rights	142.5	120.7

6. SCHEMES WITH DEFINED CONTRIBUTIONS

In millions of Euros	06.30.10			06.30.09
	Schemes with defined contributions	Multi-employer schemes	Total schemes	Total schemes
Charges recorded in the income statement	2.1	0.6	2.7	2.4
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
06.30.08	9.6	81.7	6.8	- 6.7
Variations in scope	-	-	-	-
Variations influencing income from continuing operations	3.6	7.4	- 3.8	-
Reclassifications	- 2.4	- 2.5	-	-
Variations influencing reserves	-	- 4.3	-	4.3
Assets / liabilities classified as held for sale	1.7	0.1	-	-
Currency translations	0.5	0.2	-	-
06.30.09	13.0	82.6	- 3.8	4.3
Variations in scope	0.1	2.6	-	-
Variations influencing income	0.8	2.4	- 1.6	-
Reclassifications	- 4.5	- 4.5	-	-
Variations influencing reserves	3.9	3.7	-	0.2
Assets / liabilities classified as held for sale	-	-	-	-
Currency translations	1.0	1.6	-	-
06.30.10	14.3	88.4	- 1.6	0.2

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
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

There was no variation in deferred taxes resulting from variations in scope during fiscal year 2008-2009.

2.2. Variations influencing reserves

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Net deferred taxes
09-10			
Forward cover	3.9	3.7	0.2
Others	-	-	-
Total	3.9	3.7	0.2
08-09			
Forward cover	-	- 4.1	4.1
Others	-	- 0.2	0.2
Total	-	- 4.3	4.3

Note 26: Other current provisions

1. EVOLUTION OF BOOK VALUES

In millions of Euros	06.30.10	06.30.09	06.30.08
Commercial litigation	2.2	2.7	3.4
Other risks and litigation	4.8	10.5	17.5
Reorganization costs	7.4	6.0	4.1
Employee benefits	0.1	0.1	0.1
Total	14.5	19.3	25.1
Variation for the fiscal year	- 4.8	- 5.8	-

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

In millions of Euros	
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
Liabilities classified as held for sale	-
Currency fluctuations	0.3
Total	- 4.8
08-09	
Variations in scope	- 0.1
Variations in provisions	- 11.8
Provisions for the fiscal year	5.6
Write-back used	- 13.5
Write-back not used	- 3.9
Liabilities classified as held for sale	6.0
Currency fluctuations	0.1
Total	- 5.8

2.2. Variations in scope

In millions of Euros	Total
09-10	
Atash	0.5
Limagrain Bulgaria	1.0
Total	1.5
08-09	
Miscellaneous	- 0.1
Total	- 0.1

2.3. The variation in other provisions for risks and litigations is due to:

- ▶ A drop in provisions made by the captive reinsurance company Cylonie Ré standing at 0.6 million Euros on June 30th 2010 as opposed 4.3 million Euros on June 30th 2009.
- ▶ The settlement of tax litigations and litigations on the sale of assets.

Note 27: Current and non-current financial debts

1. COMPOSITION OF THE FINANCIAL DEBTS

1.1. Non-current financial debts

In millions of Euros	06.30.10	06.30.09	06.30.08
Bank loans	203.9	207.1	212.2
Debt component of the equity notes ⁽¹⁾	-	0.2	0.8
Debt component of the Oceane convertible bonds ⁽²⁾	138.8	135.7	132.8
Minority redemption commitments	8.6	3.2	3.1
Derivatives ⁽³⁾	10.0	9.8	- 4.8
Lease / hire purchase	1.1	1.2	1.5
Other financial debts	0.8	1.0	3.0
Total	363.2	358.2	348.6
Variation for the fiscal year	5.0	9.6	-

⁽¹⁾ Cf. Note 23.

⁽²⁾ Cf. Note 22.

⁽³⁾ Cf. Note 30.

1.2. Current financial debts

In millions of Euros	06.30.10	06.30.09	06.30.08
Bank loans	241.2	260.0	230.2
Debt component of the equity notes ⁽¹⁾	0.3	0.5	0.5
Lease / hire purchase	0.2	0.2	0.2
Derivatives ⁽²⁾	- 0.8	- 0.8	- 0.8
Current accounts	4.2	4.3	3.0
Other financial debts	6.2	0.2	0.3
Interest incurred	6.9	7.0	1.2
Total	258.2	271.4	234.6
Variation for the fiscal year	- 13.2	36.8	-

⁽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	06.30.10	06.30.09	06.30.08
Non-current financial debts	363.2	358.2	348.6
Current financial debts	258.2	271.4	234.6
Cash and bank in hand (cf. Note 21)	- 373.6	- 251.9	- 259.9
Net financial debts	247.8	377.7	323.3
Variation for the fiscal year	- 129.9	54.4	-

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
06.30.08	348.6	234.6	583.2
Increase	44.9	-	44.9
Decrease	- 3.6	- 27.7	- 31.3
Restatement of Oceane convertible bonds ⁽¹⁾	2.9	-	2.9
Variations in scope	-	-	-
Restatement of forward cover	13.3	-	13.3
Commitment to purchase minority shares	-	-	-
Reclassifications	- 48.0	48.0	-
Liabilities classified as held for sale	- 0.1	12.1	12.0
Currency translations	0.2	4.4	4.6
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
Commitment to purchase minority shares	4.9	-	4.9
Reclassifications	- 22.1	22.1	-
Liabilities classified as held for sale	-	-	-
Currency translations	2.9	6.0	8.9
06.30.10	363.2	258.2	621.4

⁽¹⁾ Cf. Note 22.

