

Annual report >

2007/08



Message from the Board > 6

Governance > 8

14 < **Performances for 2007-2008 and outlook**

14/ Key figures

16/ Vegetable seeds activity

24/ Field seeds activity

Strategy > 34

34/ Strategic foundations

38/ Research, the key to value
and competitiveness

42/ Driving growth through international
development

46 < **Combining development and responsibility**

46/ Mastering innovation and sharing access
to knowledge

48/ Encouraging employee involvement

52/ Contributing to the development of the social
and economic environment

54/ Developing business while limiting its impact
on the environment

58/ Anticipating by assessing and limiting risks

Vilmorin and its shareholders > 64

64/ Information and communication
for the stock markets

66/ Vilmorin's shares

68/ The stock and the shareholders

70 < **Financial and legal information**

71/ Legal information

76/ Information on the subsidiaries

84/ Annual financial statements

Glossary > 162

 **Contents**



Profile

Vilmorin creates, produces and sells novel vegetable and field crop plants intended for agricultural production and market gardeners.



13%

of sales for 2007-2008 devoted to research, the keystone to the success of a seed company.

Fourth largest seed company in the world

- Activities with high added value, on growing markets
- Leading positions in strategic crops and territories
- A powerful research capacity, particularly in plant *biotechnology*

Strategic foundations

- Underpin an original model that gives priority to the long term
- Intensify two orientations for development:
 - Research, the key to creating value and competitiveness
 - Driving growth through international development

Vegetable seeds activity

- More than thirty of the most consumed crops in the world for professional operators of the agri-food sector (market gardeners, canners, etc.).
- A constantly progressing market worldwide as food needs increase.



Field seeds activity

- Four strategic crops: corn, straw cereals, rape, and sunflower seed for farmers on European and American agricultural markets.
- Fast-growing world markets as needs grow for food and numerous industrial value chains.



44%
of sales.

56%
of sales.





Combining development and responsibility at Vilmorin

Vilmorin is the fourth largest seed company in the world, and is expert in the creation of novel vegetable and field crop plants intended for agricultural production and market gardeners.

Guided by a long-term vision of its growth, Vilmorin builds its success on its essential assets:

- control over its profession of seeds producer,
- its capacity for research, particularly in plant biotechnology,
- a backdrop of successful growth, built from an original organization model and a strategy of targeted acquisitions,

in order to strengthen its status as a world player.

An ambition which draws its strength from its philosophy of “**Cultivating the taste of life**”, stressing innovation, the sharing of knowledge and respect for mankind and the environment.



Message from the Board of Directors



Gérard RENARD



Pierre PAGESSE, Didier MIRATON



Jean-Yves FOUCAULT, Daniel CHÉRON, Philippe AYMARD



Joël ARNAUD, Pascal VIGUIER, François HEYRAUD

Commendable financial and commercial performances in 2007-2008, and a new firm base in Asia

The fiscal year for 2007-2008 once again demonstrated the potential for organic growth of all our business activities. Stimulated by the dynamism of agricultural markets, particularly in Europe, the field seeds activity confirmed its high status within Vilmorin by achieving a strong increase in sales and its profitable contribution to the global results. The vegetable seeds activity pursued its sustained development throughout all its priority zones, and adopted a new operational organization in specialized business units, each with a worldwide vocation.

More globally this fiscal year was devoted to intensifying our two strategic growth orientations, research and international development. The priority given to investment in upstream technologies was expressed through platforms specialized according to discipline, and benefiting from a worldwide network of partnerships. Our annual investment in research now exceeds 100 million euros, representing more than 13% of sales devoted to the professional market.

By achieving its objective of setting up strong long-term business in China, through the stake purchased in the stock of the company Yuanlongping High-Tech Agriculture, one of the world's leaders in hybrid rice, Vilmorin has taken a new decisive step in its penetration of Asian markets.

As announced in October 2007, Vilmorin has initiated the process of divesting all its home garden activities; the first stage in this process was the sale of our German subsidiary, Flora Frey.

The financial year for 2007-2008 ended with total sales, excluding the home garden activity, of nearly 900 million euros, up like for like more than 13%, an operating margin of 12.8% and total net profits of 51 million euros. In spite of a highly disturbed financial environment, your Board of Directors has expressed the desire to remain faithful to its dividend policy by maintaining a substantial distribution of its profit, at 1.66 euros per share.

The year 2008-2009 driven by our development model and long-term vision

For the main agricultural markets, particularly field seeds, the year 2008-2009 began in a context of increasing volatility and a significant drop in the prices of raw materials. This context, amplified by the uncertainties inherent in the financial and banking crisis affecting all the world's economies, leads us to express greater caution and reserve with regard to the development objectives of our activities.

However, the organic growth of our vegetable and field seed activities should accelerate both in zones where we have historically expanded, and in new markets, particularly in Eastern Europe and Asia. Faithful to its original development model, and more than ever ensconced in a long-term vision of its business, Vilmorin will continue to express with conviction its philosophy of **"Cultivating the taste of life"**.

Presentation of the Board

	Name (age) Function	Main activities	Term of office
	Gérard RENARD (61) Chairman	Farmer Vice-Chairman of Groupe Limagrain	● 1998 » 2005 ✕ 2008*
	Joël ARNAUD (49) Member of the Board	Farmer Vice-Chairman of Groupe Limagrain	● 2006 ✕ 2008*
	Philippe AYMARD (49) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2006 ✕ 2008*
	Daniel CHÉRON (57) Member of the Board	Corporate CEO of Groupe Limagrain	● 2004 » 2005 ✕ 2008*
	Jean-Yves FOUCAULT (53) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2006 ✕ 2010
	François HEYRAUD (51) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2000 » 2005 ✕ 2008*
	Didier MIRATON (50) Independent Member of the Board	Non-General Managing Partner of the Michelin group	● 2007 ✕ 2010
	Pierre PAGESSE (62) Member of the Board	Farmer Chairman of Groupe Limagrain	● 2006 ✕ 2008*
	Pascal VIGUIER (44) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2007 ✕ 2010

● Commencement » Renewal ✕ Expiry

* Proposal to renew the term of office in the resolutions of the Annual General Meeting of December 11th 2008

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.

Background

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, member of the Auvergne Regional Chamber of Agriculture committee and President of the Puy-de-Dôme Interchamber Committee.

Joël ARNAUD joined the Groupe Limagrain Board in 1990, becoming Vice-Chairman in 1992, and is President of the field seeds activity. Furthermore his national responsibilities in France involve being on the board of the FNPSMS (National Federation of Corn and Sorghum Seed Producers) and the AGPM (General Association of Corn Producers).

As a member of the Groupe Limagrain Board since 1995, Philippe AYMARD has specific responsibilities to supervise the field seeds activities and agro-industrial production. He plays an important role in the cereals sector, and also participates in organizing the defense of the interests of regional cereal farmers.

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 vegetable and field seeds activities, he became Deputy Corporate CEO in 1996, and then Corporate CEO in 2006.

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 President of the Jacquet group and board member of a local Crédit Agricole bank.

After several years on the boards of different companies in the group, François HEYRAUD was elected to the Groupe Limagrain Board in 1984, and is today specifically in charge of the vegetable seeds activity.

Didier MIRATON, a government civil engineer, joined Michelin in 1982. After holding several responsibilities within the group in France and abroad, he was appointed as 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.

As well as being Chairman of the Groupe Limagrain board 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 became a Groupe Limagrain Board member in 1999, and has held terms of office in the vegetable and field seed sectors. He has also been a member of the Puy-de-Dôme Young Farmers Committee.

How the Board of Directors operates

The Board of Directors meets regularly. Meetings are convened by written or oral notice to attend from the Chairman, and are held at the head office or any other place fixed in the notice.

During the fiscal year 2007-2008, the Board of Directors for Vilmorin met eight times. The attendance rate for the Board of Directors was 95%.

Moreover, for the purpose of the offices they hold in the subsidiaries of Vilmorin, the Members of the Board took part in thirty-six meetings during the course of the fiscal year 2007-2008, with an attendance rate of 88%.

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,
- > following the withdrawal plan for the home garden activities,
- > confirmation of the objectives of the vegetable and field seeds activities both in terms of international development and research investments,
- > implementation of the development plan, in particular on Asian markets,
- > approval of the budget for the fiscal year 2008-2009,
- > closing of the half-yearly and annual corporate and consolidated financial statements.

General Management

Vilmorin's General Management is the responsibility of the Chairman, Gérard RENARD, with the assistance of Adrian HUIGE, CEO in the field seeds activity of Vilmorin.



After managing the Advanta seed group for more than 7 years, Adrian HUIGE, 59, joined Vilmorin in 2004. He contributed particularly to the restructuring and integration of Advanta's European activities in the field seeds division of Vilmorin.

Limagrain, a reference shareholder, guaranteeing a sustainable strategy

Vilmorin belongs, for the most part, to Groupe Limagrain, which has encouraged its development by providing regular and consistent investment support. Breeder and producer of plant varieties, the independent cooperative group Limagrain has broadened and developed its know-how in seeds to the markets for ingredients and bakery products.

The Group has a strong international dimension, with more than 70% of its sales outside France. Limagrain is structured around a holding company, Groupe Limagrain Holding, a joint stock company, in which the cooperative company Limagrain is the majority shareholder. Located in Auvergne (France) in the plain of Limagne, Limagrain had 670 cooperative members on June 30th 2008.

Limagrain held 69% of Vilmorin's stock on June 30th 2008. The Group is willing to consider lowering this rate depending on market opportunities and with the objective of favoring the development of Vilmorin.

Nearly all the directors on the Board of Vilmorin are from Limagrain.

As a result they all benefit from specialist experience in agriculture and agronomy, along with real experience in seeds.

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 adopted a corporate governance code as a reference to define its own practices.

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 long-term.

Executive Committee

Vilmorin's Executive Committee is chaired by Mr. 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 follow 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:
Emmanuel ROUGIER:
VP for Development and Management,
and also in charge of the Home Garden activity.
Jean-Christophe GOUACHE:
VP for the professional vegetable activity.
Adrian HUIGE: CEO.
Daniel JACQUEMOND: Chief Financial Officer.
Alain PERRIN: VP for the field seeds activity.



Agreements with mandatories and economic interests of the management bodies

Stock options, stock purchasing, voting rights, agreements with mandatories

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

Remuneration and advantages of any nature received by the mandatories

As in previous years, members of the Board exercised their function without any remuneration for fiscal 2007-2008.

Nevertheless, because of the presence of an independent member on the Board, it is proposed to the Annual General Meeting deliberating on the annual financial statements closing on June 30th 2008 to fix the token payment for attendance at meetings in fiscal 2007-2008 at 9 000 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 2007-2008, amounted to 120 000 euros including a variable part of 21 500 euros.

Using the same approach, M. Adrian HUIGE, the CEO, is also a salaried member of Groupe Limagrain Holding, and the proportion of gross remuneration paid for functions he held specifically came to 324 300 euros, including a variable part of 64 500 euros.

Finally, the total commitments concerning end of career allowances of M. Daniel CHÉRON and M. Adrian HUIGE on June 30th 2008 came respectively to 159 000 euros et 11 000 euros.

Remuneration of members of the management bodies

In 2007-2008, the sum of payments made to members of the Management bodies, including income in kind, amounted to 3.1 million euros.

These Management bodies concern the Managers on the Executive Committee of Vilmorin and the General Managers of the following operating companies: Vilmorin SA, Nickerson Zwaan, Clause, Hazera Genetics, Harris Moran, Mikado Kyowa, Marco Polo, Limagrain Verneuil Holding, Biogemma and AgReliant, making 16 people altogether.



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 members of the management is party.

To the knowledge of the company, there is no potential conflict of interest between the duties held by 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 their stake in the company's stock.

To the knowledge of the company, no sentence has been pronounced with regard to any of the company's mandatories which might have, or has had recently, any significant effect on his or her financial situation.

Statutory auditors

Date of expiry of term of office

Incumbent Statutory Auditors

KPMG AUDIT Département de KPMG SA
1, cours Valmy - F-92923 Paris la Défense Cedex
represented by Mme Catherine PORTA
Date appointed: 2002

2008
(AGM for the accounts of the fiscal year closing on June 30th 2008)*

VISAS 4 Commissariat
56, boulevard Gustave Flaubert - F-63010 Clermont-Ferrand
represented by Mme Corinne BESSON
Date appointed: 2005

2011
(AGM for the accounts of the fiscal year closing on June 30th 2011)

Substitute Statutory Auditors

M. Jean-Luc DECORNOY
2 bis, rue de Villiers - F-92300 Levallois-Perret
Date appointed: 2002

2008
(AGM for the accounts of the fiscal year closing on June 30th 2008)**

M. Olivier DELARUE
56, boulevard Gustave Flaubert - F-63010 Clermont-Ferrand
Date appointed: 2005

2011
(AGM for the accounts of the fiscal year closing on June 30th 2011)

* proposal to renew the term of office of KPMG AUDIT, set out in the 12th resolution.

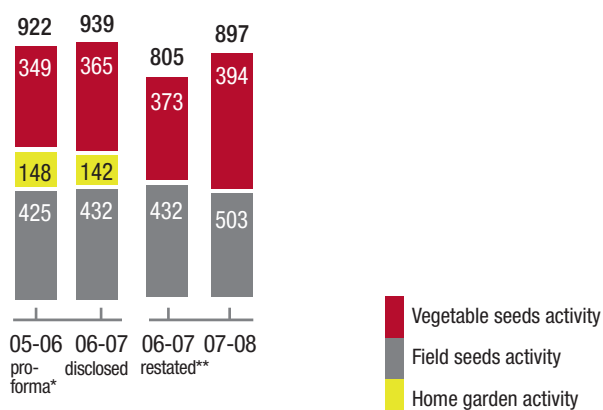
** proposal to replace M. Jean-Luc DECORNOY by M. Denis MARANGE, set out in the 13th resolution.



Key figures

Core business with confirmed potential for growth

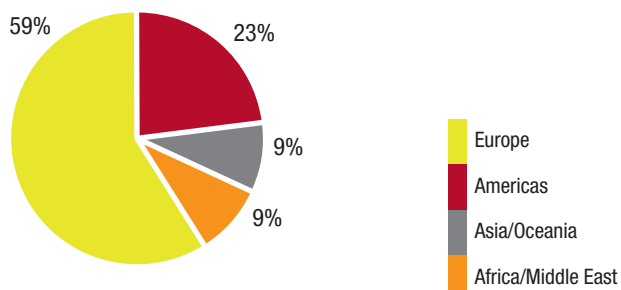
The sustained progression (+13% like for like) of sales in 2007-2008 confirms the organic growth potential of Vilmorin's activities, both in field seeds and in vegetable seeds, as a result of the dynamism of the main agricultural markets.



Evolution of sales (in M€)
(Revenue from ordinary activities)

Highly international activities

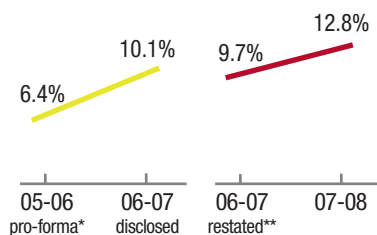
Business development in 2007-2008 resulted in sustained organic growth of field seeds in Europe and in a strengthening of Vilmorin's presence for vegetable seeds in the Mediterranean basin and in Mexico.



Geographical analysis of sales (as a %)

Operating margin, key global indicator, on the rise

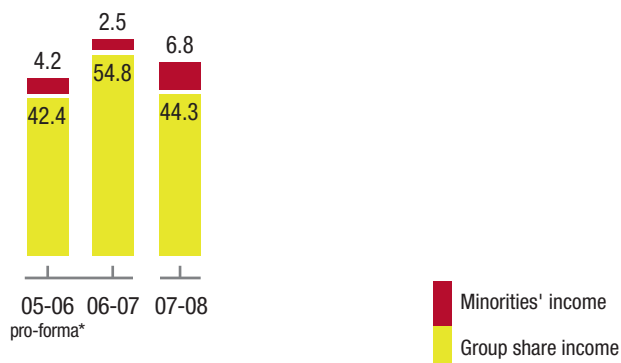
Boosted by targeted development on the market segments with the greatest added value, progressive restructuring of its portfolio of activities and the quality of its innovation processes, in 2007-2008 Vilmorin strengthened its operating profitability, with a price margin of 13%.



Evolution of the operating margin (as a % of sales)

A strong increase in the net income in the reference activities

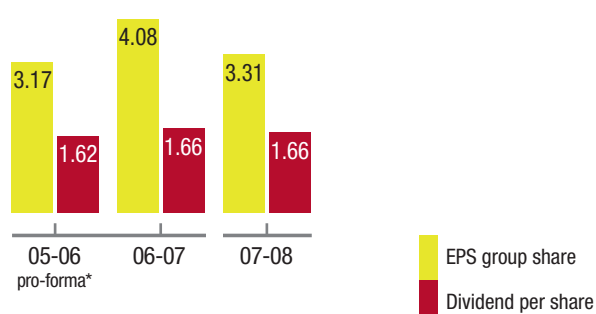
Excluding the home garden activity, the net result for the reference activities ("continuing operations") in 2007-2008 came to 67.6 million euros, an increase of 22.1 million euros compared with the previous year. Taking into account the exceptional loss caused by the sale of Flora Frey (Germany), the home garden activity made a total negative contribution of 16.5 million euros.



Evolution of income (in M€)

An attractive policy of distributing dividends

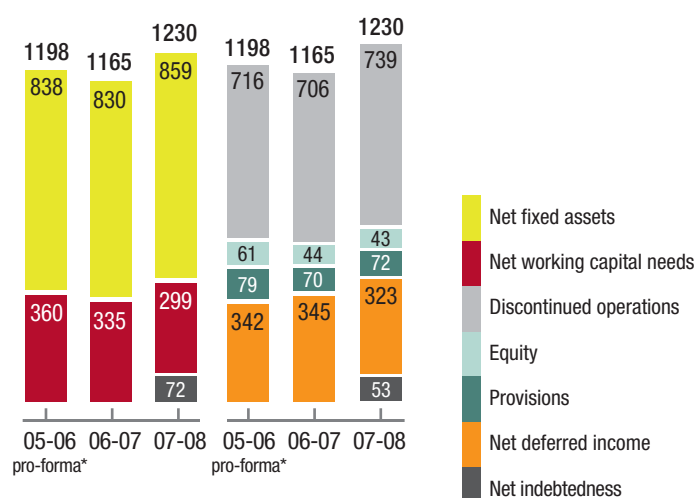
Remaining faithful to its attractive dividends policy, Vilmorin is maintaining for 2007-2008 a dividend of 1.66 euros net per share, corresponding to a distribution rate of its group share net income of 50.2%.



Evolution of the earnings per share, group share (EPS) and dividend per share (in €)

A healthy financial structure

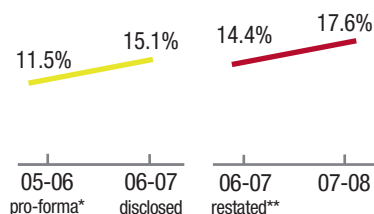
At the end of fiscal 2007-2008, Vilmorin showed it has a solid financial structure strengthened by the issue of OCEANE bonds in June 2008 with a value of 149.5 million euros, that should enable it to accompany the organic growth of its activities and to take on board new development operations.