2.1.2. Variations in scope concern:

In millions of Euros	Non-current financial debts	Current financial debts	Total
09-10			
Atash	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

There was no variation in financial debts resulting from variations in scope during fiscal year 2008-2009.

2.2. Information on the debenture loan

This loan has the following characteristics:

Issuer	Vilmorin (Oceane)
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%

2.3. Information on bank loans

The main medium and long-term bank loans have been granted by a pool of banks to the company Vilmorin for a total of 300 million Euros.

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

Original amount of the loans	€300 million
Company to which the loan was granted	Vilmorin
Outstanding	
On June 30 th 2009	€195 million
On June 30 th 2010	€175 million
Rate	Euribor + margin
Collateral granted	No
Existence of "covenants"	Yes

After redemption of a total aggregate of 50 million Euros the authorized and confirmed credit line stood at 250 million Euros, of which 75 million Euros were not used on June 30th 2010.

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 2009-2010.

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
06.30.10			
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
06.30.09			
Financial debts with fixed rate	143.9	11.2	155.1
Financial debts with variable rate	214.3	260.2	474.5
Total	358.2	271.4	629.6

Taking forward cover rates into account, financial debts with variable rate were covered up to 180 million Euros at the end of June 2010.

Note 28: Accounts payable

1. EVOLUTION OF THE BOOK VALUES

In millions of Euros	06.30.10	06.30.09	06.30.08
Suppliers and other accounts payable	160.4	145.0	107.7
Debts on the acquisition of fixed assets	10.6	10.4	15.4
Advance payments received from customers	2.0	0.7	1.2
Social security	49.3	45.5	39.3
Taxes	27.7	17.8	19.8
Other operating debts	126.0	118.5	95.5
Other non-operating debts	1.1	1.0	0.8
Total	377.1	338.9	279.7
Variation for the fiscal year	38.2	59.2	-

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	09-10	08-09
Variations in scope	9.4	-
Other variations	2.5	26.6
Currency translations	26.3	1.3
Liabilities classified as held for sale	-	31.3
Total	38.2	59.2

Variations in scope concern:

In millions of Euros	Total
09-10	
Atash	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

There was no variation in accounts payable resulting from variations in scope during fiscal year 2008-2009.

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	06.30.10	06.30.09	06.30.08
Total	25.7	24.7	5.1
Variation for the fiscal year	1.0	19.6	-

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	09-10	08-09
Subsidies written back into the income	- 0.5	- 0.4
Variations in scope	-	-
Restatement of Tax relief for research at the beginning of the fiscal year ⁽¹⁾	-	16.6
Restatement of Tax relief for research for the fiscal year	1.7	2.3
Others	- 0.2	1.1
Total	1.0	19.6

⁽¹⁾ Cf Note 12.

Note 30: Financial instruments

1. FINANCIAL INSTRUMENTS BY CATEGORY

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.

In millions of Euros	06.30.09		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	28.1	28.1	21.4	6.7	-	-	-
Customers and other receivables	414.8	414.8	-	327.4	-	-	87.4
Cash and cash equivalents	251.9	251.9	-	251.9	-	-	-
Financial assets	694.8	694.8	21.4	586.0	-	-	87.4
Non-current financial debts	358.2	358.2	-	-	348.4	9.8	-
Current financial debts	271.4	271.4	-	-	272.2	- 0.8	-
Suppliers and other payables	363.6	363.6	-	-	338.9	-	24.7
Financial liabilities	993.2	993.2	-	-	959.5	9.0	24.7

⁽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 2010, 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
06.30.10										
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
06.30.09										
Assets ⁽¹⁾	862.9	151.9	6.2	24.2	7.6	55.3	60.3	-	138.6	1,307.0
Liabilities ⁽¹⁾	779.4	88.0	10.2	13.5	1.9	39.2	13.2	-	23.1	968.5
Differential	83.5	63.9	- 4.0	10.7	5.7	16.1	47.1	-	115.5	338.5

⁽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
06.30.10				
Forward exchange contracts	4.9	4.9	-	-
Exchange options	-	-	-	-
Total	4.9	4.9		
06.30.09				
Forward exchange contracts	5.9	5.9	-	-
Exchange options	-	-	-	-
Total	5.9	5.9	-	-

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

In millions of Euros	Total
06.30.10	
Contracts on commercial transactions	
Cash flow hedge ⁽¹⁾	-
Contracts on financial operations	
Fair value hedge	NS
06.30.09	
Contracts on commercial transactions	
Cash flow hedge ⁽²⁾	-
Contracts on financial operations	
Fair value hedge	NS

⁽¹⁾ The intrinsic value of contracts on June 30th 2010 is not significant (NS).

⁽²⁾ The intrinsic value of contracts on June 30th 2009 is not significant (NS).

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

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

In millions for each currency	US dollar	GBP	Yen	Australian dollar	Canadian dollar
Net position before management	3.1	4.4	- 5.9	0.8	- 1.0
Forward purchasing	-	2.3	-	-	0.1
Forward selling	- 2.8	-	-	- 0.6	-
Net position after management	0.3	6.7	- 5.9	0.2	- 0.9

On June 30th 2010, the exchange rates for one Euro were 1.2271 US dollar, 0.81745 GBP, 108.79 yen and 1.4403 Australian dollar.

On June 30th 2010, sensitivity on net positions after management could be analyzed as follows:

In millions of Euros	US dollar	GBP	Australian dollar	Canadian dollar
Hypothesis of currency variation (as a %)	10 %	10 %	10 %	10 %
Impact on income (absolute value)	0.0	0.3	0.1	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.