Consolidated balance sheet structure on June 30th (in M€)

Good control of the economic profitability of the stock employed

By emphasizing the need for a special effort from each of its activities in the management of their working capital needs, and by pursuing a rational capital investment policy, Vilmorin has strengthened the global level of profitability of the stock employed in funding its operations.



Evolution of the ROCE ratio (as a %)

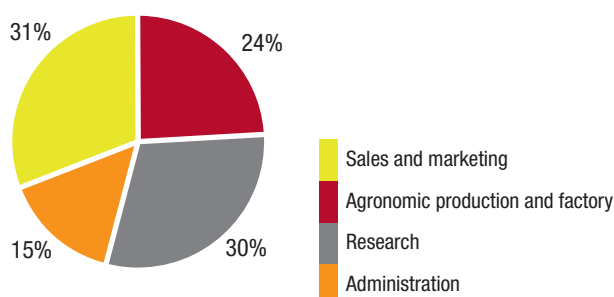
$ROCE = \frac{EBITDA}{\text{Fixed assets} + \text{Working capital needs}}$

Fixed assets + Working capital needs

* Pro-forma financial statements: as of fiscal 2006-2007, Vilmorin's consolidation scope has taken into account the field seeds activities acquired in July 2006, through a contribution from Limagrain. Consequently, the financial data for 2005-2006 have been restated in a pro-forma version on the basis of this change in scope.

Human resources largely geared towards sales

In 2007-2008, excluding the home garden activity, Vilmorin employed an average headcount of more than 4 400 employees, and on June 30th 2008 had a permanent staff of 3 855.



Breakdown of permanent staff according to function (as a %)

** Restated financial statements: following the announcement in October 2007 of its project to withdraw from its home garden activity, Vilmorin now applies IFRS standard 5 "Non-current assets held for sale and discontinued operations". This standard requires that the operations concerning these assets should be isolated as specific items on the balance sheet and income statement. The financial statements disclosed for fiscal 2006-2007 have been restated accordingly.

> Professional vegetable seeds: the demands of the world market

Structured around four operation business units, Vilmorin anticipates the needs of its professional clients with seeds that are ever more innovative.

Vilmorin creates, produces and sells high performance vegetable seeds for the professional agri-food market. Market gardeners – who will be producing vegetables for fresh markets, – and processors, specialists in canning, *deep-freezing* and *freeze-drying* make up its target customers.

Seeds with high added value

Vilmorin has based its activity on high technical performance, the key requirement of agri-food professionals. Indeed the challenge involves anticipating and meeting the needs and tastes of consumers, while optimizing their added value.

Professional operators seek ever more innovative varieties: improved productivity, perfect adaptation to growing and processing conditions, better *organoleptic* and nutritional qualities.

Vilmorin works on around thirty different species, and in particular those that are most widely consumed throughout the world: tomato, melon, carrot, pepper, bean, cauliflower, squash, onion, water-melon, cucumber.

> Key indicators

- No. 2 worldwide.
- Contribution to consolidated sales for 2007-2008: € 394 million (+ 4.9% like for like).
- Net income: € 50 million.
- Number of employees: 2 259.



Organization centered around four business units radiating out internationally

Organization of the vegetable seeds activity is now structured as follows:

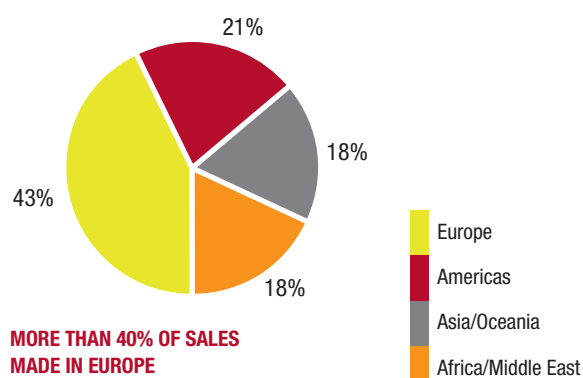
- Three business units with a worldwide vocation
 - Clause in liaison with Harris Moran Seeds and Marco Polo Seed
 - Hazera Genetics in collaboration with Nickerson Zwaan
 - Vilmorin SA
- An Asian business unit with a regional vocation, built around Mikado Kyowa Seed.

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 activity, in terms of marketing and research in particular.

With its manifold approach to markets, from research right through to sales, this organization offers a well-adapted response to a highly diversified vegetable production market.

87%

of professional vegetable sales
in 2007-2008 came from
Vilmorin's research programs.



Geographic analysis
of sales in 2007-2008



**THE MAIN BUSINESS UNITS
IN THE VEGETABLE ACTIVITY**

A fine year for growth

Over fiscal 2007-2008, the professional companies continued to perform very well, particularly in international sales.

During the course of fiscal 2007-2008, like for like the professional vegetable seeds business progressed by 4.9%.

Restated for the contraction of Mikado Kyowa Seed's agricultural material activity, growth in our core business of seeds would stand at 6.3%.

It was a fine year for growth, higher than market trends, concerning the most profitable crops within an optimized product portfolio.

Priority to organic growth

For this fiscal year priority was given to organic growth. Main efforts focused on research programs and an increase in the resources devoted to commercial development, the strategic link required to launch new products to the market successfully.

The vegetable seed companies thus achieved significant gains in market shares, especially in Europe (and more particularly in Eastern Europe) and in areas that have become strategic because of the shift of vegetable production areas: to the Mediterranean basin, (North Africa, Turkey, Egypt), and to Mexico, etc.

➤ Objectives for 2008-2009

- Ensure, as it has in previous years, average growth in sales comparable to that achieved in 2007-2008.
- 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.
- Use the new business units organization to reinforce synergy between the companies, and particularly between the research programs.
- Pursue development by intensifying investment in upstream research particularly in *molecular marking*.

+ 4.9%

increase in sales,
like for like,
in 2007-2008.

Targeted external growth operations

The external growth operations achieved by Vilmorin in 2007-2008 concerned carefully targeted objectives with the aim of strengthening positions in certain strategic crops and geographical areas.

Global Genetics (United States): integrating new onion resources

The purchase in January 2008 of Global Genetics' onion seed breeding program means that Vilmorin can strengthen its solid competitive position for this crop.

This program is a complement to existing *genetic resources*, providing expertise in "long day" onion seeds that are well-adapted to American, European and Asian markets.

Anadolu (Turkey): consolidating business in a high potential zone

Vilmorin's full take-over of Anadolu took effect at the beginning of the fiscal year, with the objective of adapting its facilities in terms of sales and research, and to strengthen its commercial presence in Turkey. In 2007-2008 Anadolu made sales of more than 13 million euros, spread equally between vegetable seeds and field seeds.

Consolidation of international presence

In order to accelerate its growth on developing markets and adapt to the displacement of production zones, Vilmorin has also strengthened its international network both in terms of sales locations and resources devoted to research.

A stronger international network

• Hazera Genetics: opening of a subsidiary in Brazil

Hazera Genetics, present for several years in Brazil, structured its presence on this market during fiscal 2007-2008. The world leader for tomato seeds intended for the fresh market started up a subsidiary in Sao Paulo in July 2007.

• Nickerson Zwaan: spreading into Ukraine

Nickerson Zwaan has been active on this market since 1990, and opened a subsidiary in Kiev in April 2007. The new company developed fast over fiscal 2007-2008, and aims to become a leading player on the Ukraine vegetable seeds market, estimated to be worth 28 million euros.

• Clause: a new location in Algeria

In May 2008 Clause created a subsidiary, named Clause Maghreb, on the highly promising Algerian market.

• Vilmorin SA: inauguration of a research station in China

It was in November 2007 that Vilmorin SA opened a breeding and demo center based in Shouguang, in the province of Shangdong, one of the main Chinese centers for vegetable production. Devoted to breeding varieties that are specific to the Chinese market, the center will essentially be devoted to research concerning fruit vegetables: tomato, pepper, eggplant, etc.

Other new locations are planned soon, specifically in Greece, Turkey, Morocco and Mexico.



Opening of the Vilmorin research center in China

A constantly progressing market

The regularly increasing consumption of vegetables drives the growth of Vilmorin. It is a consequence of the rising world population, and the evolution of food habits, led by the search for a well-balanced, healthy lifestyle.

A market with a wide variety of products

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 vegetable 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. In spite of these specificities, the value of the world market for seeds was estimated to be at around 3.9 billion dollars in 2007, up 2.5% compared with 2006.

In 2007, 52.4 million hectares of vegetables were grown in the world.

(Source: FAO and P. McDougall – 2008)

+ 19%

**in acreage used to grow vegetables
in the world between 2000 and 2007.**



Innovation driving the market

The market for vegetable seeds is powered by the population increase and the evolution in food consumption habits.

Nevertheless, its growth largely depends on the research results of seed companies, and from the development of innovation that meets the needs of the professional clientele.

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

A more and more concentrated competitive 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 almost half of the world market for sales of vegetable seeds.

> The competitive advantages of Vilmorin

- A research budget of more than 13% of total sales.
- A regular increase in the *sales from proprietary varieties*, thus demonstrating the added value generated by research programs.
- Strong internationalization of business activities ensuring commercial development and access to *genetic resources* while optimizing risks.

	Groups	Countries	Sales of vegetable seeds (in M€)
1	Seminis (Monsanto)	United States	506
2	Vilmorin	France	366
3	Syngenta	Switzerland	294
4	Nuhmens (Bayer Crop Science)	Germany	204
5	Rijk Zwaan	Netherlands	140

(Source : internal estimates)

A MORE AND MORE CONCENTRATED COMPETITIVE ENVIRONMENT

The top five players in the market in 2007



Home garden activities in the process of being sold

In October 2007 Vilmorin announced its decision to withdraw from its home garden activities (seeds and garden products).

Reminder of the reasoning behind the project

This decision followed on from the home garden activities reorientation plan initiated in 2005. In spite of the partial improvement of the results recorded, economic performances remained fragile. In order to sustain this activity it would therefore have been necessary to accelerate the marketing and sales redeployment and to ensure the approach was consistent with a long-term vision and commitment. At the same time, trends on the professional seed market (concentration of the competition and the race for access to technology) have accelerated, forcing Vilmorin to fix new strategic priorities. This was the context in which Vilmorin took the decision to withdraw from its home garden activities.

Focusing on the major challenges of the professional markets

This operation will enable Vilmorin to concentrate on its historical core business: plant *breeding* for vegetable and field seeds intended for an international professional clientele.

Vilmorin is thus well-placed to intensify its two strategic orientations significantly, research and international development, thus reinforcing its position as a top rank world player.



The Vilmorin boutique in Paris will remain in the group

Vilmorin decided it would like to keep the store located in Quai de la Mégisserie, central Paris, a true symbol of the company's rich history, since the store has been at the same location since the 18th century.

"Vilmorin 1742", on the banks of the River Seine, will be redesigned over 2009 with the aim of becoming a true showcase for the group.

Progress report on the sale of the home garden activities

Following the calls for bids released to financial investors and industrialists working in the gardening and DIY market, Vilmorin decided to adopt a scheme to sell the activities in three separate operational units:

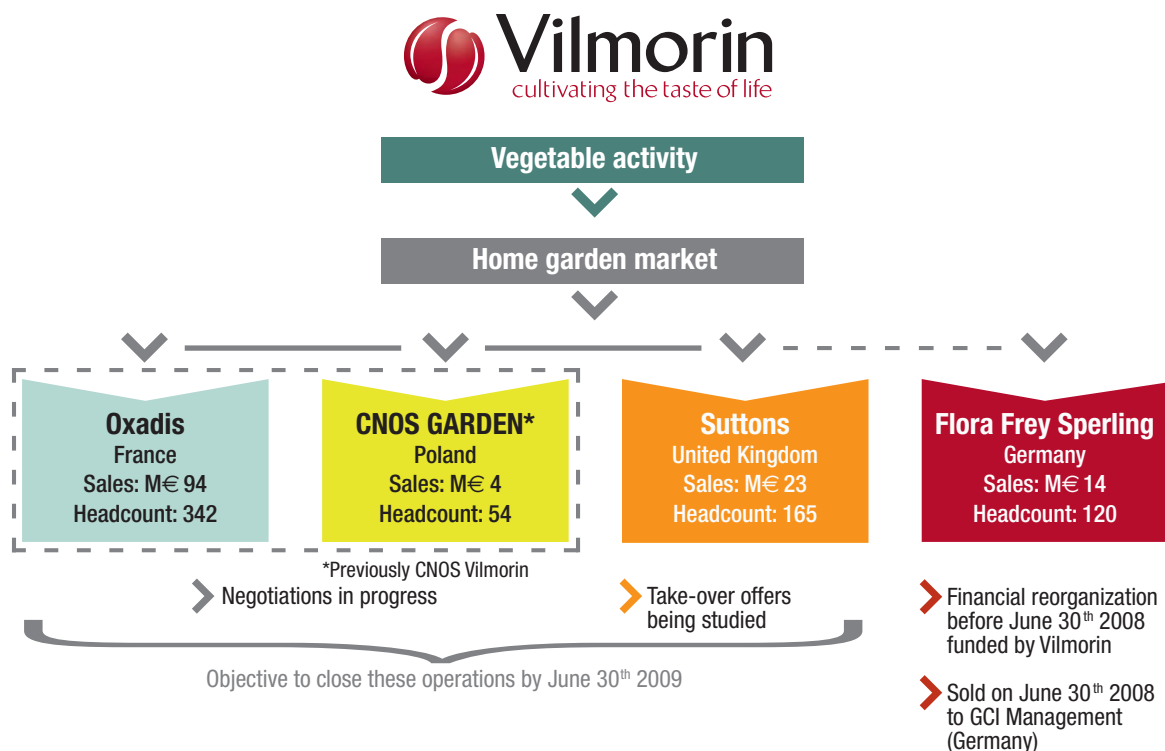
• The sale of Oxadis and CNOS Garden under analysis

Since the launch of this project, Vilmorin has privileged negotiation with industrialists, giving priority to the French horticultural and seed group Plan SAS.

In the context of the financial and banking crisis that has accelerated over 2008 and the associated risks of economic recession, Vilmorin and Plan SAS have not yet managed to reach an agreement.

Vilmorin has thus opened up its analysis to alternative offers.

Home garden activities: organization and key data



• Sale of Suttons making good progress

Several offers have been made for the company Suttons from financial or industrial operators. The company is currently being presented to those who have shown an interest. The objective is to finalize this operation during the course of fiscal 2008-2009, and if possible before December 31st 2008.

• Sale of Flora Frey finalized

On June 30th 2008 Flora Frey Sperling was sold to GCI Management, a German investment fund based in Munich. The transaction with this fund, specialized in taking over companies that require streamlining, will ensure the company can be reorganized industrially and commercially. This operation resulted in a net charge to Vilmorin of 24.3 million euros. This sum is to be set against the recurrent economic losses accumulated by Flora Frey Sperling over several years.

> Field seeds in Europe: market leaders in strategic species

Limagrain Verneuil Holding (LVH), a subsidiary held 80% by Vilmorin, runs the breeding, production and marketing for cereal and oil crop seeds in Europe, and maintains a strong position on these markets.

A well-established position by crop and market

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

- Strategic crops: corn, straw cereals (wheat and barley), rape and sunflower.

- Support crops (complement 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.



N°1

in Europe for straw cereal seeds.

> Key figures

- Sales 2007-2008 consolidated contribution: (LVH and its subsidiaries): M€ 391 (+ 23.2% like for like).
- Number of employees: 1 177.

N°2

in Europe for corn seeds.



Record growth

LVH achieved excellent performances over fiscal 2007-2008. The commercial campaign was marked by a strong increase in sales. The field seeds activity in Europe increased by 23% like for like, above the objectives fixed.

This sustained growth stems from the dynamism of agricultural markets which progressed both in volume and in value, sustained by the increase in food and non-food demand, a historically low level of stocks and the impact of the lifting of set-aside.

It is also the fruit of the efforts made by LVH, which has harvested significant gains in market shares in its four strategic crops.

How LVH manages its portfolio of activities

- Because of their agronomic profile, **rapeseed** varieties have a short lifespan, with high volatility. At the same time, the crop is extremely profitable, and will be even more so as its hybrid form becomes more and more popular.
- **Corn** is also subject to volatility to some extent. It does indeed suffer from the fluctuation of raw material prices, but LVH's germplasm is historically good in Northern Europe. Moreover LVH, which created the silage market in Europe, holds a very strong position on this segment. Consequently, profitability for this crop is very high and is liable to improve, particularly because of the potential for the corn grain market.
- **Sunflower**, which is very similar to corn with regard to volatility, is a very promising crop when it comes to LVH's development in Eastern Europe.
- As far as **straw cereals**, are concerned, they are not very volatile at all. Indeed, the portfolio is very wide-ranging (winter wheat, spring wheat, durum wheat, barley), the royalty flow is constant throughout the duration of the variety, and the best varieties have a longer life-cycle than average. Profitability is not very high because of the specific nature of the distribution networks, which means that as a general rule LVH contracts out distribution.

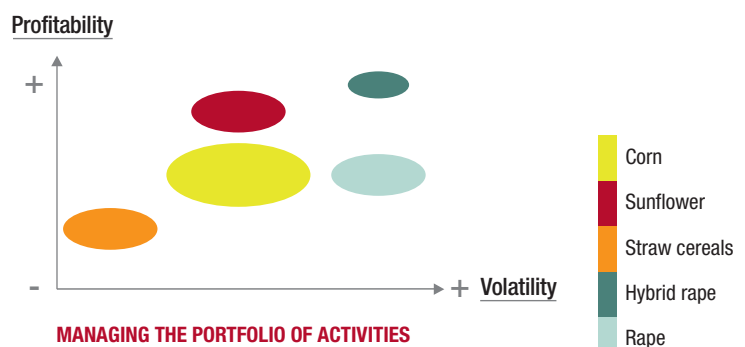
A well-adapted portfolio of products

LVH's commercial positions were strengthened by the launch of new products on line with market expectations, and also by a timely renewal of product line-ups.

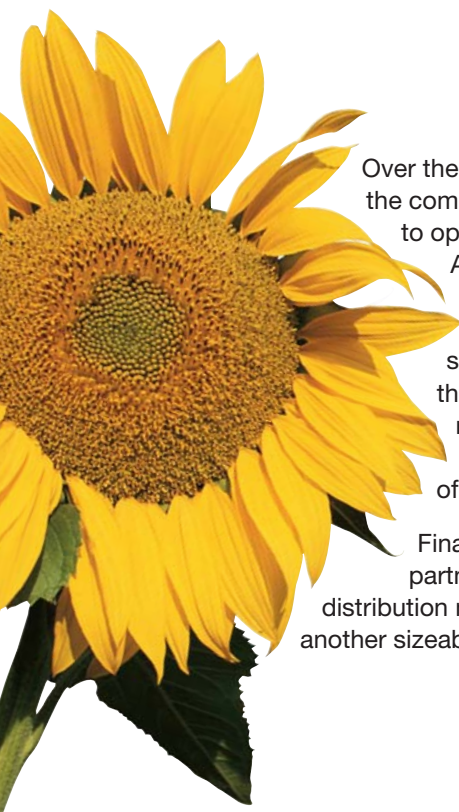
The segmentation strategy adopted has provided considerable added value and is undoubtedly one of the factors behind success. In corn for example, LVH has fine-tuned the segmentation of its range between silage (animal feed) and industrial applications (in particular products devoted to agrifuels).

+ 56%

the increase in sales
in Eastern Europe in 2007-2008.