On June 30th 2010, the derived financial instruments set up by Vilmorin to hedge the risk on raw materials concern future corn contracts showing no gain or loss,

as opposed to a gain of about 1.7 million Euros for the previous fiscal year, and recorded at fair value in the financial income line.

2.3. Information concerning interest rate risks

2.3.1. Objectifs

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 to 5 years	> 5 years
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
06.30.09				
Assets	11.6	10.8	-	0.8
Liabilities	629.6	271.4	193.8	164.4
Differential	- 618.0	- 260.6	- 193.8	- 163.6

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	In millions of Euros					Market value
		2010	2011	2012	2013	> 2013	
Cash flow hedge operations	120.0	-	20.0	100.0	-	-	-
Interest rate SWAP	-	-	-	-	-	-	- 7.9
Fair value operations through profit and loss ⁽¹⁾	60.0	10.0	20.0	30.0	-	-	-
Interest rate SWAP	-	-	-	-	-	-	- 3.7
Others	-	-	-	-	-	-	- 0.1
Total	180.0	10.0	40.0	130.0	-	-	- 11.7

⁽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 2010.

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 2010, 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 Longping High-Tech Agricultural Company Ltd, listed on the Shenzhen stock market in China.
- ▶ 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 2010, Vilmorin held 219 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 2010, the outstanding amount was 175 million Euros from the 250 million Euros authorized, 75 million Euros of this credit being unused, constituting a significant reserve of cash.

Moreover on June 30th 2010 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	
06.30.10				
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
06.30.09				
Non-current financial debts				
Bank loans	-	191.0	16.1	207.1
Debt components of the equity notes	-	0.2	-	0.2
Debt components of the Oceane bonds	-	-	135.7	135.7
Commitments to purchase minority shares	-	3.2	-	3.2
Derivatives	-	- 1.8	11.6	9.8
Financial lease / hire purchase	-	1.2	-	1.2
Other financial debts	-	-	1.0	1.0
Total non-current debts	-	193.8	164.4	358.2
Current financial debts	271.4	-	-	271.4
Total	271.4	193.8	164.4	629.6
Future interest on loans and other liabilities	10.8	25.1	0.5	36.4

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 2010, Vilmorin had not identified any significant risk.

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

In millions of Euros	06.30.10	06.30.09
Receivables not yet due	272.5	219.3
Receivables due:		
► delay of zero to three months	45.7	37.4
► delay of three to six months	10.6	14.0
► delay of six to twelve months	10.2	3.7
► delay greater than one year	13.0	40.6
Cross customer and other receivables	352.0	315.0

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	06.30.10	06.30.09
Endorsements, sureties, guarantees	3.6	2.2
Other commitments	0.1	0.1
Total	3.7	2.3

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	06.30.10	06.30.09
Endorsements, sureties, guarantees	54.8	46.5
Clause of return to better fortune	7.8	7.0
Other commitments	-	3.6
Total	62.6	57.1

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 6.3 million Euros (6.5 million Euros on June 30th 2009) and the site of Solingen (head office of Flora Frey in Germany) for 16,8 million Euros (18 million Euros on June 30th 2009).
- A commitment of 19.5 millions Euros with regard to suppliers in North America, compared with 12.7 million Euros on June 30th 2009.

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 0.8 million Euros).

3. RECIPROCAL COMMITMENTS

In millions of Euros	Nominal	Due dates		
		< 1 year	1 à 5 ans	> 5 ans
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
06.30.09				
Lease agreements	3.6	1.6	1.9	0.1
Simple rental agreements	24.6	6.8	13.7	4.1
Forward purchase of currency (cf. Note 30)	5.9	5.9	-	-
Forward interest rate cover (cf. Note 30)	240.0	60.0	180.0	-
Interest to pay on medium and long-term debts	36.4	10.8	25.1	0.5
Medium and long-term research contracts	0.2	0.1	0.1	-
Other commitments	21.6	6.3	15.3	-
Total	332.3	91.5	236.1	4.7

Forward cover of interest rates concerns the following operations:

3.1. On June 30th 2010

Medium-term bank loans (syndicated credit)	€140 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	€40 million	Fixed rate over variable rate at 6 months
Short-term loans	-	Fixed and semi-fixed rate over variable rate at 3 months

3.2. On June 30th 2009

Medium-term bank loans (syndicated credit)	€200 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	€40 million	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
06.30.09	43.5	99.8	99.8
06.30.10	44.5	104.2	104.2

⁽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. COMMITMENTS OF THE COMPANY CYLONIE RÉ

As part of a captive set-up, the reinsurance company, Cylonie Ré, gave the following commitments during the course of fiscal 2009-2010, in two reinsurance programs:

- Cylonie Ré reinsures the first line of a Property Damage and Operating Losses program ceded by an insurance company with a limit of 1 million Euros per claim and 2.5 million Euros per year. This contract reached maturity on June 30th 2010.
- Cylonie Ré has insured a Product Responsibility program since July 1st 2007 ceded by an insurance company with the annual limit of 1 million Euros per claim and 3 million Euros per year. This contract reached maturity on June 30th 2010.

6. 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 2010 stood at 2.5 million Euros.

Note 32: Transactions between interested parties

1. ASSOCIATED COMPANIES

These are companies held between 20% and 50% 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 2010

In millions of Euros	Assets	Liabilities
Operating debts and receivables	3.9	21.9
Financial debts and receivables	-	-
Total	3.9	21.9

2.2. Charges and income for fiscal year 2009-2010

In millions of Euros	Charges	Income
Purchases and sales of goods	- 69.2	3.0
Corporate allocations	- 8.2	1.7
Other operating charges and income	- 13.8	1.4
Financial charges and income	- 0.1	0.2
Total	- 91.3	6.3

3. REMUNERATIONS OF THE TOP EXECUTIVES

In millions of Euros	06.30.10	06.30.09	06.30.08
Global amount of remunerations and benefits paid to the Executive Committee:			
► Short-term benefits	1.3	1.6	1.3
► Benefits paid out after employment	-	-	-
► Other long-term benefits	-	-	-
► Severance pay	0.8	0.8	-
► Payment through shares	-	-	-
► Directors' fees paid to the Executive Committee	-	-	-

The Executive Committee comprised five members during fiscal year 2009-2010.

3.1. 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 0.8 million Euros on June 30th 2010, 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 8.2 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 17.5 millions 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 11.7 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

► Acquisition of a further stake in Atash

In July 2010, the group acquired a further 38.74% in the share capital of Atash, an Indian company, and now owns 100% of this company's share capital.

► Acquisition of a wheat program

The group has acquired a wheat research program in North America.

Appendix: Consolidation scope 2010

Name	Country	Head Office	Siren	% Voting rights	% Interest	Consolidation method
Holdings						
Cylonie Ré	Luxembourg	19, rue de Bitbourg - L 1273 - Luxembourg - Hamm		100.00	99.99	GI
Gemstar	France	5, rue Saint-Germain l'Auxerrois - 75001 Paris	513 533 612	99.68	99.68	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	1203 Hoshiguki-Cho - Chuo-Ku Chiba-Shi		64.73	64.73	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
Vilmorin & Cie	France	4, Quai de la Mégisserie – 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin 1742	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		72.50	72.50	GI
Vilmorin Luxembourg SA	Luxembourg	11, avenue Emile Reuter - L 2420 Luxembourg		99.99	99.99	GI
Vilmorin USA Corp	United States	2711 Centerville Road, Suite 400 - Wilmington 19808 - Delaware		100.00	100.00	GI
Field Seeds						
Biogemma	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	Karrewegstraat 138 - 9800 Deinze		100.00	79.96	GI
Ceres Nederland BV	Belgium	Tinstraat 4 - 4823 AA Breda		100.00	79.96	GI
Clovis Matton	Belgium	5, rue du Quai - 8581 Avelgem-Kerkhove		100.00	79.96	GI
De Wulf & Co	Belgium	58, rue de la Gare - 7780 Comines		100.00	79.96	GI
Eurodur	France	Loudes - 11400 Castelnau-dary	338 982 614	47.45	37.94	PI
GIE Semences de Brie	France	RD 402 - 77390 Chaumes-en-Brie	388 147 845	50.00	39.98	PI
Limagrain A/S	Denmark	Marsalle III - 8700 Horsens		100.00	79.96	GI
Limagrain Belgium BVBA	Belgium	Esperantolaan 12 BUS B13 B 3300 Tienen		100.00	79.96	GI
Limagrain Central Europe	France	Biopôle Clermont-Limagne - 63360 Saint-Beauzire	438 205 320	99.99	79.95	GI
Limagrain Central Europe Cereals S.r.o.	Czech Republic	Sazecská 8 - 108 25 Prague 10 Malesice		100.00	79.96	GI
Limagrain D.O.O Beograd	Serbia	Bulevar Oslobođenja 127 - Novia Sad 21000		100.00	79.96	GI
Limagrain Europe	France	Ferme de l'Étang - BP 3 - 77390 Verneuil l'Étang	542 009 824	79.96	79.96	GI

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Name	Country	Head Office	Siren	% Voting rights	% Interest	Consolidation method
Limagrain GmbH	Germany	2 Am Griewenkamp - Edemissen - D 31234		100.00	79.96	GI
Limagrain Iberica	Spain	Ctra Pamplona - Huesca Km 12 - Elorz - Navarra 31470		100.00	79.96	GI
Limagrain Italia Spa	Italy	Via Frescarolo 115 - Busseto PR 43011		100.00	79.96	GI
Limagrain Magyarország	Hungary	Gyar Ut.2, PF 325 - Budaörs H 2040		100.00	79.95	GI
Limagrain Moldova Srl	Moldova	Bd. Stefan Cel Mare 162 - Chisinau 2004		100.00	79.96	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	79.96	GI
Limagrain Nederland Holding BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	79.96	GI
Limagrain Romania SA	Romania	Soseaua Bucuresti Ploiesti KM15.2 Orasul Otopeni - Judetul Ilfov 8244		97.14	77.67	GI
Limagrain RU	Russia	Odesskaya street 41/43, room 1 350020 Krasnodar		100.00	79.96	GI
Limagrain Tohum Islah Ve Uretim Sanayi Ticaret As	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 Kozyatagi-Erenkoy Istanbul 34742		67.00	53.57	GI
Limagrain UK Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire		100.00	79.96	GI
Limagrain Ukraine T.O.V.	Ukraine	Pavlivska 10 street off.7 - 01054 Kiev		100.00	79.96	GI
Nickerson International Research	France	Rue Limagrain - 63720 Chappes	388 170 938	100.00	79.96	GI
Nickerson Sugar Beet Seed Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire		100.00	79.96	GI
Seedline	Belgium	5, rue du Quai - 8581 Avelgem-Kerkhove		100.00	79.96	GI
Soltis	France	Domaine de Sandreau 31700 Mondonville-Blagnac	420 327 231	50.00	39.98	PI
Unisigma GIE	France	2, rue Petit Sorri - 60480 Froissy	317 760 668	46.00	36.78	EM
AgReliant						
AgReliant Genetics LLC	United States	1122 E 169 th Street Westfield, IN 46074		50.00	50.00	PI
AgReliant Inc.	Canada	Concession n° 4 - Dover Township Pain Court - Ontario NOP IZO		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
Investigacion 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
Trio Research Inc.	United States	6414 N Sheridan Street - KS 67204 Wichita - Kansas		100.00	65.00	GI
Limagrain South America						
Limagrain South America	Argentina	Calle Esmeralda 130 4 to piso - Buenos Aires		100.00	100.00	GI
Limagrain Asia						
Atash Seeds Private Ltd	India	Discoverer 9 th floor - International Tech Park - Whitefield Road - 560066 Bangalore		61.26	61.26	GI