A segmentation strategy that has created considerable added value



Over the course of the fiscal year the company has also continued to optimize its product portfolio.

As an example, through its co-operation with Euralis Semences, LVH has scaled up its stake in Soltis, the European sunflower research program, moving up from 40% to 50% of the stock.

Finally, privileged commercial partnerships with co-operative distribution networks represent another sizeable advantage for LVH.

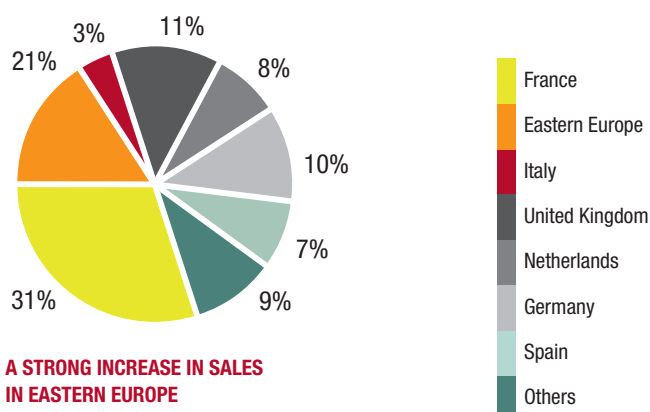
Optimized organization

After several years of reorganization, LVH has now managed to integrate the organization of its activities full-scale. It has confirmed the high organic growth potential envisaged when it acquired Advanta Europe in 2005, and is now fully benefiting from the opportunities for synergy involved in this integration.

Today LVH also benefits from more efficient organization with regard to research. The system of technological platforms adopted in Europe means that henceforth the company can establish and strengthen the link between upstream technologies and conventional *breeding*, particularly for *molecular marking*.

Objectives for 2008-2009

- Strengthen presence in Eastern European markets: Ukraine, Russia, etc.
- Continue to develop by giving a strong push to investment in upstream research, particularly in *molecular marking*.
- Capitalize on brands by anticipating the evolution of distribution networks and the European agricultural market.
- Ensure the reliability of procurement.
- Organize the arrival of genetically modified plants in Europe.



**A STRONG INCREASE IN SALES
IN EASTERN EUROPE**

Analysis of sales (excluding royalties)
by geographical zone

A buoyant market

Dominated by corn, straw cereals and two fast developing oil crops (rape and sunflower), the market has progressed historically at the average rate of 1.5% per year. 2007-2008 marked a break in this trend by a significant increase in cultivated acreage and an upturn in the price of raw materials.

Increasing acreage

In 2007, wheat acreage represented 13.7 hectares and that of corn 10.5 hectares, an increase of 6% compared with 2006, particularly through the use of areas that had previously been devoted to set-aside.

According to the European Union, the set-aside freeze led to the sowing of more than 1.6 million hectares out of a total of 3 million hectares of agricultural set-aside in Europe.

Overall, there are now more than 55 million hectares of cereals grown in the 27 member states of the European Union.

As far as oil seed crops are concerned, in 2007 they represented nearly 10 million hectares of crops. The market mainly concerns rapeseed (more than 6 million hectares) and sunflower (more than 3 million hectares).

(Sources: Cocal and internal).



The context of *GMO*: a limited impact in terms of sales

In Europe, growing and selling genetically modified plants are subject to legal directives, and in certain countries, such as France, are currently subject to a moratorium. The European Union has only certified one *GMO* crop.

Like its main competitors, this context has no impact on Vilmorin, which does not currently sell any genetically modified varieties in Europe. Vilmorin has varieties that are ready to be sold when the market opens up, but does not anticipate any change in the regulatory framework in the short term.

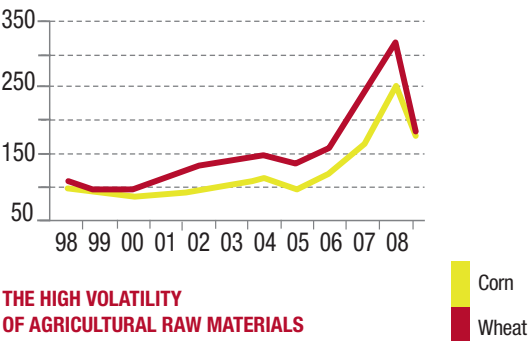
The highly fluctuating prices of agricultural raw materials

Whereas the prices of cereals hit rock bottom in 2004 and 2005, today their trend is once again today towards the high end, and yet they are extremely volatile with purely speculative positions, as could be seen with the strong drop in rates since the summer of 2008.

This trend can be explained by the increase in demand and particularly low cereal stocks; in April 2008, for the 2007-2008 campaign they represented 244 million tons, equivalent to 55 days of consumption. The FAO (Food and Agricultural Organization) considers that below 70 days, stocks are insufficient and can no longer play their role of regulating prices.

> Vilmorin's competitive assets

- First-rate genetic material, giving Vilmorin a crucial competitive advantage in terms of innovation, particularly in straw cereals.
- Solid competitive position in major strategic species.
- A brand portfolio that is widely recognized by farmers.
- A solid long-term partnership with the cooperative's distribution channels.



THE HIGH VOLATILITY OF AGRICULTURAL RAW MATERIALS

Evolution of the prices of corn and wheat in Europe (in dollars per ton)
Source: Internal

	Straw Cereals	Corn	Sunflower
N°1	Vilmorin	Pioneer	Syngenta
N°2	RAGT	Vilmorin	Pioneer
N°3	KWS	KWS	Vilmorin
N°4	Desprez	Monsanto	Monsanto

(Source: internal estimates)

THE COMPETITIVE PANORAMA OF VILMORIN



Field seeds in North America: reaping the benefits of a smart strategy

AgReliant, a joint venture between Vilmorin and KWS in North America, has been growing fast, pushed by a market with high potential.

AgReliant: the advantages of a joint venture

The joint venture was set up in July 2000 and is consolidated 50/50 with the German seed group KWS. AgReliant is now the fourth largest American seed producer on the corn seed market, and breeds, produces and sells corn and soybean seeds in the United States and Canada. The objective of this collaboration was to unite the research efforts of the two companies, while preserving brand identity. Marketing is carried out brand by brand, while research, production and administration are pooled.

Continuous progression in genetically modified seeds

More than 85% of AgReliant's business in corn seeds involves genetically modified varieties. This increases to 90% for soybean seeds. This growing trend is the reason for the significant increase in profits for the two species.

> Key figures

- Sales 2007-2008 consolidated contribution (at 100%): M€ 224 (+ 14.5% like for like).
- Number of employees: 670

+14.5%

increase in sales,
like for like, in 2007-2008.



A transition year

After a year of strong growth, in fiscal 2007-2008 AgReliant managed to preserve its market shares at a time when the market experienced a downturn.

The capacity to create value

In spite of a drop in corn acreage and unfavorable weather conditions at the end of the season, the sales of AgReliant achieved sustained growth of 14.5% like for like.

This increase was mainly achieved through an increase in the proportion of multi-*stack* *GMO* products in sales. Indeed, in 2007-2008 more than 85% of AgReliant's corn business concerned genetically modified varieties, and the majority of them now integrate several resistance *traits*.

AgReliant has thus proven its capacity to anticipate the rapid changes occurring in the market and to create value by regularly launching novel products.

Refocusing on its strategic activities

At the same time Vilmorin has decided to divest, partially or totally, any species that are not strategic for the North American market.

Accordingly, Vilmorin sold the *genetic resources* of its soybean research programs that it held as part of its 37% stake in Soygenetics. Meanwhile, the research and sales activities for sunflower held by Advanta Pacific were sold during the course of fiscal 2007-2008.

Objectives for 2008-2009

- 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*.
- Further improve reliability of procurement.



High value added seeds

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

These options concern two possibilities:

- *Traits*, giving the plant its transgenic character. 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, thanks to the *stacking* technique. These products are increasingly in demand from farmers.
- Plant protection products, giving protection to the plant against certain parasites or diseases.

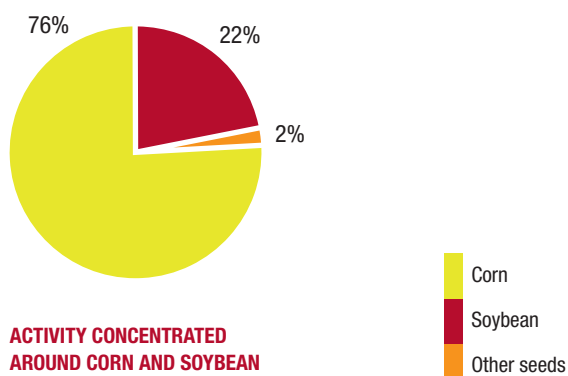
Multi-brand marketing: AgReliant's key factor for success

More than half of AgReliant's workforce works in its first-rate sales team, and the company covers the three distribution networks in the United States: direct sales to the farmer, the farmer-dealer network 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 well-known brands for the different geographical sectors that extensively cover the Corn Belt, the heart of the American market.

76%

of AgReliant's sales
made in corn seeds in 2007-2008.



Analysis of sales by species



**BRANDS, AN ESSENTIAL FACTOR
IN THE MARKETING STRATEGY**

A portfolio of six well-known brands

A volatile market

In 2008 the North American corn seed market was marked by an increase in soybean acreage to the detriment of corn. These two species dominate the market, which should continue to grow through the development perspectives offered by genetically modified seeds and by agrifuels.

Temporary market downturn

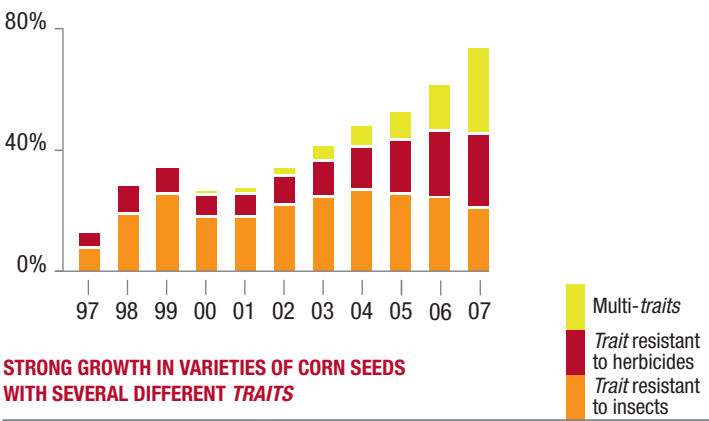
In 2008 corn acreage experienced a significant contraction. Whereas in 2007, driven by producers' demand for bioethanol, the corn market grew by more than 25%, one year later it fell by 8% in volume, with an acreage of 35 million hectares. This change is the consequence of the farmers' decision to opt for soybean because of the evolution in prices. This crop, which is grown alternately with corn, represented 31 million hectares in 2008, an increase of 19%.

(Source: USDA 2008).

Innovation acceleration

The North American market is characterized by the development of genetically modified plants (+ 14% since 2000). They have regularly developed, covering more than 80% of corn acreage and more than 90% of soybean acreage. The varieties that integrate several resistance traits, have increased considerably, today representing a significant market share.

80%
of the corn cultivated
in the United States is produced
from genetically modified seeds.



Evolution of genetically modified varieties
(Source: USDA 2008)



Soybean shoot

Genetically modified plants: a virtuous growth circle

Although on average these seeds are 50% more expensive than conventional seeds, genetically modified seeds enable farmers to considerably reduce their running costs, in particular pesticide treatments, guaranteeing a better harvest with at least 30% higher yield.

The increase in the selling price of corn seeds also enables farmers to develop their farms, thus increasing their capacity to buy seeds with higher added value.

Changing panorama of competitors

Considerably strengthening its market position over the last few years, AgReliant's market share has increased rapidly and significantly since 2000: a trend that should be confirmed in the coming years.

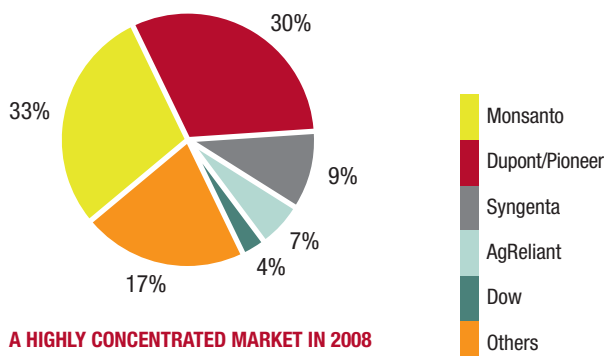
Agrifuels: a growth lever for corn production

Since 2000 corn acreage in the United States has risen considerably particularly because of demand from bioethanol factories.

In 2008, 25% of domestic American corn production is already devoted to this market. The US government has set a target of 32% for 2012.

38%

of genetically modified corn seeds
in the United States incorporated
several resistance *traits* in 2007.

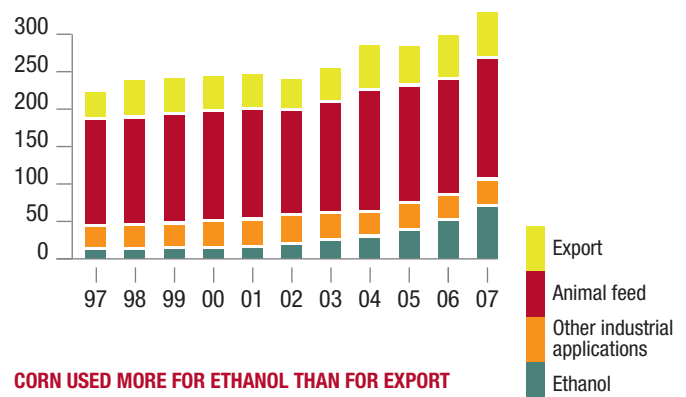


A HIGHLY CONCENTRATED MARKET IN 2008

Estimate of market shares for the corn seed market
(Source: internal estimates)

AgReliant's competitive assets

- Integrated research structures with access to first-rate genetic resources.
- Easy access to upstream technologies.
- A marketing approach capitalizing on widely recognized brands, guaranteeing excellent coverage of the Corn Belt.
- A first-rate sales team.



CORN USED MORE FOR ETHANOL THAN FOR EXPORT

Evolution of the total corn applications
in the United States in millions of tons (Source: USDA 2008)



Strategic foundations

Vilmorin's ambition is to pursue its expansion and consolidate its performances, strengthening its position as a major player in a market context characterized by the concentration of world operators, the impact of *biotechnology* and the confirmation of new growth opportunities.

Reinforcing an original model that highlights the long term

Vilmorin's development is anchored in an original economic model that takes full benefit of the following advantages:

- > a single core business as a seed company with key crops on key territories,
- > the capacity to steer a decentralized organization; multicultural teams and a portfolio of strong brands, close to their markets,

- > confirmed know-how in operations of external growth, consolidation and strategic alliances,
- > a rich history that benefits from more than two centuries of innovation in botany and built on the foundation stone of real proximity to the farming community,
- > founding values linked to a culture of innovation, sharing knowledge and a long-term vision of its development.

New growth opportunities driven by the challenges of the market

- **In volume, the need to increase yields because of:**

- an increase in world food needs, particularly in Asia,
- confirmation of new industrial value markets for agricultural raw materials.

- **In value, a high potential for innovation because of:**

- an acceleration in the use of genetically modified plants,
- requirements in terms of nutrition, health and protection of the environment.



Intensifying its two development orientations

Research, the keystone to creating value and competitiveness

As the main source of added value, research aims at anticipating and meeting the demands of professionals and consumers that involve:

- > an increase in world food needs, with requirements both with regard to quantity and quality, particularly in terms of nutrition and health, but also of reducing any impact on the environment,
- > the breakthrough of markets for the industrial application of agricultural raw materials (agrifuels, green chemistry).

Vilmorin has therefore fixed the following objectives for its research:

- > pursue investment in conventional plant *breeding* and enrich *genetic resources*,
- > scale up investment in plant *biotechnology*,
- > anticipate new markets.

International development driven by growth

Internationalization of Vilmorin's activities is at the heart of its strategy, with the aim of:

- > benefiting from new growth opportunities,
- > diversifying *genetic resources*,
- > adapting products to their markets,
- > optimizing return on investment in terms of innovation,
- > spreading out risks.

In order to meet these challenges, the main orientations in terms of international development are as follows:

- > accelerate its development in countries with high potential, specifically in Asia (China, India, Japan),
- > pursue organic growth in the United States and Europe with high added value varieties,
- > remain open to any opportunity for external growth.

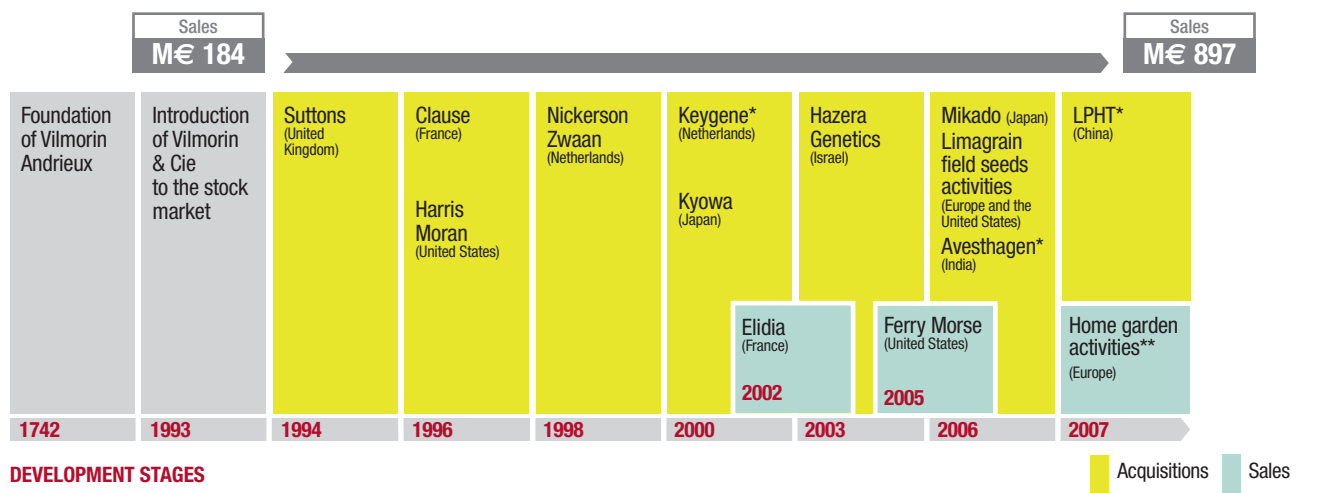
43%

the estimated increase in the world's population by 2040.

(Sources: FAO and internal estimates)

- 28%

the drop in arable acreage per inhabitant expected between 2000 and 2040.



* minority participations and research partnerships ** operations in progress

A single core business: seeds

From research to sales, Vilmorin controls all the stages in its business and proposes high quality products, adapted to each market.

> Research

the key to creating value and competitiveness

In a context of growing internationalization and industrialization of research, Vilmorin relies on its multi-disciplinary and international teams who pool their skills to breed new varieties, adapted to market needs.

Using cutting edge technologies, Vilmorin defines and develops seeds with better yield, specific resistances, (to diseases, herbicides, hydric stress, etc.) or improved nutritional qualities.



> Production

guaranteeing controlled procurement

Seed production must provide two guarantees: maximum flexibility and 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

the optimization of seed quality

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 modern industrial equipment, the irreplaceable expertise of its teams and standardized controls to guarantee product quality.