Name	Country	Head Office	Siren	% Voting rights	% Interest	Consolidation method
Changsa Xindaxin Vilmorin Agri-Business Co. Ltd	China	9 th /F Xindaxin Building, n°168 Huangxing Middle Road Changsha (410005) Hunan		46.50	33.71	PI
Yuan Longping High-Tech Agricultural Company Ltd	China	Agriculture Hi-Tech Park, Mapoling, Second Yuanda Road, Furong District - Changsha		21.21	7.15	EM
Vegetable seeds						
Bio Seeds	Netherlands	Blaak 31 - 3011 GA Rotterdam		25.00	25.00	EM
Mikado Kyowa Seed						
Mikado Kyowa K.K.	Japan	15-13 Nanpeidai-Shibuya-Ku 150-0036 Tokyo		69.27	60.45	GI
Dalian Mikado International Seed Co Ltd	China	Room 2702 - Liangjiu International Building - Dalian - 116011		80.00	48.36	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, 2 nd andar, sala 21 Campinas, Estado de São 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 Funo		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	Cochrane 2848 CP 1419 Capital Federal Buenos Aires		100.00	100.00	GI
Alliance Semillas SA	Chile	Casa Matriz - Hendaya 27 - Oficina 201 Las Condas Santiago		51.00	51.00	GI
Ceekay Seeds & Seedlings Pvt. Ltd	India	59/1, 8 th Main, Radhakrishna Layout Padmanabha Nagar 560070 Bangalore-Karnataka		100.00	99.97	GI
Clause	France	Rue Louis Saillant - 26800 Portes-les-Valence	435 480 546	99.97	99.97	GI
Clause (Thailand) Ltd	Thailand	11 th 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°138 Jardim Chapado CEP 13070118 Campesinas SP		100.00	99.97	GI
Clause India Private Ltd	India	6 - 1 - 20/2, Walker Town 500025 New Bhoiguda - Secunderabad		100.00	99.97	GI
Clause Italia	Italy	Via Emilia 11 - 10078 Venaria Real		100.00	99.97	GI
Clause Maghreb Eurl	Algeria	Villa n°192 Quartier Amara 2 - Lotissement Alioua Fodhil - Chéraga		100.00	99.97	GI
Clause Polska	Poland	Al. Jerozolimskie 56c, 00-803 Warszawa		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 (Californie)		100.00	100.00	GI

Name	Country	Head Office	Siren	% Voting rights	% Interest	Consolidation method
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 - 93908-9736 Salinas - Californie		100.00	100.00	GI
Mesa Maize	United States	1857 J 6/10 Rd, CO 81521 Fruita, Mesa County		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 Mexicali, BV 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	17 Jian Guo Men Wai St 28 th Floor, Suite 210 Chao Yan District - Beijing		100.00	100.00	GI
Hazera Do Brasil Comercio de Sementes	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo		100.00	100.00	GI
Hazera Espana 1990	Spain	c/o Landwell, Paseo de la Castellana 53 Madrid		100.00	100.00	GI
Hazera Genetics	Israel	Brurim Farm MP - 79837 Shikmim		100.00	100.00	GI
Hazera Genetics Mexico (2000) Ltd	Israel	Brurim MP - 79837 Shikmim		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	6601 Lyons Suite H 10 - Coconut Creek 33073 - Florida		100.00	100.00	GI
Hazera Tohumculuk Ve Ticaret	Turkey	Genclik Mahallesi, Fevzi Cakmak Cad. 2 Mahmut Cil Apt. n°75 D7 Antalya 07100		99.99	99.99	GI
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	312 Batarayanpura BB Road Opposite L&T Gate - 560 092 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	319, Pine Avenue, Ferndale Randburg 2125		100.00	100.00	GI
Nickerson Zwaan Sp. Zo.o.	Poland	Ul. Gersona 8 - 03307 Warszawa		100.00	100.00	GI

Name	Country	Head Office	Siren	% Voting rights	% Interest	Consolidation method
Nickerson Zwaan Ukraine	Ukraine	Professora Pidvysotskogo Str. 6-B, non residential premises 3,4,5 - 01013 Kiev		100.00	100.00	GI
Produits de jardin						
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 BV	Pays-Bas	Nijverheidsweg 1 & 8A - Po Box 4 (1693) Am Wervershoof		100.00	99.98	GI
CNOS Garden Sp. Zo.o.	Pologne	Ul Kopanina 28/32 - 60 951 Poznan		100.00	99.98	GI
Flora Geissler GmbH	Suisse	Müliwisstrasse 212 - 5467 Fisibach		100.00	99.98	GI
Oxadis	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

Resolutions of the Joint Annual General and Extraordinary Meeting of December 17th 2010

● RESOLUTIONS OF AN ORDINARY NATURE

First resolution

Approval of the annual corporate financial statements and full discharge to the Board of Directors

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements, the Annual General Meeting of shareholders (AGM) approves the corporate financial statements for the fiscal year closing on June 30th 2010 as presented to the meeting, and the general running of the company as described in the above-mentioned financial statements and reports.

As a result they give full discharge to the members of the Board of Directors for their management of the company for fiscal year 2009-2010.

Second resolution

Regulatory agreements

After hearing the special report of the Statutory Auditors on operations governed by article L.225-38 of the French Commercial Code, the AGM approves the agreements concerned.

Third resolution

Application of the profits

The AGM, following the proposal of the members of the Board of Directors, decides to apply the profits of 32,647,358.63 Euros in the following manner:

- ▶ Net profit on June au 30th 2010 32,647,358.63 Euros
- ▶ Application to legal reserve 1,632,367.93 Euros
- ▶ Profit available on June 30th 2010 31,014,990.70 Euros
- ▶ Brought forward 13,032,179.47 Euros
- ▶ Dividends to distribute 24,277,522.41 Euros
- ▶ To carry forward 19,769,647.76 Euros

The company does not benefit from the distribution of dividends on any treasury shares it holds. Any dividends corresponding to these shares will be added to the sum carried forward.

The dividend is fixed at 1.41 Euros per share.

The AGM decides that the dividends will be detached on December 23rd 2010 and will be paid on December 28th 2010.

Fourth resolution

Approval of the annual consolidated financial statements and full discharge to the Board of Directors

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements the AGM approves the consolidated financial statements for the fiscal year closing on June 30th 2010 as presented to the meeting, and the general running of the group of consolidated companies as described in the above-mentioned financial statements and reports.

As a result they give full discharge to the members of the Board of Directors for their management for fiscal year 2009-2010.

Fifth resolution

Fixing the amount for token payments

After acknowledging the report of the Board of Directors, the AGM, decides, in compliance with article 24 of the by-laws, to fix the token payment for its Directors for fiscal 2009-2010, at 20,000 Euros.

Sixth resolution

Renewal of the term of office of a Director

The AGM acknowledges that Mr. Jean-Yves FOUCAULT's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30th 2013.

Seventh resolution

Renewal of the term of office of a Director

The AGM acknowledges that Mr. Pascal VIGUIER's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30th 2013.

Eighth resolution

Renewal of the term of office of a Director

The AGM acknowledges that Mr. Didier MIRATON's term of office as independent Director expires on this day, and approves the renewal of his term of office for a duration

of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30th 2013.

Ninth resolution

Purchase and sale by the company of treasury shares

After acknowledging the report of the Board of Directors, the AGM gives authorization to the Board of Directors, with the faculty of sub-delegation, in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, of Title IV, Book II of the General Regulation of the Autorité des marchés financiers (AMF: authority governing French markets) and the implementing directive of Regulation n°2273/2003 of the European Commission dated December 22nd 2003, to purchase or delegate the purchase of the company's shares with the aim of:

- ▶ insuring liquidity and managing the market for shares through a fully independent investment provider service, with which Vilmorin has signed a liquidity contract in compliance with applicable legislation;
- ▶ handing over shares when rights are exercised with regard to securities that provide access by whatever means, immediately or when due, to company shares;
- ▶ holding or handing over shares for the purposes of exchange or payment for external growth operations, in compliance with recognized market practices and regulations in force;
- ▶ following any other practice that is authorized or recognized by the Autorité des marchés financiers or any other objective compliant with regulations in force.

The AGM fixes the maximum purchasing price at 150 Euros per share, and fixes the maximum number of shares liable to be purchased at one million shares, representing a maximum potential sum of 150 million Euros, on condition legal limits are also respected.

Shares may be acquired, sold or transferred at any moment, except during periods of public issue of the company's capital stock, and by any means, on the market, outside the market, by private agreement, including through blocks of securities or bids, optional mechanisms, derivatives, call options or securities, respecting applicable regulatory conditions.

This authorization is granted for a period of twelve months commencing as of the date of this AGM, replacing the authorization granted by the AGM of December 8th 2009 regarding the unused proportion on this date.

The AGM grants full powers to the Board of Directors, with the faculty to delegate, to apply the present authorization, place an order on the stock market, sign any agreements, carry out any formalities and declarations with any organizations, and in more general terms, to do all that is required to implement the decisions it has taken with regard to the present authorization.

The Board of Directors shall inform the AGM of any operations carried out, in compliance with applicable regulations.

Tenth resolution

Issue of bonds and other assimilated debt securities

After acknowledging the report of the Board of Directors, the AGM delegates full authority to the 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 stock and/or the interest accrued for these securities.

Full authority is granted to the Board of Directors to proceed with these issues in the limits fixed above, in compliance with legal provisions and with the by-laws, and in particular,

- ▶ determine the period or periods of issue;
- ▶ determine the issue currency and the nominal value of the loan, within the limits authorized above;
- ▶ 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.

Within the framework of this resolution, the Board of Directors may, in application of article L.228-40 of the French Commercial Code, delegate to its Chairman or one of its members, the powers that it has received for the purpose of the present authorization.

The present authorization is given for a maximum duration of 18 months. It supersedes the authorization previously granted by the AGM of December 8th 2009.

● RESOLUTIONS OF AN EXTRAORDINARY NATURE

Eleventh resolution

Issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares.

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of articles L.225-129 and the following of the French Commercial Code, and in particular articles L.225-129-2, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of shareholders:

- ▶ delegates to the Board of Directors, for the duration of 24 months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, with pre-emptive shareholder subscription rights - with the issue of ordinary shares and/or securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by capital increase. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential share and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

- ▶ decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation cannot be greater than 250 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the fourteenth resolution be respected.