➤ Distribution

organized to be as close as possible to markets

In order to work in close contact with its customers, almost all its subsidiaries act as seed distributors. More than 30% of the people at Vilmorin work in sales teams, supported by a portfolio of strong brands, each with specific positioning.



> Research, the key to the creation of value and competitiveness

As the keystone of performance, research is at the very heart of the development challenges in our business. With its locations worldwide and the expertise of its research teams, Vilmorin develops solutions that are adapted to new market requirements and, through innovation, is strengthening its competitive position.

Multi-disciplinary, international organization

Vilmorin's research is supported by a complex of internal and external skills.

- More than 80 research stations and more than 1 100 researchers and technicians all over the world all contribute to upstream research and conventional *breeding*.

This organization will be moving more and more towards the form of a skills platform in order to optimize the process of plant breeding.

> Key figures

- More than a hundred new varieties bred every year.
- 13% of sales invested in research in 2007-2008: 25% devoted to plant *biotechnology* and 75% to conventional research.
- *Sales from proprietary varieties*: 87% in vegetables and around 2/3 in field seeds.
- Investment in absolute value: M€ 105.
- Number of research stations: more than 80.



• Three strategic partnerships play an important role in the upstream research set-up:

- **Keygene**: 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**: European specialists in field crop plant *biotechnology*, held in partnership with the seed companies Euralis and RAGT and the financial institutes for the oilseed chains (Sofiprotéol) and the cereal chains (Unigrains).

- **Avesthagen**: Indian leader in the field of plant *biotechnology*, in which Vilmorin has held a stake since 2006.

• Vilmorin's researchers also work in association with public or private research institutes:

Génoplante, INRA, CIRAD, CSIRO in Australia, CAAS in China, University of Davis (California), HRI (United Kingdom), Hebrew University (Jerusalem), Aro-Volcani Centre (Israel), PRI (Netherlands), Crop and Food Research (New Zealand), CRC (Canada), etc.

Vilmorin has also signed new partnership agreements with the companies Evogene (Israel), Cogenics-Roche Group (United States), Australian Grain Technologies (Australia) and with Yisum, a subsidiary from the University of Jerusalem (Israel).

M€ 170

investment in research
including funding
through partnerships.

THE MAIN RESEARCH ORIENTATIONS MEETING THE NEEDS OF EACH PLAYER IN THE SUPPLY CHAIN

Farmer / Market gardener	Improving agronomic characteristics:	<ul style="list-style-type: none"> > yield > resistance to diseases > drought tolerance > earliness, etc.
Logistician / Industrialist	Meeting technical constraints:	<ul style="list-style-type: none"> > standardization of calibration > aspect of vegetables when processed > texture of food products, etc.
Distributor	Taking into account the constraints of:	<ul style="list-style-type: none"> > canning > earliness > aspect > prices, etc.
Consumer	Adapting to the evolution in tastes and taking cultural specificities into account:	<ul style="list-style-type: none"> > <i>organoleptic</i> qualities > practical aspects > nutritional qualities, etc.

The main research orientations

Pursue investment in conventional plant breeding to improve and enrich genetic resources.

Research has its origins first of all in the diversity of plants to create new varieties. Access to *genetic resources* is a fundamental aspect in sustainable business for a seed company. This heritage can be enriched, and progress can be achieved in *breeding* by opening up new research stations, taking full advantage of breeders' know-how and a proactive policy of external growth and partnerships.

Scaling up investment in plant *biotechnology*

Future progress in plant breeding is therefore dependent on the ability to control plant *biotechnology*. With biotech tools it is possible to accelerate considerably the process of plant breeding by saving about three years of development, depending on the program. The breeder gains precious time by eliminating the lines which are of no interest during the initial stages of *breeding*. Moreover, by accelerating breeding time, researchers have successfully matched rapid evolutions in demand.

Investment in *biotechnology* today represents 25% of the research budget, and will grow significantly in years to come.

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 breeders' 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 indeed has



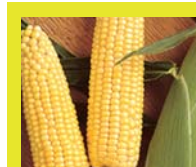



Accelerating plant breeding

Thanks to *molecular marking*, it is no longer necessary to wait for pepper to grow to see if it is yellow or red!
In particular this technique is used to detect a character before it can be observed or without having to place the plant in a special environment in order to reveal this character.



Peppers - Hazera Genetics

A FEW KEY EXAMPLES OF PRODUCT INNOVATION

					
1990	1992	1996	1997	2000	2006
"Daniela" tomato Hazera Genetics 1 st <i>hybrid</i> long shelf-life variety with a very firm fruit.	"Bolero" carrot Vilmorin SA Rustic variety that opened up the path to large-scale production.	"Morning Star" sweet corn Harris Moran A variety that is particularly suited to temperate and subtropical zones, and resistant to several diseases.	"Apache" wheat Nickerson A variety that succeeds in combining high French bread quality and a very good yield.	"A 6395" corn AgReliant A variety that enjoys an excellent yield and integrates 3 resistance traits (herbicides and insects) in its distributed version.	"Adriana" rapeseed LVH A variety showing significant progress in terms of oil content and oil yield per hectare.

to manage multi-disciplinary project teams working in a network. This organization makes sure that different existing techniques will be applied more systematically and with better cost controls.

Anticipating new markets

The rise of genetically modified plants

The expected explosion of the world's population along with the drop in arable land clearly begs the question of satisfying food needs in the decades to come, to which we can also add the problem of the demand for agricultural raw materials intended for industrial applications. The increase in yields per hectare will help to adapt supply to demand.

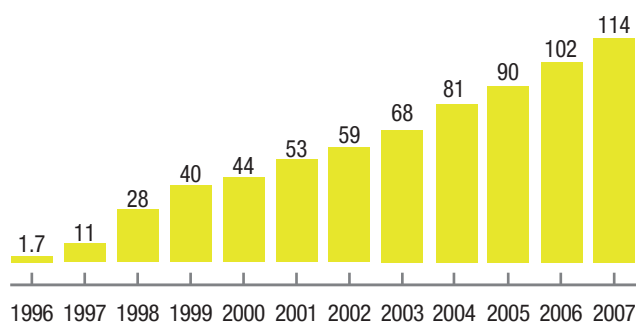
Transgenic varieties provide one of the solutions by increasing the efficiency of agricultural production. They guarantee a better harvest with at least 30% higher yields, while considerably reducing pesticides treatment.

Over and above yield gains, they can also play a role in improving the intrinsic qualities of the plant, whether they are sanitary, technological or nutritional.

As a direct consequence of these advantages, this market is expanding fast in volume, but also in value because of the growing integration of several *traits* with the same variety: genetically modified seeds are sold at prices 50% to 100% higher than conventional seeds.

The development of industrial applications for agricultural production

- **Agrifuels**, with ethanol, produced from corn in North America, and biodiesel, obtained from oilseed crops, in Europe.
- **Plant chemistry (also known as "green chemistry")**, in particular with the market of biodegradable plastics which targets very wide applications: household packing, bags, mulching film, etc.



A FULLY EXPANDING WORLD MARKET FOR GMO

Evolution of acreages sown with genetically modified plants in the world in 2007, in millions of hectares
Source: ISAAA 2007

The advantages of Vilmorin's research

- A wealth in terms of genetic resources combined with recognized know-how in *breeding*.
- A reasonable balance between conventional research and methods derived from the latest technologies.
- Teams present worldwide, directly in touch with the needs of the market.
- Greater co-ordination between the companies of Vilmorin, as well as partnerships with outside organizations.



Researchers' know-how at the heart of strategy

Driving growth through international development

International development, a condition for spreading out risks, is also one of Vilmorin's strategic pillars. It is underpinned by a combination of organic and external growth involving acquisitions, strategic alliances or partnerships.

Sustained international growth to accompany market evolutions

Already present on the major markets in Europe, America and Asia, Vilmorin directs its international growth towards stable and solvent markets with high added value.

INTERNATIONAL DEVELOPMENT

In research: setting up research and experimentation stations

In seed production: detecting new production zones

In processing: industrial and logistics locations

In distribution: developing business

THE BENEFITS

- > Enriching *genetic resources*
- > Adapting products to their markets
- > Testing growing techniques
- > Spreading climate risks better
- > Optimizing the economic conditions of production
- > Optimizing costs
- > Spreading out risks
- > Getting payback on research products
- > Anticipating and accompanying demand



Continuing displacement of production areas

The need to optimize running costs and out of season supply are leading more and more frequently to the displacement of production areas.

Market gardeners now prefer countries with low production costs and areas adapted to early production.

Thus 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 Turkey, Ukraine and South Africa in particular.

82%

of sales for 2007-2008
were made outside France.



Yuanlongping High-Tech Agriculture, Vilmorin's partner in China

In July 2007, Vilmorin reached a new key milestone in its development in China, by signing a strategic alliance agreement with the Chinese company Hunan Xindaxin Co. Ltd, the reference shareholder of the seed company Yuanlongping High-Tech Agriculture ("LPHT").

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 2007-2008 LPHT made sales of 88 million euros and invests nearly 3 million euros every year in research.

Through this agreement, Vilmorin should accelerate its growth in this region of the world, particularly by opening up research partnerships in hybrid rice, wheat and vegetables.

Co-operation stages being implemented in particular include genuine participation in the operational management of LPHT and also a study of the organization and complementarities between Vilmorin and LPHT with full respect for each other's intellectual property.

A targeted strategy to anticipate the potential of each development zone

North America: growth opportunities both in value and in volume

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.

As populations grow and new products arrive, the market for vegetables is growing by 2 to 3% per year. In spite of a drop in corn acreages this year, the market for field seeds has been growing in volume (extension of crops to meet the demand for agrifuels) and in value (increasing sowing of genetically modified plants).

Asia: the largest world market for seed

The Asian market, characterized by a continuous population increase and changes in its consumption patterns, has progressed considerably. Over the past few years Vilmorin has defined priority areas for action and investment such as China, India and Japan.

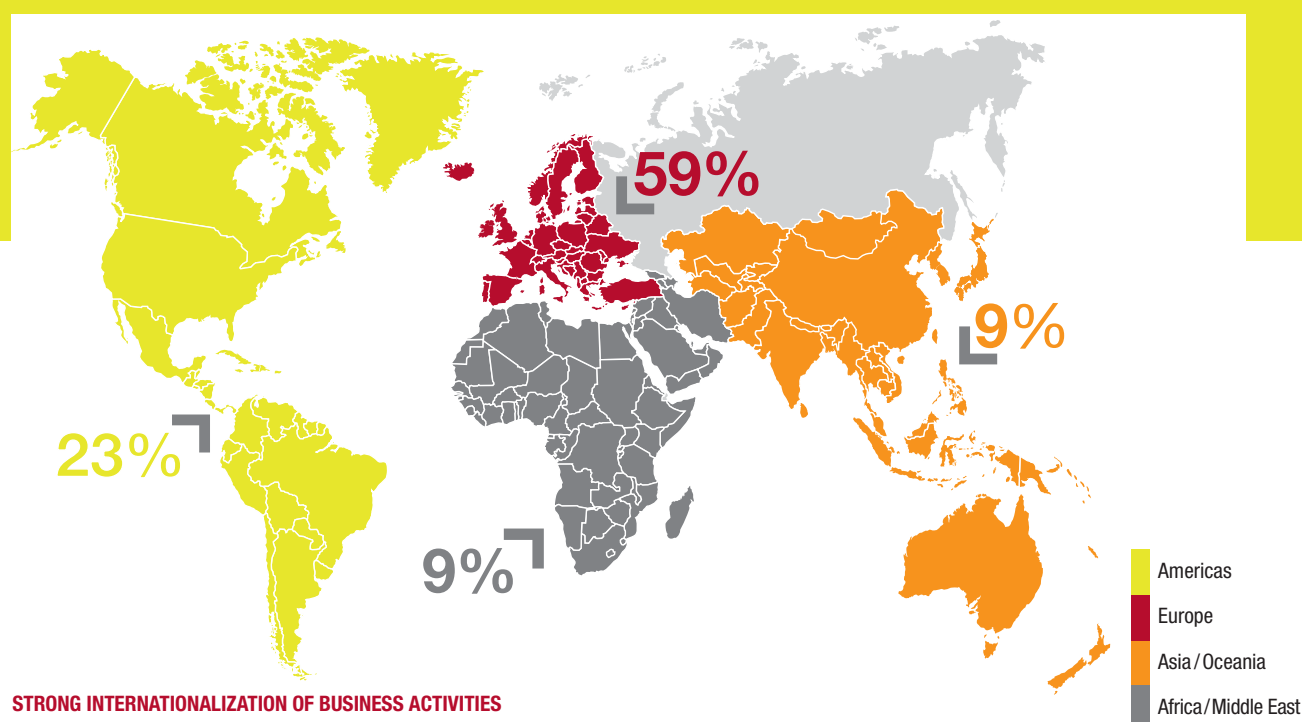
• China: a steady, determined approach.

China alone represents more than half the production of vegetables in the world, and is also a top order producer of cereals.

China remains a complex market that offers perspectives for growth in volume and value as the population increases. Vilmorin's international 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. Through its strategic alliance with LPHT, Vilmorin is now fully integrated in China and is one of the few major players in this still very scattered market.

• India: a market stimulated by varieties with high added value.

The market for seed in India is estimated to be worth almost one billion dollars, of which about 100 million dollars are truly accessible. It is characterized by a strong dispersion of players and increasing demand for products with premium value. Vilmorin has decided to develop a seed unit independently on this market, and will also be pursuing its scientific co-operation with Avesthagen in the field of *biotechnology*.



- **Japan: a key position for vegetable activities.**

Now that its organization has been optimized to meet the needs of the Japanese market, Mikado Kyowa Seed, in which Vilmorin is the majority shareholder, more than ever 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 market.

Europe: recurring growth

With more than 20% of market shares in Europe, Vilmorin is a leading player, and benefits fully from the recurring past growth estimated to be 2 to 3% per year.

59% of its sales are made on this market. Perspectives for development are linked to the evolution of markets in Eastern Europe, to the ultimate emergence of the production of genetically modified plants, and more marginally, to the progression of the market for agrifuels.

South America and Australia: promising bases for deployment

- **South America** provides Vilmorin with the opportunity to produce counter-season seeds in order to extend the periods of product availability in the Northern hemisphere. Moreover we will need to upscale our commercial presence in this region particularly for vegetable seeds.

- **Australia** is a zone where Vilmorin envisages developing business in field seeds, and wheat in particular, through the establishment of partnerships.

Event occurring after the close: Vilmorin developing in 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 novel wheat varieties.

Besides buying a 25% stake in the stock, through this agreement Vilmorin will be developing new research programs with AGT and exchanging technologies concerning wheat.

This operation is an important stage in the development of Vilmorin's wheat seed business, opening out its activities even further internationally and providing access to new resources.



South America, an important reserve of acreage for counter-season production

> Mastering innovation and sharing access to knowledge

Through its continuous efforts in research and innovation, Vilmorin creates a continuing flow of new high-performance quality varieties, thus improving on existing varieties, while respecting mankind and the environment.

Benefiting from *biotechnology* while strictly respecting regulations

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 covered 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 concluding 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.

> Combining development and responsibility, a philosophy that entails five major responsibilities

- Research and innovation
- Management
- Contributing to the development of the social and economic environment
- Respect for the environment
- Risk management



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. In order to protect this heritage, each country is free to choose its protection system, and some governments authorize the double protection system: patent and Proprietary Variety Certificate (PVC). This is the case with the United States, Japan and Australia. In such cases the breeder is free to choose single or double protection. In Europe only the PVC can be used by seeds companies.

Vilmorin pleads in favor of the PVC system which protects varieties while enabling breeders to use them in their research work. In this way the company hopes to promote greater genetic diversity that can be used for the creation of new varieties. This fundamental question is still under debate today in numerous international organizations such as the World Trade Organization or the UPOV (International Union for the Protection of New Varieties of Plants).

Active involvement in discussions on regulations

Vilmorin plays an active role in discussions on the use of plant *biotechnology* for scientific research. It is very much 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 plant *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.

The Proprietary Variety Certificate (PVC)

The PVC is a title of intellectual property that only applies to creations from the realm of plants. In particular the PVC protects the ownership, production and sale of the commercial variety for a duration of twenty years. It integrates two fundamental elements:

- the breeder's exception: a commercial variety protected by a PVC 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 exemption of "farm" seeds: in certain conditions, the PVC authorizes the farmer to use a part of his harvest to re-sow in his own plots the following year.

more than 100

**new varieties created every year
by Vilmorin contribute
to enriching biodiversity.**





Promoting employee involvement

Combining human responsibility, cultural diversity and commitment: such are Vilmorin's objectives with regard to human resources.

Adapting the operating organization to the evolution of the group

Managing more than 4 400 employees throughout the world and more than 30 nationalities, requires the delegation of responsibilities in each of the subsidiaries, and harmonization of working methods.

Vilmorin's operational organization will therefore certainly be changing gradually in order to facilitate synergies between the different geographic zones, both between the vegetable and the field seeds activities, but also within each of them.



Adopting international career management

As a result of Vilmorin's increasing international dimension, its operating organization and the broadening of its scope of activities, career management must take on a new global dimension. The challenges are threefold: encourage the mobility of managers within the different structures, detect young talent and also anticipate the replacement of staff leaving for retirement.

During fiscal 2007-2008 Vilmorin launched a talent management system structured to anticipate needs and identify the skills required to implement its strategy and rise to the economic challenges of tomorrow.

Talent management consists first of all in assessing skills, and then planning and carrying out the recruitment, development and promotion of staff in accordance with needs.

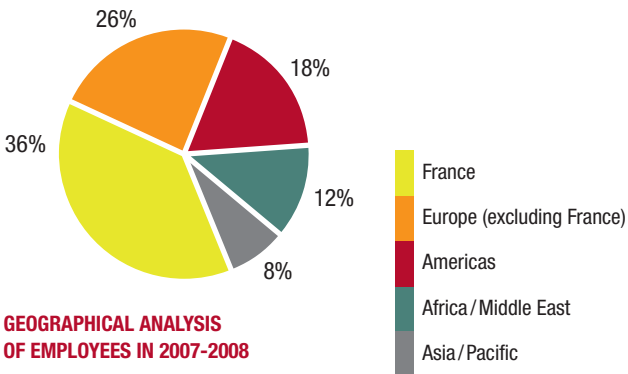
Maintaining relations with higher education

As part of its management policies, Vilmorin promotes relations with higher education establishments, mainly through partnerships concerning the placements for foreign students, the recruitment of trainees, support for research projects and participating in fairs. This is the case for Vilmorin SA which has privileged links with Agrocampus Ouest, the Higher Institute for Agronomic, Food, Horticultural and Landscaping Sciences.

	06-07	07-08*
Activities		
Vegetable seeds	2 839	2 259
Field seeds	1 507	1 512
Holding	85	84
Geographical zones		
France	1 756	1 391
Non-France	2 675	2 464
Analysis by sex		
Men	2 804	2 535
Women	1 627	1 320
Categories		
Management	1 276	1 163
Non-management	3 155	2 692

* Excluding the Home garden activity

PERMANENT STAFF: KEY FIGURES



Promoting employee involvement (cont.)

Pursuing a dynamic social policy

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. Calculations of what is paid out are largely based on operating income, adopted as the best indicator of performance. A corporate savings scheme, the operating costs of which are fully borne by the company, is available to all employees. It is made up of two exclusively reserved funds, one of which contains Vilmorin shares.

Developing skills

More than half the companies run training programs that go beyond legal requirements. In most cases they involve adaptation to the workstation, in order to reinforce the employee's skills in the functions he or she holds. They also concern the evolution or consolidation of the function held, and skills development. More than half of the staff followed training in 2007-2008.

3%
the share of the payroll
devoted to
profit-sharing schemes.

In K€	Profit-sharing
05-06	4 600
06-07*	5 533
07-08**	5 938

* After integration of the field seeds business
** Excluding the Home garden activity

PROACTIVE MEASURES IN FAVOR OF PROFIT-SHARING

Evolution of profit-sharing schemes

	Training expenditure (in M€)	Training hours
05-06	0.5	20 472
06-07*	0.9	29 138
07-08**	1.1	31 302

* After integration of the field seeds business
** Excluding the Home garden activity

MORE THAN HALF OF THE STAFF FOLLOWED TRAINING IN 2007-2008

Evolution of expenditure and hours devoted to training

Encouraging social dialog

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 dialogue between the group's management and employee representatives for the group's European companies.

During fiscal 2007-2008, 42 agreements were negotiated, with 37 being signed, dealing mainly with pay and working conditions.



Tools to encourage internal communication

Internal magazines, intranet, informative letters, etc., are devoted to employees. Different seminars and conventions are organized for the top executives,

the executive managers, the sales and marketing teams and the researchers. They provide the opportunity to exchange experiences, and can contribute to performance assessment where certain employees stand out in terms of potential.

Improving health and safety: prevention is the guiding principle

The "Development and Responsibility" program, presented on page 62, has the specific objective of implementing a standard in terms of safety for people (health and hygiene, work station environment, work clothes, respect for other people, training, etc.).

Most companies in Vilmorin have internal committees or officers responsible for making sure the health and safety of employees are respected in the workplace. In particular they record and analyze any work accidents, and they propose and implement corrective action.





Contributing to the responsible development of the social and economic environment

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 2007-2008:

The development of a model farm in the Philippines

For several years now, Vilmorin has been supporting a humanitarian project on Mindanao, one of the three main islands of the archipelago of the Philippines. Vilmorin sponsors a young volunteer worker whose project is to develop self-sufficiency on the farm he is responsible for, and subsequently to use this farm as an innovation and training center for the 8 000 inhabitants in the zone. Through this support, Vilmorin aims to encourage the multiplication of small farms that are more productive, capable of meeting the food needs of the families and improving their living conditions.

Support for those struggling in the Netherlands

For more than four years, Vilmorin has been investing in a support program for those struggling to survive in the Netherlands through its company Nickerson Zwaan. In association with several companies in the south of the Netherlands, it regularly donates products (cucumbers, radish, onions, tomatoes, etc.) to a food bank based not far from Made, location of the head office. Vilmorin also occasionally supports this charity by making trucks and other means of transport available when there are logistics problems to sort out.

Vilmorin participates in the FARM program

The mission of the French organization FARM (Foundation for Agriculture and Rurality in the World) is to propose a new approach to agricultural production, a true contribution to sustainable agriculture on a world scale.

Supported by some of the major French groups (Suez, Gaz de France, Crédit Agricole bank, etc.) FARM works with all developing countries, and targets in particular less developed countries (LDCs) and the Afro-Caribbean-Pacific (ACP) group.



Participation of the company Harris Moran in the relay race “The Relay for Life” in the United States

As part of the special days organized by the “The American Cancer Society”, every year a Harris Moran team takes part in the 24-hour relay. In 2008 a team of 39 volunteers made their contribution to this cause, collecting a donation of 8 500 dollars.

Anticipating and regulating world agricultural exchanges

The globalization of agricultural markets involves the risk of subjecting every form of agriculture to economic and social pressures. And so, in order to guarantee food security and sovereignty, speculative drifts and potential market deregulation need to be anticipated.

For several years now, Vilmorin has been providing active support to initiatives that aim, with a long term vision, to restrict and control the volatility of agricultural markets.

This is why Vilmorin has chosen to support momagri, the movement for a world organization for agriculture.

At the beginning of 2008, momagri finalized its first proposal for a new economic model that integrates the full range of characteristics specific to agriculture and the fundamental variables associated with the economy, society, energy and the environment.

This model, greeted with enormous interest in political circles, has now been adopted as one of the tools used to help make decisions in international agricultural negotiations.



momagri
mouvement pour une organisation
mondiale de l'agriculture

Founded in 2005 at the initiative of the French agricultural sector, momagri's mission is to arouse international awareness in favor of the creation of international co-operation for agriculture that would open up new prospects to farmers everywhere in the world.

momagri has brought together professional protagonists from the agricultural world and public figures from very different horizons: managers of

NGOs, members of government institutes, scientists, company managers, etc. with the hope of building another approach to agriculture in the world, that is innovative and that guarantees cultural traditions. In order to achieve this goal, it relies on two instruments that form the basis of true governance and international cooperation for agriculture: a new economic model dedicated to agriculture and the international agency for assessment and grading.

> Developing business while limiting its impact on the environment

Vilmorin analyzes the real and potential environmental consequences linked to its business, in order to control and reduce them. Moreover it lobbies in favor of the conservation of biodiversity and free access to *genetic resources*. These commitments bear witness to the responsible vision of its development.

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*, make it possible to make significant reductions in the consumption of fertilizers and agrochemical products in the field.

Pelleting 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 lighter, and water consumption is limited by developing varieties that are resistant to hydric stress.

Plant breeding: a vector for 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.



A limited impact on the environment

Consumption of water, energy and fuel

• **Water:** given the modest surface areas cultivated, in all just over 3 000 hectares for research and a little over 65 000 for production in the world, Vilmorin consumes very little water. Consumption was estimated to be around 800 000 m³ in 2007-2008. An indication of the vigilance applied, is that several companies have set up specific irrigation systems in order to control and limit this consumption. A good example is Vilmorin SA which uses acorn flotation water after it has been purified by lagooning in order to water crops. This technique consists in storing water in an outdoor pond, airing it in regular cycles before extracting the water, from which any organic matter has been removed, and then filtering it.

• **Energy:** even though it consumes relatively little energy (about 40 Gwh for fiscal 2007-2008), Vilmorin regularly integrates measures to limit its consumption in its investments. 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. In the vegetable seeds activity, Clause has implemented several corrective actions in its replacement of greenhouses, the automated management of heating for crops grown in greenhouses and tunnels, and the insulation of buildings.

• **Fuel:** consumption is very low and represents a minor environmental impact for Vilmorin.



Corn, a plant that uses relatively little water

Corn is not only the most widely grown cereal in the world, but also the one which makes the best use of water. Thus, 238 liters of water are required to produce 1 kilo of forage corn, and 454 liters to produce grain corn. In comparison, soybean requires 900 liters of water, and rice 1 600 liters!*

Particularly respectful of the environment, corn has real development perspectives to offer.

Vilmorin's research thus aims at creating varieties that are capable of greater tolerance to hydric stress and make better use of available water.

* Source: CNRS

Developing business while limiting its impact on the environment (cont.)

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 potential pollution. Consequently 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, we are seeing new varieties resistant to insects and viruses, requiring less fertilizer, and thus fewer chemicals.



Recycling waste

Vilmorin is careful to recycle as much of its waste as possible, estimated to be more than 11 000 tons for the year 2007-2008.

As far as possible, plant waste is used as animal feed. 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.

The different waste recycling measures taken by Limagrain Verneuil Holding have led to a 16% reduction of certain expenses on its site in Saint Mathurin. 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 are therefore more ecological.

The environment, a challenge for all the employees

Every year Clause publishes three newsletters on the subject of risk assessment, in order to develop employee awareness on the subjects of quality, safety and the environment.

Published in French, English, Spanish and Italian they focus the employees' attention on progress made by the company in particular with regard to the environment.





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.

Risks with regard to research

The protection of innovation: vigilance is essential

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 company uses three ways to defend itself, depending on the circumstances:

- A legal approach through intellectual property. The Proprietary Variety Certificate (PVC), in particular the breeder's exception, 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* to look at the *genome* of a competing variety for any similarities with a variety from Vilmorin's research programs.
- A regulatory approach. The registration of varieties in official French and European catalogs helps to ensure marketing protection and to restrict the abusive use of varieties and their commercial name.

Moreover, with the rise of counterfeit seeds, European breeders 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 production, production zone, etc.), the production plan conditions the appropriate supply of markets and also control over inventory levels. The production plan is run by the Production Manager, 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 the five 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. A contract system has been set up in which Vilmorin retains ownership of the seed, and remains totally independent economically.

Seed multiplication farmers: rigorously controlled specifications

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.



Anticipating by assessing and limiting risks (cont.)

The risks involved in processing

Process

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 business, wherever it is located in the world, rigorously respects 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.



The parameters that are indispensable to guarantee product quality: modern industrial equipment, team expertise, standardized inspection.

Marketing 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, particularly as a result of the integration of the field seeds activity in 2006-2007, then the sale of part of its home garden activities. Moreover the risks of failing to recover customer debts are moderate. Vilmorin's subsidiaries, each on a local basis, provide suitable solutions according to their particular business.

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.

All the different risks are presented exhaustively in the Chairman's report on the functioning of the Board of Directors and on internal control on page 84.

As a % of consolidated sales	05-06	06-07*	07-08**
Weight of the top 5 customers	9.3	4.9	3.2
Weight of the top 10 customers	13.4	7.5	4.9

* After integration of the field seeds business
** Excluding home garden activities

MODERATE CUSTOMER RISKS

Evolution of the weight of the main customers in the group's results



The “Development and Responsibility” program

In 2006, Vilmorin began reflecting on the harmonization of stricter minimum safety standards and risk prevention, enforceable in all its sites in the world.

The risk management reference document, cornerstone of the program

During the course of fiscal 2007-2008, the “Development and Responsibility” program produced a test version of a risk management manual providing a full picture of the situation. The safety of persons and property, the coexistence of crops, and the protection of intellectual property are the first requirements adopted.

This draft reference document was sent out to all the Vilmorin sites in the world at the end of 2007, initially confirming that the program could be adapted to the diverse socio-cultural contexts extending from China to the United States, and from Israel to Japan.

This draft project was also accompanied by a questionnaire with the aim of getting an idea of the extent to which defined standards were being respected. From the feedback obtained, a detailed picture was built up concerning risk management in the three work areas adopted. This operation was also an opportunity to make staff in the companies aware of this program.

Risk management: Creating a dedicated team

As a result of these reflections Vilmorin's has also decided to set up a dedicated risk management team as of 2009 to deal with issues such as information systems security and the management of its heritage, its assets and real estate.



Continuing progress approach

With the information already gained, a first version of the risk management manual will be launched at the end of 2008 and audits will be conducted in the spring of 2009 by internal inspectors specifically trained for this purpose. These audits will be central to the approach, integrating assessments in the field, an analysis of any discrepancies, with reports being drawn up and any necessary corrective action being undertaken.

The second stage will involve raising standards, and thus ensuring that the approach will indeed serve as a tool for continuing progress.

A first project cover three fields of application

• Committing to guarantee the same level of health and safety shared throughout the world

The standards laid down concern both the safety and health of the personnel, and the industrial safety of the sites and protection of property.

Examples of standards:

> An annual risk prevention plan on each workstation in terms of security has been set up on all the sites with a team of thirty staff regularly mobilized to make sure it is improved on and applied.

> Each workstation is assessed for risks in terms of hygiene and safety.

> A policy has been implemented to fight against any discrimination in terms of employment, and encouraging access to workstations

• Making sure the coexistence of different crops is respected

Vilmorin creates, produces and sells conventional and genetically modified plants.

On top of local regulatory obligations, very strict procedures have been set up in order to preserve the coexistence of crops. These procedures specifically concern the minimum distance isolation between plots, technical operations in the field and in the factory, and traceability.

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, both for conventional and genetically modified seeds.

> All seed deliveries and their delivery locations are inspected and recorded. This information is preserved in order to ensure there is traceability.

• Reinforcing the 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.

> Information and communication for the stock markets

Vilmorin does 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 and shareholders into consideration.

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.

These are available in their electronic version on the company's website, or upon request from the department of financial operations:

CONTACTS:

Daniel JACQUEMOND Chief Financial Officer	Claire PLANCHE Financial Communications Officer
---	---

Tel: +33 (0)4 73 63 41 95 - Fax: +33 (0)4 73 63 41 80

E-mail: contact@vilmorin.info

Within the framework of the Transparency Directive, Vilmorin now releases regulatory information through a professional disseminator, in compliance with the recommendations of the Autorité des marchés financiers.

• Annual report

The annual report is available both in French and in English on Vilmorin's website, or on CD-Rom upon request. The annual report is updated at the time of the disclosure of the half-yearly financial statements.

• Press releases

During the year 2007-2008, there were more than twenty press releases. They are written in French, English, and German.

Scheduled agenda for 2008-2009 (subject to modifications)

11.12.2008: Disclosure of sales for the first quarter*

11.21.2008 and 11.22.2008: Actionaria Fair at the Palais des Congrès in Paris

12.11.2008: Annual General Meeting of the Shareholders in Paris

12.22.2008: Payment of the dividend

02.04.2009: Disclosure of the half-yearly sales*

02.25.2009: Disclosure of the half-yearly results*

05.06.2009: Disclosure of sales at the end of the third quarter*

08.04.2009: Disclosure of annual sales*

* Disclosure after the end of trading at the Paris Bourse

> Website: www.vilmorin.info

All the information published by Vilmorin is accessible on its website in French and in English: presentation of the company, evolution of the share value, financial analyses, etc.

It is also possible to sign up on line to receive press releases.





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 2008, the total of individual shareholders of either nominative or bearer shares stood at more than 4 500.

• 1st edition of the shareholder's guide

For the Annual General Meeting of December 2007, Vilmorin published a shareholder's guide for the first time in order to answer all the questions individual shareholders are likely to ask, and in a single concise document. The second edition (in French) will be handed out to shareholders at the Annual General Meeting in December 2008 in Paris.

• Letters to the shareholders

The letter to the shareholders is printed in several thousand copies, in French. During the course of fiscal 2007-2008, three letters were published, including an issue with a more pedagogical vocation, explaining the main challenges in Vilmorin's activity with regard to research.

• Shareholders' meetings

Vilmorin has been an associate member of the French Federation of Investment Clubs since 2005 and in particular, publicizes in Investment Clubs and participates in shareholders' meetings.

Relations with analysts, institutional investors and the press

• Informative meetings and site visits

Eight informative meetings held for investors, analysts and journalists were organized in 2007-2008 concurrently with the disclosure of financial information. Vilmorin also organized two visits to industrial sites in France and Israel.

• Meetings with investors

During the course of the year 2007-2008, Vilmorin participated in fourteen meetings with investors and analysts in the form of conferences or road-shows, including more than half outside France (Frankfurt, London, Montreal, New-York, etc.).



Actionaria Fair

Vilmorin participated for the third consecutive year in the Actionaria fair in November 2007 with very fruitful results. There were numerous exchanges and the informative meeting attracted nearly one hundred people. The company will be present once again for the 2008 fair.

Financial analysts that follow the share value

Oddo Midcap, Crédit Agricole Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Natixis, CIC Securities, Fortis, Rabobank, Financière d'Uzes, KBC.



Site visit in June 2008 – Limagrain Verneuil Holding – France



Vilmorin's shares

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, CAC Mid 100 and SBF 250

Codes:

- ISIN: FR0000052516 (RIN)
- Bloomberg: RIN FP
- Reuters: VILM.PA

Eligible for PEA

ICB nomenclature sector:

"Farming & Fishing"

Number of shares: 13 391 857

Close of the fiscal year on June 30th

Management and liquidity of the shares

Company delegated to run the liquidity contract:

Oddo Corporate Finance

Type of contract: Contract renewed every year by tacit agreement and compliant with the AFEI (Association Française des Entreprises d'Investissement) deontology charter

Assets that appeared on the liquidity account:

- at the beginning of the contract:

number of shares: 233

in cash: 593 567.33 euros

- on June 30th 2008:

number of shares: 5 404

in cash: 407 989.28 euros

Servicing of the shares

BNP Paribas Securities Services GCT
Relations Actionnaires
Immeuble Tolbiac
F-75450 Paris Cedex 09
Tel: +33 (0)1 55 77 40 57
Fax: +33 (0)1 55 77 34 17
Open every working day from
8.45 am until 6.00 pm

Key figures 2007-2008

- Maxima and minima:
+ highest : 131.48 euros on May 14th 2008
+ lowest: 82.3 euros on Sept. 10th 2007
- Evolutions
Evolution* since July 2nd 2007: + 22.3%
Evolution* since Jan. 2nd 2008: + 12.5%

* calculated at the closing rate of Monday June 30th 2008.
(Source: Euronext)



EVOLUTION OF THE PRICE OF VILMORIN'S SHARES

Evolution of the price in fiscal 2007-2008

Weekly closing rate (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, for the coming fiscal year, to maintain its profit distribution policy along the lines of previous years.

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 (married),
 - 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 (married).

Since January 1st 2008 it is now possible to opt for a reduced levy of 18% at source on the gross total of dividends (this option is only of interest to those receiving a high dividend – more than 39 400 euros for a married taxpayer). The dividends are also subject to welfare tax contribution of 11% 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 at the rate in force in France depending on agreements with countries receiving these revenues (maximum internal rate of 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.

The dividend: questions and answers (article 38 of the by-laws)

• How is the dividend determined from the profits?

The dividend is determined according to rules generally applied, after paying into a legal reserve fund and after deduction of any losses carried forward from previous years if appropriate. This topic is dealt with in detail in article 38 of the by-laws.

• What are the other rules concerning payment of the dividend?

When the General Meeting considers the accounts for the year, it can grant for each shareholder, for all or part of the dividends distributed, or part payment thereof, an option between paying the dividend or part payment thereof in cash or in shares.

€1.66

is the net dividend per share
proposed to the AGM
of December 11th 2008.

	03-04	04-05	05-06	06-07	07-08
Number of shares receiving dividend	3 172 957	3 185 934	13 388 283	13 391 857	13 391 857 ⁽¹⁾
Net dividend (euros)	4.60	4.85	1.62	1.66	1.66
Tax credit (euros)	2.30	-	-	-	-
Gross revenue (euros)	6.90	-	-	-	-

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

A PROFIT DISTRIBUTION POLICY ALONG THE LINES OF PREVIOUS YEARS

Evolution of the dividend over the past five fiscal years



The stock and the shareholders

Stock

On June 30th 2008, the authorized stock was 204 225 819.25 euros divided into 13 391 857 nominally fully paid up share of 15.25 euros.

Limagrain is Vilmorin's reference shareholder and, directly and indirectly, holds 69.1% of its stock. To the knowledge of Vilmorin, there are no other shareholders, whether directly or indirectly or acting in conjunction with others, holding 5% or more of the stock or the voting rights.