- ▶ decides that the securities issued providing access to ordinary shares in the company may, in particular consist in debt securities, or be associated to the issue of such securities.

In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 250 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

- ▶ decides that in the conditions stimulated by law, the shareholders can exercise their pre-emptive right to subscription, without reduction. Moreover the Board of Directors may institute, for the benefit of the shareholders, a pre-emptive subscription right with deduction which may be exercised proportionately to their rights and within the limit of the number requested.

If subscriptions without reduction, or where appropriate with reduction, have not absorbed all the issue of shares or securities providing access to the capital stock as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

- ▶ acknowledges that the present delegation gives full preference to bearers of securities issued that

provide access to the company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the ordinary shares to which these securities otherwise give the right.

- decides that stock purchase warrants in the company may be issued either by subscription offers, or by free allotment to those who already hold shares.

Where autonomous stock subscription warrants are allocated free, the Board of Directors will be entitled to stipulate that any odd lots of allotment rights are not negotiable, and that the corresponding securities may be sold.

- grants full powers to the Board of Directors, to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allocate ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.
- decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or optional cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues

envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.

- finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of shareholders on how it has used the authorizations granted in this resolution.

Twelfth resolution

Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares.

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of article L.225-129 and the following articles of the French Commercial Code, and in particular articles L.225-129-2, L.225-135, L.225-136, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of shareholders:

- delegates to the Board of Directors, for the duration of 24 months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed, whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, without pre-emptive shareholder subscription rights - with the issue of ordinary shares and securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

- ▶ decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date and that are liable to result from the present delegation cannot be greater than 250 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the fourteenth resolution be respected.
 - ▶ decides that the securities issued providing access to ordinary shares in the company may, in particular, consist in debt securities, or be associated to the issue of such securities. In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies. The nominal amount for any such issued debt securities shall not exceed 250 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.
 - ▶ acknowledges that the present delegation gives full preference to others if the shareholders renounce their pre-emptive right to subscribe the ordinary shares in the company to which these securities, on the basis of this delegation, otherwise give the right.
 - ▶ decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution, while granting the Board of Directors the powers to institute, for the benefit of the shareholders, a pre-emptive subscription right with or without deduction which does not grant the right to the creation of negotiable rights.
 - ▶
 - ▶ decides that the issue price of the new shares issued will at least be equal to the minimum set in regulatory provisions applied on the date of issue, which today is the weighted average of the quoted price of the company's shares for the last three sessions of the Eurolist d'Euronext Paris stock market preceding the date this price is fixed, reduced where necessary by the maximum discount of 5% stipulated by legislation in force.
 - ▶ decides that the Board of Directors will be responsible, with the faculty of sub-delegation, for fixing the price of issuing ordinary shares or securities granting the right to the company's capital stock.
 - ▶ decides that if the subscriptions of shareholders and the public have not absorbed all the issue of shares or securities as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.
 - ▶ grants full powers to the Board of Directors, to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allot ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provision.
 - ▶ decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or facultative cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- When securities for issue consist in, or are associated to debt securities, the Board of Directors will decide whether they are subordinated or not, will fix their rate of interest and how this interest is to be paid, whether they are perpetual floating or not, their fixed or variable price of redemption, with or without premium, the possibility of reducing or increasing the par value of the securities, and all other methods of issue and amortization according, in particular, to market conditions and the conditions in which these securities grant the right to shares in the company.

Where appropriate, the securities to be issued may be associated with warrants granting the right to the allotment, acquisition or subscription of bonds or other debt securities, or may stipulate that the company may issue debt securities, whether fungible treasury bonds or not, to pay for interest that has been suspended by the company, or take the form of complex bonds as defined by the stock market authorities.

The Board of Directors may decide, during the life cycle of the securities concerned, to modify the provisions presented above, on condition that applicable formalities are respected.

- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues envisaged and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of shareholders on how it has used the authorizations granted in this resolution.

Thirteenth resolution

Possibility to make use of the eleventh and twelfth resolutions

After acknowledging the report of the Board of Directors, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of shareholders, delegates its authority to the Board of Directors, with the faculty of sub-delegation, and within the framework of legal provisions, to use all or part of the various delegations resulting from the eleventh and twelfth resolutions, if any takeover or security exchange bid were to be made with regard to the securities issued by the company.

The AGM decides that the Board of Directors shall have all powers, with the faculty of sub-delegation, to implement this present delegation in conditions laid down by the law.

This present delegation is granted for a period of twelve months that will expire at the end of the Annual General Meeting called to deliberate on the financial statements closing on June 30th 2011.

Fourteenth resolution

Global limit of the total amount to be issued

After acknowledging the report of the Board of Directors, the AGM decides that any capital increases resulting from the use of delegations involving the authorization to issue shares and other securities granted in the eleventh, twelfth and thirteenth resolutions above, whether immediate, deferred or potential, and also any issue of securities according to the provisions of the tenth resolution above, shall not globally exceed the total nominal value of 400 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; to this sum may be added, where relevant for capital increases as described above, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to the capital stock, in accordance with legal and regulatory provisions.

Fifteenth resolution

Increase in the capital stock reserved for employees

After hearing the reports of the Board of Directors and the Statutory Auditors, the AGM, deliberating within the framework of article L.225-129-6 of the French Commercial Code, decides to increase the capital stock reserved for employees participating in a company or group savings plan.