- **Stock and voting rights held by the different administrative or management structures:** not significant.
- **Stock and voting rights held by the employees, directly or indirectly:** not significant.
- **Declaration of shareholder agreements:** none.
- **Potential capital:** Vilmorin diversified the nature of its resources by issuing a debenture loan at the end of fiscal 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 23.2.c 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

There was no instance of the threshold being crossed recorded during fiscal 2007-2008

Shareholders: questions and answers (article 12 of the by-laws)

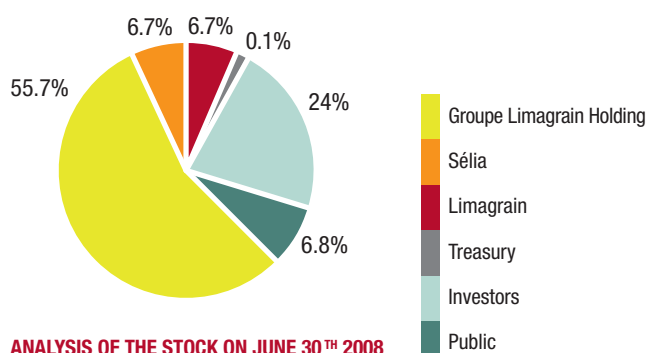
• Are there any special rules applied beyond a threshold of stock held?

Any physical or moral person, acting alone or with others, who goes above, or back under, the threshold of 3% of the 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% of the authorized stock so request in the minutes of the General Meeting.

• Can Vilmorin request identification of shareholders?

The Company is authorized to make full use of legal recommendations for the identification of shareholders which grant immediate or subsequent voting rights in its shareholders' meetings.



ANALYSIS OF THE STOCK ON JUNE 30TH 2008

(Source: Euroclear and internal)

Annual General Meetings: questions and answers (articles 29 and 30 of the by-laws)

• How are the nominative shareholders informed?

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.

• What are the conditions of attendance?

Any shareholder can attend a General Meeting, 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.

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.

• Does one have to own a minimum number of shares?

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

• How can the shareholders vote?

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 AGM 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.

39%

the proportion of floating stock held by institutional investors based outside France (mainly Europe and the United States).

	Single vote shares	Double vote shares	% of stock	Total number of votes	% of the total number of votes
Groupe Limagrain Holding	3 835 288	3 620 016	55.67	11 075 320	58.93
Limagrain	-	891 603	6.66	1 783 206	9.49
Sélia	-	892 503	6.66	1 785 006	9.50
Treasury	5 404	-	0.04	-	-
Directors	21	6	0.00	27	0.00
Public	4 142 466	4 550	30.97	4 151 572	22.08
Total	7 983 179	5 408 678	100.00	18 795 131	100.00

Legal information > 71

Information on the subsidiaries > 76

84 < **Annual financial statements**

84/ Chairman's report
on the functioning
of the Board of Directors
and on internal control

88/ Report of the Board of Directors
to the Joint Annual General
and Extraordinary Meeting
of December 11th 2008

100/ Consolidated Financial Statements
on June 30th 2008



Contents

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 bylaws 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).

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 bylaws, the object of Vilmorin & Cie is, both in France and in other countries, directly or indirectly, the production or processing of any agricultural produce, the undertaking of any action to facilitate and develop production, the marketing and sales of any product used to grow vegetable, plants and any garden, agricultural, plant or animal product; to provide for companies in vegetables, all means to improve their management, reduce their costs and facilitate the sales of their products, and more generally, to carry out any operations of whatever nature to work towards this object or any similar or complementary object, either directly or indirectly.

• Company Trade Register

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

N° SIRET: 377 913 728 00020.

N° SIREN: 377 913 728.

N° APE: 7010 Z (Wholesale commerce of unprocessed agricultural products).

• 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 (bylaws, 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.

• All litigation to be referred to

Tribunal de Commerce de Paris.

Information concerning the stock

• Evolution of the 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	3 188 993
		-	€145 896 429.75	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

• **Modifications in the stock breakdown over the past three fiscal years**

	06.30.06			06.30.07			06.30.08		
	Number of shares	% of stock	Voting rights	Number of shares	% of stock	Voting rights	Number of shares	% of stock	Voting rights
Groupe Limagrain Holding	4 914 300	51.37	60.44	7 610 399	56.83	60.07	7 455 304	55.67	58.93
Limagrain	891 603	9.32	10.97	891 603	6.66	9.41	891 603	6.66	9.49
Sélia	892 503	9.33	10.98	892 503	6.66	9.42	892 503	6.66	9.50
Treasury shares	6 102	0.06	-	1 312	0.01	-	5 404	0.04	-
Public and various	2 862 471	29.92	17.61	3 996 040	29.84	21.10	4 147 043	30.97	22.08
Total	9 566 979	100.00	100.00	13 391 857	100.00	100.00	13 391 857	100.00	100.00

In a first letter sent to the Autorité des marchés financiers (authority governing French markets) dated June 21st 2007, and a second letter dated June 28th 2007, the company Groupe Limagrain Holding - GLH, controlled by the Coopérative Agricole Limagrain - SCA Limagrain stated that it directly held 7 612 899 shares, with Vilmorin representing 11 386 890 voting rights, a total of 56.85% of the stock and 60.08% of the voting rights.

The quantity held was the result of the merger, on June 19th 2007, of Limagrain Agro-Industrie into Groupe Limagrain Holding - GLH, both of which were shareholders of Vilmorin.

Prior to this operation, Groupe Limagrain Holding - GLH - held the same stake in Vilmorin directly and indirectly through the company Limagrain Agro-Industrie.

Moreover, we wish to add that on these dates Société Coopérative Agricole Limagrain - SCA Limagrain, through the companies Groupe Limagrain Holding - GLH and Sélia, both of which it controls, directly or indirectly held 9 397 005 Vilmorin shares representing 14 955 102 voting rights, a total of 70.17% of the stock and 78.91% of the voting rights.

• **Financial authorizations granted by the Annual General Meeting of December 12th 2007**

In order to provide Vilmorin with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 12th 2007 authorized the Board of Directors to issue, with a maximum nominal value of 350 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.

> 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.

These authorizations expire on December 11th 2008.

At its meetings of December 12th 2007 and February 25th 2008, the Board of Directors decided to issue a loan, without pre-emptive rights, with a maximum principal of 190 million euros, including an extension clause, with the stipulation that the maximum initial amount (excluding exercise of the clause) should be within a range of 130 to 160 million euros, and to increase the stock following any conversion of bonds.

The Board of Directors will request new financial authorizations at the Annual General Meeting of December 11th 2008.

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 12th 2007, 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 October 13th 2004, 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 2008, the company conducted, either directly or indirectly, the following operations:

- > number of shares purchased = 112 104,
- > average purchasing price = 108.52 euros,
- > number of shares sold = 108 012,
- > average selling price = 108.07 euros,
- > number of treasury shares held on June 30th 2008: 5 404 corresponding to less than 0.01% of the stock, at a purchasing value of 653 896 euros, which is an average unit price of 121 euros.

It is proposed to the Annual General Meeting of December 11th 2008 to authorize the Board of Directors for a maximum period of 12 months, to buy or to sell treasury shares in compliance with 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 regulations recognized by the Autorité des marchés financiers,
- > 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 law and 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 180 euros per share,
- > the maximum quantity of shares liable to be purchased is fixed at 1 000 000 shares representing a maximum potential commitment of 180 million euros.

*Prospectus of December 13th 2007 registered with the AMF.

• Share scorecard report

	05-06 ⁽¹⁾	06-07	07-08
Daily average of transactions			
in number of shares	4 306	7 846	17 013
in thousands of euros	243.79	573.89	1825.41
Maxima and minima			
highest rate in euros	67.00	101.80	134.00
lowest rate in euros	44.17	57.00	81.25
Closing rate of the fiscal year in euros			
	59.50	98.70	119.81
Net yield per share % ⁽²⁾			
	1.17	2.79	1.68

(1) Division by three of the nominal value of the shares as of January 1st 2006.

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

• 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 €
2007	April	121 845	9.412	81.90	72.50
	May	484 468	39.870	91.90	78.99
	June	184 321	17.539	101.80	90.20
	July	237 035	23.186	101.00	91.90
	August	205 099	17.652	91.94	83.00
	September	263 508	23.893	96.00	81.25
	October	371 406	36.539	104.44	92.89
	November	406 259	41.770	106.80	97.10
	December	201 282	21.179	109.94	98.00
2008	January	624 636	63.257	117.98	82.77
	February	526 613	58.723	115.00	106.52
	March	329 343	36.049	112.94	102.01
	April	403 662	46.443	122.99	109.61
	May	396 734	50.508	134.00	115.00
	June	372 752	46.279	129.95	116.10
	July	398 779	45.253	123.50	100.10
	August	708 083	70.436	122.00	89.60
	September	403 843	40.294	107.50	91.00

Further information

• Investment policy and real estate property

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 2007-2008, tangible investments stood at 25.9 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 real estate 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 Sélia, is Vilmorin's reference shareholder, holding more than 69% of the stock. (refer to the chapter "How the Board of Directors operates", page 10).

Apart from shares that benefit through the bylaws 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. As such 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

In the context of the work of the Board of Directors, Vilmorin does not currently have an audit or remuneration committee.



Information on the subsidiaries

Financial information is presented in accordance with the international IFRS accounting standards.

Name	Country	Head Office	N° SIREN	% voting rights
HOLDINGS				
VILMORIN & Cie	France	4 Quai de la Mégisserie PARIS (75001)	377 913 728	100.00
VILMORIN 1742	France	6 Quai de la Mégisserie PARIS (75001)	504 933 953	100.00
BIOSEEDS	Netherlands	Blaak 31 - 3011GA ROTTERDAM 59/1. 8th Main. Radhakrishna Layout		20.00
CEEKAY SEEDS & SEEDLINGS PVT LTD	India	Padmanabha Nagar - 560070 BANGALORE - Karnataka		100.00
CHANGSA XINDAXIN VILMORIN AGRI- BUSINESS CO LTD	China	9th/F Xindaxin Building - n° 168 Huangxing Middle Road CHANGSHA (410005) Hunan		46.50
CYLONIE RE	Luxembourg	19 rue de Bitbourg - L 1273 - Luxembourg - HAMM		100.00
MIKADO SEED HOLDING K.K. MIKADO IKUSHU HOLDING	Japan	1203 Hoshiguki-Cho. Chuo-Ku Chiba-Shi		64.73
PLANT DEVELOPMENT AUSTRALIA	Australia	165, Templestowe Road - TEMPLESTOWE LOWER, VIC 3107		100.00
VCC JAPAN	Japan	15-13 Nampo-daicho SHIBUYA-KU TOKYO		100.00
VCC SEEDS ISRAEL LTD	Israel	c/o Schwartz. Duvdevany. Lerner - CPA - 76 Herzl Street - HAIFA		100.00
VILMORIN HONG-KONG LTD	China	Level 28, Three Pacific Place, 1 Queen's Road East - HONG-KONG		72.50
VILMORIN LUXEMBOURG SA	Luxembourg	11 avenue Emile Reuter - L 2420 - LUXEMBOURG		99.99
YUAN LONGPING HIGH-TECH AGRICULTURAL COMPANY LTD	China	Agriculture Hi-Tech Park, Mapoling, Second Yuanda Road, Furong district, CHANGSHA		22.22
FIELD SEEDS				
BIOGEMMA	France	1, Rue Edouard Colonne - PARIS (75001)	412 514 366	55.01
BIOGEMMA UK	United Kingdom	Science Park - 200 Milton Road - CAMBRIDGE CB4 0GZ		100.00
GENOPLANTE VALOR	France	523, Place des Terrasses - EVRY (91034)	439 202 821	33.33
EUROPE				
LIMAGRAIN VERNEUIL HOLDING	France	Ferme de l'Etang, BP3 - VERNEUIL L'ETANG (77390)	542 009 824	79.96
EURODUR	France	Loudes - CASTELNAUDARY (11400)	338 982 614	43.96
GIE SEMENCES DE BRIE	France	RD 402 - CHAUMES EN BRIE (77390)	388 147 845	50.00
LIMAGRAIN CENTRAL EUROPE	France	Biopôle Clermont-Limagne - ST BEAUZIRE (63360)	438 205 320	99.99
NICKERSON INTERNATIONAL RESEARCH SNC	France	Rue Limagrain - CHAPPES (63720)	388 170 938	100.00
SOLTIS	France	Domaine de Sandreau - MONDONVILLE - BLAGNAC (31700)	420 327 231	50.00
UNISIGMA	France	2, rue Petit Sorri - FROISSY (60480)	317 760 668	46.00

Name	% interest	Conso- lidation method	Equity before results in K€	Permanent head- count on 06.30.08	Book value of shares on 06.30.08 in K€		Sales of goods in K€	Net income for the fiscal year in K€
HOLDINGS								
VILMORIN & Cie	100.00	IG	443 648	82				4 939
VILMORIN 1742	100.00	IG	2 000		2 000	2 000		
BIOSEEDS	20.00	ME	14 968		1 094	1 094		2 221
CEEKAY SEEDS & SEEDLINGS PVT LTD	100.00	IG	- 110	22	1 791	1 791		- 15
CHANGSA XINDAXIN VILMORIN AGRI- BUSINESS CO LTD	33.71	IP	19 204	4	27 892	27 892		180
CYLONIE RE	99.99	IG	18 239		22 004	22 004		- 607
MIKADO SEED HOLDING K.K. MIKADO IKUSHU HOLDING	64.73	IG	1 459		2 465	2 465		- 11
PLANT DEVELOPMENT AUSTRALIA	99.97	IG	3 136		2 276	2 276		- 78
VCC JAPAN	100.00	IG	213		424	424		- 163
VCC SEEDS ISRAEL LTD	100.00	IG	- 396	1	0	0		71
VILMORIN HONG-KONG LTD	72.50	IG	40 000		29 000	29 000		- 583
VILMORIN LUXEMBOURG SA	99.99	IG	22 131		22 642	22 642		- 6
YUAN LONGPING HIGH-TECH AGRICULTURAL COMPANY LTD	7.49	ME	84 912		8 920	8 920		29
FIELD SEEDS								
BIOGEMMA	55.01	IG	45 784	84	30 800	30 800		- 69
BIOGEMMA UK	55.01	IG	1 549		16 892	3 598		- 294
GENOPLANTE VALOR	29.33	ME	3 227		2 031	1 755		150
EUROPE								
LIMAGRAIN VERNEUIL HOLDING	79.96	IG	285 101	382	241 195	241 195	172 874	- 2 189
EURODUR	35.15	IP	7 339	4	4 229	4 229		187
GIE SEMENCES DE BRIE	39.98	IP	381	15	191	191		- 46
LIMAGRAIN CENTRAL EUROPE	79.95	IG	7 965	91	6 500	6 500	64 902	298
NICKERSON INTERNATIONAL RESEARCH SNC	79.96	IG	100		100	100		8 170
SOLTIS	31.98	IP	9 844	13	6 995	6 995		- 770
UNISIGMA	39.98	ME	574		379	379		276

Name	Country	Head Office	N° SIREN	% voting rights
ADVANTA BV	Netherlands	Van der Haveweg 2 - 4411RB RILLAND		100.00
ADVANTA HOLDINGS LTD (UK)	United Kingdom	SLEAFORD, Lincolnshire - NG34 7HA		100.00
ADVANTA RESEARCH LTD	United Kingdom	SLEAFORD, Lincolnshire - NG34 7HA		100.00
ADVANTA SEEDS LTD (UK)	United Kingdom	SLEAFORD, Lincolnshire - NG34 7HA		100.00
ADVANTA SEEDS TRUSTEES LTD	United Kingdom	SLEAFORD, Lincolnshire - NG34 7HA		100.00
LIMAGRAIN A/S	Denmark	Marsalle III - 8700 HORSSENS		100.00
LIMAGRAIN BELGIUM BVBA	Belgium	Esperantolaan 12 BUS B13 B 3300 TIENEN		100.00
LIMAGRAIN BULGARIA EOOD	Bulgaria	5-7 Lubotran Str, F15, ap 20 - 1407 SOFIA		100.00
LIMAGRAIN CENTRAL EUROPE CEREALS SRO	Czech Republic	Sazecska 8 - 108 25 PRAGUE 10 Malesice		100.00
LIMAGRAIN CESKA REPUBLIKA S.R.O.	Czech Republic	Pardubská 1197 - CZ 763 12 VIZOVICE		100.00
LIMAGRAIN DOO	Serbia	Bulevar Oslobođenja 127 - NOVIA SAD (21000)		100.00
LIMAGRAIN GmbH	Germany	2 Am Griewenkamp - EDEMISSEN - D 31234		100.00
LIMAGRAIN IBERICA	Spain	Ctra Pamplona - Huesca Km 12 - ELORZ - Navarra 31470		100.00
LIMAGRAIN ITALIA SPA	Italy	Via Frescarolo, 115 - BUSSETO PR 43011		100.00
LIMAGRAIN MAGYARORSZAG KFT	Hungary	Gyar Ut.2, PF 325 - BUDAÖRS H 2040		100.00
LIMAGRAIN MOLDOVA SRL	Moldavia	Bd, Stefan Cel Mare 162 - CHISINAU 2004		100.00
LIMAGRAIN NEDERLAND BV	Netherlands	Van der Haveweg 2 - 4411RB RILLAND		100.00
LIMAGRAIN POLSKA	Poland	Zo.o ul Lindigo 6 - POZNAN PL 60-573		100.00
LIMAGRAIN ROMANIA SA	Romania	Soseaua Bucuresti Ploiesti KM15.2, Orasul Otopeni - JUDETUL ILFOV 8244		97.14
LIMAGRAIN SLOVENSKO SRO	Slovakia	M. Razusa 29. LUCENEC SK - 984-01		100.00
LIMAGRAIN TOHUM ISLAH VE URETIM SANAYI TICARET AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 ISTANBUL		67.00
NICKERSON ADVANTA LTD	United Kingdom	Market Rasen - LN7 6DT ROTHWELL - Lincolnshire		100.00
NICKERSON SUGAR BEET SEED LTD	United Kingdom	Market Rasen - LN7 6DT ROTHWELL - Lincolnshire		100.00
SHARPES SEEDS LTD	United Kingdom	Market Rasen - LN7 6DT ROTHWELL - Lincolnshire		100.00
NORTH AMERICA				
LIMAGRAIN GENETICS INC	Canada	Centre CDP Capital 1001 Victoria Square Bloc E - 8th Floor - MONTREAL (H2Z 2B7)		100.00
ADVANTA PACIFIC LLC	United States	2718 Centerville Road - Suite 400 - WILMINGTON (19808) Delaware		100.00
AGRELIANT GENETICS INC	Canada	Concession n° 4 - Dover Township - PAIN COURT - Ontario NOP IZO		50.00

Name	% interest	Conso- lidation method	Equity before results in K€	Permanent head- count on 06.30.08	Book value of shares on 06.30.08 in K€		Sales of goods in K€	Net income for the fiscal year in K€
					Gross	Net		
ADVANTA BV	79.96	IG	- 3 237		126 015	63 649		36 377
ADVANTA HOLDINGS LTD (UK)	79.96	IG	8 889		22 067	22 067		
ADVANTA RESEARCH LTD	79.96	IG	100		1 414	1 414		
ADVANTA SEEDS LTD (UK)	79.96	IG	11 558		11 335	11 335		
ADVANTA SEEDS TRUSTEES LTD	79.96	IG			0	0		
LIMAGRAIN A/S	79.96	IG	1 824	4	4 600	4 600	9 722	1 362
LIMAGRAIN BELGIUM BVBA	79.96	IG	552	11	19	19	7 675	306
LIMAGRAIN BULGARIA EOOD	79.95	IG	- 958		3	0		- 3
LIMAGRAIN CENTRAL EUROPE CEREALS SRO	79.95	IG	33	31	2 399	2 399	2 059	2 994
LIMAGRAIN CESKA REPUBLIKA S.R.O.	79.95	IG	356		110	110	6	79
LIMAGRAIN DOO	79.95	IG	- 34	4	1	1	994	158
LIMAGRAIN GmbH	79.96	IG	6 621	110	12 049	12 049	31 335	- 35
LIMAGRAIN IBERICA	79.96	IG	8 807	82	10 651	10 651	25 129	2 807
LIMAGRAIN ITALIA SPA	79.96	IG	3 288	28	12 063	3 208	11 004	22
LIMAGRAIN MAGYARORSZAG KFT	79.95	IG	899		435	435		- 9
LIMAGRAIN MOLDOVA SRL	79.95	IG	554	5	2	2	2 396	150
LIMAGRAIN NEDERLAND BV	79.96	IG	24 861	112	20 931	20 931	21 971	18 879
LIMAGRAIN POLSKA	79.95	IG	47		164	0		- 73
LIMAGRAIN ROMANIA SA	77.67	IG	236		340	3	2 051	- 356
LIMAGRAIN SLOVENSKO SRO	79.95	IG	42		5	5	177	- 7
LIMAGRAIN TOHUM ISLAH VE URETIM SANAYI TICARET AS	53.57	IG	9 559	36	7 900	7 900	12 499	3 293
NICKERSON ADVANTA LTD	79.96	IG	25 492	180	22 776	22 776	36 612	8 334
NICKERSON SUGAR BEET SEED LTD	79.96	IG	149		1	1	2 394	184
SHARPES SEEDS LTD	79.96	IG	2 272		2 272	2 272		
NORTH AMERICA								
LIMAGRAIN GENETICS INC	100.00	IG	21 576	1	40 100	40 100		- 527
ADVANTA PACIFIC LLC	100.00	IG	328		0	0	951	- 19
AGRELIANT GENETICS INC	50.00	IP	7 909	42	2 344	2 344	15 574	1 207

Name	Country	Head Office	N° SIREN	% voting rights
AGRELIANT GENETICS LLC	United States	1122 E 169th Street - WESTFIELD. IN 46074		50.00
SOYGENETICS LLC	United States	PO Box 349 - BATTLE GROUND, IN 47920		33.33
VILMORIN USA CORP	United States	2718 Centerville Road - Suite 400 - WILMINGTON (19808) Delaware		100.00
VEGETABLE SEEDS				
PROFESSIONAL				
CLAUSE	France	Rue Louis Saillant - PORTES LES VALENCE (26800)	435 480 546	99.97
VILMORIN SA	France	Route du Manoir - LA MENITRE (49250)	562 050 864	99.95
ALLIANCE SEMILLAS DE ARGENTINA	Argentina	Cochrane 2848 CP 1419 Capital federal BUENOS AIRES		100.00
ALLIANCE SEMILLAS DE CHILE	Chile	Casa Matriz - Hundaya 27 Oficina 201 - Las Condas SANTIAGO		51.00
ASAMIA COLD STORAGE LTD	Israel	DN Shikmim - BRURIM		100.00
BIOTECH MAH MANAGEMENT	Israel	DN Shikmim - BRURIM		50.00
CLAUSE BRASIL	Brazil	Rua Miguel Penteado n°138 Jardim Chapado CEP 13070118 CAMPESINAS SP		100.00
CLAUSE INDIA	India	6-1-20/2. Walker Town 500025 New Bhoiguda SECUNDERABAD		100.00
CLAUSE ITALIA SPA	Italy	Via Emilia 11 - VENARIA REAL (10078)		100.00
CLAUSE MAGHREB	Algeria	Villa n°192 - Quartier Amara 2 Lotissement Alioua Fodhil - CHÉRAGA		100.00
CLAUSE PACIFIC	Australia	165, Templestowe Road Lower Templestowe - 3105 BULLEEN Victoria		100.00
CLAUSE SPAIN SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera ALMERIA (04745)		100.00
CLAUSE TEZIER AUSTRALIA	Australia	165, Templestowe Road LOWER TEMPLESTOWE 3107 VICTORIA		100.00
HARRIS MORAN SEEDS	United States	555, Codoni Avenue - 95352 MODESTO (Californie)		100.00
HAZERA AGRICULTURE TECHNOLOGY AND (SERVICES BEIJING) CO	China	17 Jian Guo Men Wai St - 28th Floor, Suite 210 Chao Yan District - BEIJING		100.00
HAZERA CANARIA	Spain	Avenida Santa Cruz 182 - San Isidro Granadilla 386110 SANTA CRUZ DE TENERIFE		100.00
HAZERA DO BRASIL COMMERIO DE SEMENTES LTDA	Brazil	Rua Iris. 75 HOLAMBRA 13825-000 Sao Paulo		100.00
HAZERA ESPANA	Spain	c/o Landwell, Paseo de la Castellana - 53 MADRID		100.00
HAZERA GENETICS LTD	Israel	Brurim Farm MP - 79837 SHIKMIM		100.00
HAZERA HOLDING INTERNATIONAL BV	Israel	D.N. Shikmim 79837 BRURIM		100.00
HAZERA MAURITIUS LTD	Mauritius	c/o Abacus Fin. - Sces Ltd - TM Building Pope Hennessy Street - PORT LOUIS		100.00
HAZERA SEEDS INC	United States	6601 Lyons Suite H 10 - COCONUT CREEK - (33073) Florida		100.00
HAZERA TOHUMCULUK VE TICARET AS	Turkey	Genclik Mahallesi. Fevzi Cakmak Cad. 2 Mahmut Cil Apt n°75 D7 ANTALAYA (07100)		99.99
ICA SEEDS SAC	Peru	Fundo la Vina S/N CASERIO LA PORUMA ICA		99.83

Name	% interest	Conso- lidation method	Equity before results in K€	Permanent head- count on 06.30.08	Book value of shares on 06.30.08 in K€ Gross Net		Sales of goods in K€	Net income for the fiscal year in K€
AGRELIANT GENETICS LLC	50.00	IP	32 245	628	0	0	209 541	13 257
SOYGENETICS LLC	37.00	ME	- 17 835					2 685
VILMORIN USA CORP	100.00	IG	68 753		121 426	121 426		3 333
VEGETABLE SEEDS								
PROFESSIONAL								
CLAUSE	99.97	IG	45 000	448	50 194	50 194	99 229	25 650
VILMORIN	99.95	IG	64 408	365	49 729	49 729	58 804	10 789
ALLIANCE SEMILLAS DE ARGENTINA	100.00	IG	271	12	653	653	1 964	231
ALLIANCE SEMILLAS DE CHILE	51.00	IG	1 176	15	394	394	2 233	251
ASAMIA COLD STORAGE LTD	100.00	IG	5		1	1		2
BIOTECH MAH MANAGEMENT	50.00	IP			0	0		
CLAUSE BRASIL	99.97	IG	697	16	36	36	8 056	1 775
CLAUSE INDIA	99.97	IG	41	45	10	10	2 908	77
CLAUSE ITALIA SPA	99.97	IG	2 064	34	1 438	1 438	18 754	1 812
CLAUSE MAGHREB	99.97	IG	51	1	51	51		- 14
CLAUSE PACIFIC	99.97	IG	1 757	19	4 089	4 089	3 520	- 107
CLAUSE SPAIN SA	99.97	IG	3 666	64	1 532	1 532	23 449	2 692
CLAUSE TEZIER AUSTRALIA	99.97	IG	71		6	6	347	- 49
HARRIS MORAN SEEDS	100.00	IG	31 115	232	26 078	26 078	50 838	2 470
HAZERA AGRICULTURE TECHNOLOGY AND SERVICES (BEIJING) CO	100.00	IG	262		271	271		8
HAZERA CANARIA	100.00	IG			32	32		
HAZERA DO BRASIL COMMERCIO DE SEMENTES LTDA	100.00	IG	38	5	40	40	397	- 251
HAZERA ESPANA	100.00	IG	802	14	737	593	6 483	9
HAZERA GENETICS LTD	100.00	IG	74 891	314	83 523	83 523	54 243	4 665
HAZERA HOLDING INTERNATIONAL BV	100.00	IG	2 904		17	17		893
HAZERA MAURITIUS LTD	100.00	IG	2		0	0		- 2
HAZERA SEEDS INC	100.00	IG	376	9	0	0	8 353	108
HAZERA TOHUMCULUK VE TICARET AS	99.99	IG	- 107	13	111	111	5 264	325
ICA SEEDS SAC	99.83	IG		6	163	163	653	51

Name	Country	Head Office	N° SIREN	% voting rights
MARCO POLO SEEDS NUSANTARA	Indonesia	Ruko Bumi Prayadan Permai Block B-6 - Mertoyudan 56172 MAGELANG JAWA TENGAH		100.00
MARCO POLO SEEDS THAILAND	Thailand	11th Floor. Panjabhum Building 127 South Sathorn Road, Tungmahamek 10120 SATHORN BANGKOK		100.00
MIKADO KYOWA SEED	Japan	15-13 Nanpeidai-Shibuya-Ku - 150-0036 TOKYO		69.27
NICKERSON ZWAAN BV	Netherlands	Schanseind 27 BP28 - 4921 PM MADE		100.00
NICKERSON ZWAAN GmbH	Germany	2 Am Griewenkamp - D31234 EDEMISSEN		100.00
NICKERSON ZWAAN INDIA	India	312 Batarayanpura BB Road Opposite L&T Gate 560092 BANGALORE		100.00
NICKERSON ZWAAN LLC	Ukraine	Professora Pidvysotstkogo Str.6-B non residential premises 3.4.5 - (01013) KIEV		100.00
NICKERSON ZWAAN Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen - LN7 6DT ROTHWELL		100.00
NICKERSON ZWAAN SOUTH AFRICA	South Africa	319 Pine Avenue. Ferndale. 2125 RANDBURG		100.00
NICKERSON ZWAAN SP ZOO	Poland	Ul. Gersona 8, 03307 WARSZAWA		100.00
SEMILLAS HARRIS MORAN MEXICANA	Mexico	Blvd. V. Carranza 2378-A Mexicali, BV MEXICO CP		100.00
TOP GREEN	France	ZA Les Pains - Les Alleuds - BRISSAC QUINCE (49320)	432 004 679	33.33
VILMORIN ANADOLU	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 - Pendik ISTANBUL 34903		100.00
VILMORIN DO BRASIL COMERCIO DE SEMENTES LTDA	Brazil	Rua Maria Monteiro. 830. 2nd andar. sala 21 Campinas, Estado de Sao Paulo. 13025-151 CAMBUI - 151 CAMPINAS/SP		100.00
VILMORIN IBERICA SA	Spain	Calle Joaquim Orozco 17 - 03006 ALICANTE		99.90
VILMORIN INC	United States	2551 North Dragon 85745 TUCSON Arizona		100.00
VILMORIN ITALIA SRL	Italy	Center Gross CP 97 - Blocco 22 - Via dei Notai 123, 40050 FUNO		100.00
HOME GARDEN				
OXADIS	France	65. rue de Luzais - BP 37 - St QUENTIN FALLAVIER (38291)	959 503 111	99.99
CNOS GARDEN SP ZOO	Poland	Ul Kopanina 28/32 - 60 951 POZNAN		51.00
FLORA GEISSLER	Switzerland	Müliwisstrasse 212 - 5467 FISIBACH		100.00
SUTTONS SEEDS LTD	United Kingdom	Woodview road - PAIGNTON - Devon - TQ4 7NG		100.00
VAN DEN BERG CH	Netherlands	Nijverheidsweg 1& 8A - Po Box 4 - 1693 AM WERVERSHOOF		100.00

Name	% interest	Conso- lidation method	Equity before results in K€	Permanent head- count in 06.30.08	Book value of shares on 06.30.08 in K€		Sales of goods in K€	Net income for the fiscal year in K€
MARCO POLO SEEDS NUSANTARA	100.00	IG	138	29	292	167	861	9
MARCO POLO SEEDS THAILAND	100.00	IG	1 035	32	2 070	954	438	- 229
MIKADO KYOWA SEED	60.45	IG	11 037	146	12 017	12 017	53 608	3 689
NICKERSON ZWAAN BV	99.95	IG	18 401	142	16 256	16 256	28 258	1 680
NICKERSON ZWAAN GmbH	99.95	IG	666	17	127	127	6 202	323
NICKERSON ZWAAN INDIA	99.95	IG	- 2	11	4	4	380	- 109
NICKERSON ZWAAN LLC	99.95	IG	7	6	8	8	755	47
NICKERSON ZWAAN Ltd	99.95	IG	2 237	17	243	243	8 528	388
NICKERSON ZWAAN SOUTH AFRICA	99.96	IG	268	18	700	700	1 969	37
NICKERSON ZWAAN SP ZOO	99.95	IG	1 013	10	64	64	2 384	201
SEMILLAS HARRIS MORAN MEXICANA	100.00	IG	894	29	0	0	13 843	245
TOP GREEN	33.33	ME	4 724		1 000	1 000		245
VILMORIN ANADOLU	99.95	IG	9 551	59	7 683	7 683	13 429	1 759
VILMORIN DO BRASIL COMMERCCIO DE SEMENTES LTDA	99.95	IG	- 50	7	18	18	387	- 48
VILMORIN IBERICA SA	99.85	IG	504	28	714	714	6 211	594
VILMORIN INC	100.00	IG	1 464	21	1 131	1 131	4 222	211
VILMORIN ITALIA SRL	99.95	IG	67	17	64	64	8 981	850
HOME GARDEN								
OXADIS	99.99	IG	7 046	342	7 775	7 775	94 198	3 912
CNOS GARDEN SP ZOO	50.99	IG	1 480	54	890	890	4 261	261
FLORA GEISSLER	99.99	IG	2	9	346	0	1 964	7
SUTTONS SEEDS LTD	100.00	IG	1 530	165	5 445	5 445	23 293	502
VAN DEN BERG CH	99.99	IG	2	18	243	0	9 291	3



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 procedures,
- > 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.

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

During the course of the fiscal year 2007-2008, your Board of Directors met eight times, following a work schedule that is established on an annual basis. The attendance rate of its members was 95%.

In compliance with the recommendations of the AFEP/MEDEF report, the duration laid down in the bylaws for the term of office of the Director is three fiscal years, and this term of office is renewable. The terms of office for six of the Directors expire at the end of the Annual General Meeting convened to deliberate on the financial statements of the fiscal year closing on June 30th 2008.

Your Board of Directors closed the corporate accounts and the consolidated accounts of Vilmorin and the associated reports during its meeting of October 1st 2008.

Procedures for internal control

• Objectives of internal control

The main objectives of Vilmorin concerning internal control are to use all appropriate means to insure that the policies followed in the group's different companies are coherent, and that the procedures adopted to apply them are respected. In particular, these measures should make it possible to:

- > insure that management policies are respected and that operations are seen through,
- > prevent and control any risks that result from the company's business and similarly any risks of error or fraud. However, as with any control system, it cannot insure total guarantee that these risks are totally eliminated,
- > check that the accounting, financial and management information supplied to the corporate bodies are a sincere reflection of the company's business and situation,
- > insure that the accounting and financial information given to the shareholders is appropriate and respects regulations and legislation.

Nevertheless, while pursuing these objectives, companies may be confronted with fluctuating fortunes and unforeseen events (unexpected evolution of markets or the geopolitical situation of a country that may affect the forecasts or estimated effects of any such changes, etc.).

• Analysis of the main risks

During fiscal 2007-2008 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 both professional and consumer-oriented businesses.

For professional activities 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.

With regard to consumer-oriented activities, the diversification of the product line-ups means that, to a large extent, the consequences of a year with poor weather can be attenuated by proposing different products that are not dependent on seasons.

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 intellectual protection policy,

- > 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, 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 2008, Vilmorin had not identified any dispute that might affect its financial situation significantly.

Risks regarding exchange, rates, cash and market

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 Vilmorin manages both for itself 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 2008, 68% of Vilmorin's bank debt involved funding at variable rates. Outstanding forward exchange cover stood at 150 million euros.

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 2008, Vilmorin was totally on line with these commitments.

Moreover, at the end of fiscal 2007-2008 Vilmorin diversified the nature of its financial resources by issuing convertible bonds ("OCEANE") 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 sublimits. 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 15.25 million euros compensation limit per claim, and a fixed annual ceiling of 20 million euros for liability after delivery.

> Professional third party liability.

The professional economic environment of Vilmorin is characterized by complex contractual relationships, as product development requires the use of more varied and sophisticated technologies, and as intellectual property issues grow more complex too (protection through patents, proprietary variety certificates, infringement risks, etc.). On July 1st 2002 Vilmorin set up a policy in conjunction with

Limagrain intended to perfect the cover of specific risks in terms of contractual liability, legal proceedings for infringement or unfair competition, or transactions made for third party claims. The policy expired on June 30th 2007. A new policy was set up as of July 1st 2007 which continues to cover existing guarantees, but also now covers the following specific risks: the financial consequences of the presence of GM in delivered products (either an unauthorized gene or presence higher than the legal thresholds), guaranteeing the cost of withdrawing and reimbursing contaminated products along with costs involved for image restoring.

This policy was adopted for the duration of two years, renewable for one year. The insurer's commitment with regard to all the guarantees provided is limited to the sum of 15 million euros per claim and per year.

> 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 of insurance per year, 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.

• General organization of the internal control procedures

In its role as a holding structure, the company Vilmorin is central to the management of internal control. Apart from making sure the general policies are coherent, it exercises the functions of management, advice and control for its subsidiaries. In order to do so it works it has its own internal audit and financial control department.

Within this general framework, the subsidiaries define and implement operational procedures that are suited to their own specific situations.

Management rules, function definitions and company and group procedures are all part of the reference system used to implement and apply internal control rules.

Furthermore, systems involving the delegation of powers are generally set up by the Board of Directors in each French company.

• Procedures used to produce financial and accounting information

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.

• Limits to the powers granted to the Chairman and the CEO

The General Management of Vilmorin is the responsibility of the Chairman of the Board of Directors. During the course of the fiscal year 2007-2008, he was assisted by a CEO, Mr. Adrian HUIGE.

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

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

For purposes of the company's internal organization, the powers of the Chairman and the CEO have been partially limited by the Board of Directors (meeting of December 13th 2005), but these limits are not available against third parties.

Further to the Annual General Meeting deliberating on the accounts closed on June 30th 2008, the Board of Directors will be asked to decide on the choice of General Management system adopted for the company, which will remain valid for another three years.

• Token payments or allowances paid to corporate representatives

As in previous fiscal years, the Directors carried out their duties in 2007-2008 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 2008 to fix the Directors' fees for fiscal 2007-2008 at 9 000 euros.

The remuneration of corporate representatives who have a work contract (Daniel CHÉRON, Director and Adrian HUIGE, CEO) 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.

• Participation of shareholders in the Annual General Meetings

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

In order to update the company's by-laws, particularly with regard to provisions arising from decree 2006-1566 of December 11th 2006, the Board of Directors proposes that the Annual General Meeting convened to deliberate on the accounts closing on June 30th 2008 should modify these two articles.

• Information liable to have an impact in the case of a takeover 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.

The full report was discussed and approved by the Board of Directors at their meeting held on October 1st 2008.