The AGM delegates to the Board of Directors the powers necessary to take decisions to proceed with the increase in the capital stock, in one or several operations, in the proportion and at the time it deems most opportune, through the issue of shares in the capital stock or securities providing access to the company's capital stock, with pre-emptive rights to the subscription of shares; the capital increase is reserved to the company's employees still under contract, or those with work contracts in companies that are linked according to the definition of L.225-180 of the French Commercial Code, that participate in the company or group savings plan, and that satisfy the any conditions that are laid down by the Board of Directors.

The amount of increase in the capital stock liable to be made through the delegation presented above may not exceed 10 million Euros in nominal value; to this sum

may be added, where relevant, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to these shares, in accordance with legal provisions in force.

The issue price for new shares, to be fixed by the Board of Directors, cannot be lower by more than 20% than the average rate recorded for the company's shares on the Paris stock market during the legal period and in the conditions laid down by the law in force at the date considered; current legislation states this period to be the twenty days the Paris stock market is open preceding the day of the decision taken by the Board of Directors to fix the date when subscriptions are open.

The Board of Directors is granted full powers, in conditions fixed by the law, to implement this present delegation, now or at a later date, within the limits and methods that it fixes in advance, to:

- ▶ determine the companies whose employees may benefit from the issue subscription offer, for the purposes of the present delegation;
- ▶ fix the conditions of seniority in particular necessary to benefit from these subscription offers;
- ▶ determine the issue dates and methods adopted;
- ▶ fix the issue prices and conditions;
- ▶ fix the amounts to be issued;
- ▶ fix the date of entitlement, albeit retroactive, for the securities to be issued;
- ▶ determine how the shares should be paid up and the time granted to the beneficiaries to pay up their subscription;
- ▶ decide whether the subscriptions can be made directly and/or indirectly through mutual funds;
- ▶ fix, for security issues covered by the present delegation, the methods and conditions of participation in a company or group savings plan, determine their regulations or, for pre-existing plans, modify their regulations.

Finally, the Board of Directors may, where appropriate, deduct any charges from the premium or premiums associated to capital increases, in particular any costs generated by security issues, and more generally to take any useful measures to reach agreements in order to succeed with such issues, record any capital increases resulting from an issue made within the framework of the present delegation, and modify the by-laws accordingly.

The present authorization is granted for the maximum duration of twenty-four months. It supersedes the authorization previously granted by the AGM of December 8th 2009.

● RESOLUTION OF AN ORDINARY CHARACTER

Sixteenth resolution

Delegation of powers

The AGM grants full powers to the bearer of a copy or extracts of the minutes recording the present deliberations with the aim of completing all legal and administrative formalities as required.

GLOSSARY

Biological fight:

The fight against crop pathogens using their natural predators.

Biotechnology:

The application of science and engineering to the use of living organisms in their natural or modified forms.

Breeding/Selection:

Choosing the individuals with the best phenotypical characteristics for reproduction from a population of plants earmarked for improvement.

By extension: all the techniques used in plant improvement.

EBITDA:

Earnings before interest, taxes, depreciation and amortization.

Genetic heritage:

An organism's set of genes.

Genetic resources:

Group of genes from various plant species.

Genetically modified organism (GMO):

Organism (plant, animal or micro-organism) whose genome has been voluntarily modified by man using a technique, transgenesis, combining in vitro culture and genetic engineering.

Genome:

All the genetic material in the chromosomes of a particular organism.

Genomics:

The study of genes, their resulting proteins, and the role played by the proteins in the body's biochemical processes.

Genotyping:

Testing using different techniques, including genomics and molecular marking, to analyze genes in order to reveal the specific alleles or traits inherited by an individual.

Germplasm:

Genetic material or resources.

Hybridization:

Conventional plant breeding method.

This method involves cross-fertilizing plants (parents) of the same species in order to obtain a plant (hybrid) bearing certain characteristics of the two varieties initially chosen. In theory the hybrid is more robust than its two parents.

In vitro culture:

Propagation of cells in an experimental situation outside the organism. Biological or chemical work done in the test tube (in vitro is Latin for "in glass") rather than in living systems.

Molecular marking:

Following the presence or absence of a particular trait in a plant, by studying its genome (without the need to grow the plant to check whether the trait is present or absent).

Mycotoxin:

Toxic substance produced by fungi or molds on agricultural crops that may cause sickness in animals or humans that eat feed or food made from contaminated crops.

Organoleptic:

Relating to perception by or the use of a sensory organ.

Pathogen:

Pathogens are infectious or toxin forming micro-organisms causing disease.

Pelleting:

Technique whereby inert materials are added to change seed size and shape for improved planting.

Phenotyping:

Different techniques to observe the outward appearance (structure) or other visible characteristics of an organism as expressed by the DNA of its genotype.

Seed multiplication farmer:

Farmer specialized in large-scale multiplication or production of seed, with a view to selling the seed.

Sales from proprietary varieties:

Sales made on varieties coming out of the research programs of Vilmorin.

Stacking:

The process of introducing several traits (not necessarily GM) into one plant or plant type by either selective (human) or natural breeding methods.

Think tank:

A group or an institution organized for intensive research and solving of problems, especially in the areas of technology, social or political strategy, or armament.

Traits:

The gene or genes providing the plant with resistance to various aggressions from pests, weed-killers, etc.

Transgenesis:

Integration into a living organism of a gene that confers upon the organism a new property that it will transmit to its descendents.

Sources:

- ▶ International Seed Federation
www.worldseed.org/ist/home.html
- ▶ Food and Agriculture Organization of the United Nations
www.fao.org/waicent/portal/glossary_en.asp
- ▶ www.agriculturelaw.com/links/dictionary.htm
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