Report of the Board of Directors to the Joint Annual General and Extraordinary Meeting of December 11th 2008

To the Shareholders,

The present Annual General Meeting was convened in accordance with the law and the by-laws of your company:

> on one hand to submit for your approval the annual financial statements for the fiscal year closing on June 30th 2008,

> secondly 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 call for savings, with or without pre-emptive rights, according to the best possible market conditions,

> to proceed with the renewal of the term of office of some of your Directors and of one of the Statutory Auditors, with the appointment of a new substitute Statutory Auditor,

> finally, to approve the updating of certain provisions in the by-laws of your company in order to comply in particular with the most recent legal or regulatory provisions.

Notice to attend, 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 2007-2008 Vilmorin pursued its policy of external growth, particularly in Asia, and furthered its partnerships, particularly in research and the development of new technologies.

Vilmorin's sales reached 30 million euros in 2007-2008 as opposed to 27.3 million euros the previous year.

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 business fees between the subsidiaries of Vilmorin using economic criteria (margin on the cost of sales, EBITDA, payroll and research costs).

Total operating expenses came to 29.9 million euros, up 2.1 million euros compared with 2006-2007.

The total amount of costs not deductible from taxable income amounted to 86 103 euros for the fiscal year 2007-2008.

The operating income showed a profit of 1.6 million euros.

The financial result showed a net income of 28.6 million euros, up 2.7 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 37.6 million euros, compared with 34.7 million euros for the previous year.

It also includes a net allocation to financial provisions of 0.6 million euros, and exchange losses of 1.4 million euros.

Finally, this financial result also includes 7.1 million euros of net interest charges.

The extraordinary result this fiscal year recorded the impact of the sale of the company Flora Frey.

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 and Oxadis SA; for the fiscal year 2007-2008 a net income of 12.3 million euros was recorded, including tax relief for research of 1.7 million euros.

As a result of the above-mentioned considerations, the net corporate income came to 4.2 million euros on June 30th 2008.

The company's stock on June 30th 2008 stood at 204 225 819.25 euros, corresponding to 13 391 857 shares at nominal value of 15.25 euros each.

On June 30th 2008, loans and financial debts showed a gross value of 593.6 million euros.

They take into account the issue of convertible bonds ("OCEANE") by Vilmorin at the end of the financial year for a total of 149.5 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 262.7 million euros.

Moreover Vilmorin granted Limagrain Verneuil Holding (field seeds business in Europe) a medium-term loan of 54.5 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 a duration of 5 years, in partnership with 13 banks.

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 2008, Vilmorin was totally on line with these commitments.

• Consolidated financial statements

At the close of fiscal 2007-2008 Vilmorin's consolidated financial statements were set out on June 30th 2008 in accordance with the IFRS (International Financial Reporting Standards) reference as adopted by the European Union.

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).

Following the announcement on October 10th 2007 of its plan to sell its home garden vegetable business, Vilmorin now applies IFRS standard 5 "Non-current assets held for sale and discontinued operations".

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

Implementation of this plan resulted in the sale, on June 30th 2008, of the participation held by Vilmorin in the company Flora Frey to a German investment fund.

The restatements made in the income statement and the balance sheet are described in Note 3 of the notes appended to the annual financial statements.

Apart from the project announced concerning the home garden vegetable activity, the main evolutions in the consolidation scope occurring during the course of the fiscal year were as follows:

> in July 2007 Vilmorin signed a strategic alliance with the Chinese company Hunan Xindaxin, the reference shareholder of the Chinese seed company Yuanlongping High-Tech Agriculture ("LPHT").

This agreement was materialized through Vilmorin's purchase (through its subsidiary Vilmorin Hong Kong) of a 46.5% stake in the stock of the company Changsha Xindaxin Group, which itself holds a 22,2% stake in LPHT.

Consequently, Changsha Xindaxin Group and LPHT will henceforth be consolidated respectively through proportional integration and using the equity method.

> in July 2007 Vilmorin took full control of the Turkish company Anadolu Tohumculuk. Previously consolidated using the equity method, it has been integrated globally since July 1st 2007.

> in the context of its co-operation with Euralis Semences, during the course of the fiscal year Vilmorin raised its stake in Soltis, a research company specialized in sunflower, from 40% to 50%.

Previously consolidated using the equity method, Soltis will from now on be integrated proportionally.

NB: Variation in relation to fiscal 2006-2007 will be expressed in comparison to data restated for discontinued operations.

Consolidated sales for fiscal 2007-2008, corresponding to revenue from ordinary activities, came to 896.8 million euros, up 11.5% with current data.

With a constant exchange rate, the increase was 15.3% and 13.4% like for like.

Restated for inventory write-off and depreciation, gross margin after cost of sales stood at 45.7%, up by one percentage points in comparison with 2006-2007, benefiting from a strong reduction of obsolescence costs this year.

Net operating charges stood at 294.2 million euros, an increase of 13.3 million euros compared with June 30th 2007.

It should be noted that:

> tax relief for research, now recorded as a deduction from research and development costs, came to 20.3 million euros compared with 9.7 million euros for the previous fiscal year. This increase is mainly due to changes in how this relief is applied and calculated in France.

> other operating income and charges in 2006-2007 showed non-recurring positive items, particularly the negative goodwill of 9 million euros created through the purchase of all the minority interests of Hazera Genetics; on June 30th 2008 they showed a net charge of 3.6 million euros.

The sale of assets showed a profit of 2.1 million euros as opposed to 3.3 million euros the previous year.

Thus the consolidated operating income stood at 115.2 million euros, an increase of 37.1 million euros compared with the previous year, showing an operating margin of 12.8% up by 3.1 percentage points.

In 2007-2008 Vilmorin intensified its research programs both in conventional plant breeding and biotechnology. Total research investment stood at 105.1 million euros as opposed to 98.2 million euros in 2006-2007 and represents 13.1% of sales of seeds intended for professional markets.

The financial result shows a net charge of 30.1 million euros as opposed to 18.2 million euros in 2006-2007 and this fiscal year integrated net currency exchange loss of 4.5 million euros. Cost of funds came to 23.2 million euros, reflecting Vilmorin's careful control of its medium indebtedness at a time when interest rates were back on the rise.

The net charge of income taxes came to 19.2 million euros as against 13.7 million euros the previous year.

The result for discontinued operations showed a loss of 16.5 million euros, taking into account the negative impact of the sale of the company Flora Frey.

Finally, the total net profit came to 51.1 million euros as opposed to 57.3 million euros on June 30th 2007, a decrease of 6.2 million euros. The Group's share in this profit was 44.3 million euros.

Like for like, the balance sheet structure on June 30th 2008 globally showed relative stability in its main components.

Net of cash and bank in hand, total book indebtedness on June 30th 2008 stood at 323.4 million euros, as opposed to 331.2 million euros on June 30th 2007. The proportion of non-current indebtedness stood at 348.7 million euros.

The Group's equity stood at 615.3 million euros and minority interests at 123.8 million euros.

• The vegetable seeds activity

Sales for the vegetable seeds activity on June 30th 2008 came to 394.3 million euros, up 5.7% compared to the same period for the previous year.

Like for like they rose by 4.9%.

The fiscal year was marked by:

- > overall fine performances of all the operating units, in particular in the Mediterranean basin and on the Mexican market,
- > the continuing contraction of the agricultural material activity of Mikado Kyowa (Japan); restated for this activity, the increase in sales like for like of the vegetable seeds activity stands at 6.3%.

Moreover 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 or certain strategic geographical areas.

Overall the professional vegetable business showed an operating margin of 17.9% and a net contribution to the consolidated result of 50 million euros.

• The field seeds activity

Sales for the field seeds business on June 30th 2008 came to 502.5 million euros, an increase of 16.5%; like for like this growth was 21.2%.

- > in Europe, fiscal 2007-2008 ended with a strong increase in sales, particularly of corn seed, boosted by the dynamism of agricultural markets (increase in acreage, favorable evolution of the prices of raw materials, etc.) and a reinforcement of Vilmorin's commercial positions.
- > on the North American market, in spite of a considerable contraction of corn acreage and unfavorable weather conditions at the end of the season, the sales activity

continued to grow steadily (14.5% like for like), benefiting from novel products.

Vilmorin continued to optimize its product portfolio over the fiscal year. Thus, as part of its co-operation with Euralis Semences, Vilmorin raised its stake to 50% in Soltis, a European sunflower research company. Moreover in North America, Vilmorin sold its soybean research program, held through Soygenetics, and also the sunflower research and sales activities of its subsidiary Advanta Pacific.

The overall picture for the field seeds business was a positive contribution to the consolidated income of 28.5 million euros, a significant improvement compared to the previous year.

Vilmorin's business in fiscal 2007-2008 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

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 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 2007-2008 Vilmorin has not had to deal with any environmental accident or answer any procedures involving the payment of damages.

• Social information

On June 30th 2008, the consolidated headcount of Vilmorin stood at 3 855 permanent employees compared with 3 690 on June 30th 2007.

The average annual headcount for fiscal 2007-2008, stood at 4 413 people as opposed to 4 307 for the previous year.

During the course of the fiscal year, Vilmorin hired 507 new permanent employees (including 61 by transferring 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 business.

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 42 employees, including 3 dismissed.

Nearly half the companies run scheduled training programs that go beyond basic legal requirements.

In 2007-2008 the expenditure involved came to 1.1 million euros, and 31 302 hours were devoted to developing the know-how 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 2007-2008, thirty-seven 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 the different facilities in Vilmorin, the working time in each of the subsidiaries varies, depending on the country, from 35 to 50 hours per week.

Events occurring after closing the accounts

Subsequent to the closing of the accounts on June 30th 2008, in July 2008 Vilmorin signed a strategic partnership with the Australian company Australian Grain Technologies (AGT).

In consultation with the other shareholders of AGT, Vilmorin thus purchased a stake of 25% in the company's stock. Moreover, as part of this agreement, as of 2008-2009 Vilmorin and AGT will jointly develop new programs in research and exchange of technologies in wheat improvement.

Outlook for the future

The fiscal year for 2007-2008 was particularly marked by significant growth in business in a globally favorable market context, but nevertheless characterized by high volatility. Furthermore, Vilmorin has confirmed its strategic orientation of favoring its world development in professional markets of agriculture and vegetable production, by deciding to sell its home garden vegetables activities.

Fiscal 2008-2009 should confirm the potential for organic growth inherent in the professional market activities, both in vegetable seeds and field seeds, and should also see the finalization of definitive withdrawal from the home garden activity.

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

- > a progressive intensification of research investment in upstream technologies and conventional plant breeding,
- > permanent international development for all our business in the context of market globalization,
- > strengthening our companies or taking up new competitive positions through external growth operations,
- > accepting or seeking partnerships in sectors where technical expertise or a critical size can boost development in our companies,
- > maintaining a management model and policy 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 world leader and offer sustainable perspectives for regular growth.

Acquisitions and sales of stock

NB: A detailed table of subsidiaries and participations is appended to this report on pages 76 through 83.

Apart from the previously described operation of Vilmorin’s withdrawal from its home garden activities, the following points should be noted:

- > the purchase of a minority stake in the Chinese seed company Yuanlongping High-Tech Agriculture (“LPHT”) through a strategic alliance with its reference shareholder, Hunan Xindaxin,
- > the full takeover of the Turkish company Anadolu Tohumculuk,
- > the scale-up from 40% to 50% of the stake held in Soltis, a European sunflower research company,
- > the creation of the company Vilmorin 1742 SARL, with the purpose of running the Vilmorin garden center, on Quai de la Mégisserie in Paris,
- > full takeover of the Indian company Ceekay, a vegetable seed research company.

Shareholders

Vilmorin’s stock comprises 13 391 857 shares with a nominal unit value of 15.25 euros.

On June 30th 2008, the majority of the stock, 55.67%, was held by Groupe Limagrain Holding, 6.66% by Sélia and 6.66% by Coopérative Agricole Limagrain, all three of these companies belonging to Groupe Limagrain.

Vilmorin's by-laws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30th 2008, 5 408 678 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 71,91%.

On June 30th 2008, Vilmorin held 5 404 treasury shares, corresponding to less than 0.1% of its stock.

In compliance with the provisions of article L225-102 of the French Commercial Code, we inform you that on June 30th 2008 no employee held a stake in the stock.

Appropriation of the profits

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

Net profits on 06.30.08	€4 203 029.90
Application to legal reserve	€210 151.50
Profit available on 06.30.08	€3 992 878.40
Brought forward	€19 800 071.24
Dividends to distribute	€22 230 482.62
To carry forward	€1 562 467.02

The net dividend is set at 1.66 euro per share. As a proportion of the net profits for the group the sums distributed amount to 50.2%.

The total amount of dividends (22 230 482.62 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:

	04-05	05-06	06-07
Number of shares	3 188 993	9 566 979	13 391 857
Nominal	€45.75	€15.25	€15.25
Net dividend per share	€4.85	€1.62	€1.66

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

In compliance with the provisions of article 148 of the decree of March 23rd 1967, the following table shows the results of our company over the past five fiscal years.

Results of our company over the past five fiscal years

In K€	07-08	06-07	05-06 *	04-05	03-04
Stock at the end of the year					
Stock	204 226	204 226	145 896	145 896	145 896
Number of issued shares	13 391 857	13 391 857	9 566 979	3 188 993	3 188 993
Operations and results					
Total sales before tax	29 963	27 309	9 171	8 100	7 034
Profit before tax, profit sharing, amortization, depreciation and provisions	- 13 051	25 609	19 778	19 614	17 609
Income taxes	- 12 256	- 3 697	- 2 074	- 3 371	70
Profit sharing for the year	-	-	-	-	-
Profit after tax, profit sharing, amortization, depreciation and provisions	4 203	25 818	22 507	20 659	12 204
Profits distributed	22 230	22 230	21 694	15 466	14 669
Profit per share					
Profit after tax and profit sharing, but before amortization, depreciation and provisions	- 0.06	2.18	2.28	6.86	4.20
Profit after tax, profit sharing, amortization, depreciation and provisions	0.31	1.93	2.35	6.48	3.83
Dividend per share	1.66	1.66	1.62	1.62	4.60
Headcount					
Average staff**	88	82	14	11	13
Total payroll	4 958	4 720	1 142	1 002	950
Benefits paid out for the fiscal year	2 847	3 127	1 031	851	698

* 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.432-4 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 the French Commercial Code, and which are regularly authorized by your Board of Directors, for the fiscal year 2007-2008.

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

Corporate management system

Administration of the company is entrusted to a Board of Directors comprising 9 members.

On June 30th 2008, 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.

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 2007-2008, your Board of Directors met eight times.

Moreover, for the purpose of the offices they hold in the subsidiary companies of Vilmorin, the Members of the Board took part in thirty-six 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.

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

Token payments or allowances paid to corporate representatives

Just as in previous years, your Directors carried out their duties in 2007-2008 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 2008 to fix the directors' fees for fiscal 2007-2008 at 9 000 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.

Mr. 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 2007-2008 was 120 thousand euros, including a variable sum of 21.5 thousand euros.

In the same fashion, Mr. Adrian HUIGE, CEO, being a salaried member of Groupe Limagrain Holding, the proportion of gross remuneration paid for the function he held specifically for Vilmorin in 2007-2008 was 324.3 thousand euros, including a variable sum of 64.5 thousand euros.

Finally, the total commitments concerning end of career benefits for Mr. Daniel CHÉRON and Mr. Adrian HUIGE on June 30th 2008 stood respectively at 159 thousand euros and 11 thousand euros.

Control bodies

Vilmorin's Statutory Auditors are KPMG Audit, Department of KPMG SA and Visas 4 Commissariat.

Since their terms of office will be expiring, your Board of Directors proposes that:

> the term of KPMG Audit as incumbent Statutory Auditors be renewed for another period of six fiscal years,

> Mr. Denis MARANGE be appointed to replace Mr. Jean-Luc DECORNOY as substitute Statutory Auditor.

These terms of office will expire at the end of the Annual General Meeting deliberating on the accounts of the fiscal year closed on June 30th 2014.

Transactions with related parties

All transactions with related parties, mainly with Groupe Limagrain, are described in Note 32 in the notes appended to the consolidated financial statements on June 30th 2008, and they were pursued during this fiscal year on the same basis as in fiscal 2006-2007.

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 12th 2007, we carried out the following operations over the fiscal year:

Number of shares purchased	112 104
Average purchasing price	€108.52
Number of shares sold	108 012
Average selling price	€108.07

On June 30th 2008, our company held 5 404 shares, corresponding to less than 0.1% of the stock, at a purchasing value of 653 895,77 euros, which is an average unit price of 121 euros.

On September 30th 2008, our company held 7 274 treasury shares, corresponding to less than 0.1% of the 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 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,

> to 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 180 euros per share,
- > the maximum quantity of shares liable to be purchased is fixed at 1 000 000 shares representing a maximum potential commitment of 180 million euros.

Authorization to proceed with a public stock issue

During the course of the Joint Annual General and Extraordinary Meeting of December 12th 2007, a number of resolutions were made to authorize the Board to proceed, if relevant, with the issue of bonds or other assimilated debt securities, and with a capital stock increase through the issue of shares, various securities and/or stock purchase warrants with either the confirmation or cancellation of stock purchase rights.

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

We propose, in order to remain attentive to market reactivity and opportunities which might come up as part of any development projects for Vilmorin, that these authorizations be renewed in accordance with the provisions presented hereafter.

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 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 by-laws, 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.

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 can grant shareholders a priority duration to subscribe for securities without creating negotiable and transferable rights. For this purpose the Board of Directors will fix a 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 stock, issues securities providing access to your company's 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 fifteen through nineteen 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 stock, we are obliged to present you with a draft resolution to proceed with a stock increase reserved for employees as part of a company or group savings scheme.

This is the subject of the draft resolution twenty 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.

Update and modification of the by-laws

Your Board of Directors proposes that the by-laws of your company be updated in order to take into account the provisions arising from the decree 2006-1566 of December 11th 2006.

All these legal and optional modifications are presented to you and submitted for your approval in resolutions twenty-one through thirty-two inclusive.

General provisions

The rules for presentation and the methods of evaluation adopted to set down these documents on June 30th 2008 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.

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

With the exception of resolution twenty, 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 12th 2007 to the Board of Directors with regard to capital stock increases

Object of the delegation	Period of validity	Maximum nominal amount in M€	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 pre-emptive rights	24 months	250	Not applied
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, without pre-emptive rights	24 months	250	At its meetings of December 12 th 2007 and February 25 th 2008, the Board of Directors decided to issue a loan, without pre-emptive rights, with a maximum principal of 190 million euros, including an extension clause, with the stipulation that the maximum initial amount (excluding exercise of the clause) should be within a range of 130 to 160 million euros, and to increase the stock following any conversion of bonds.
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	-	350	-
Delegation of powers with a view to increasing the capital stock through the issue of shares and/or securities reserved for holders of a company savings plan without pre-emptive rights	24 months	10	Not applied

APPENDIX

Administration of the company is entrusted to a Board of Directors comprising 9 members.

On June 30th 2008, the Board of Directors was composed as follows:

Chairman of the Board and CEO: Gérard RENARD

> Chairman of the Board and CEO:
Clause SA (France).

> Chairman of the Board:
Clause Spain SA (Spain), Clause Italia Spa (Italy), Harris Moran Seeds Cie. (United States), Vilmorin SA (France), Vilmorin Iberica SA (Spain), Vilmorin Inc (United States), Vilmorin Italia Srl (Italy).

> Chairman of the Board of Trustees:
Nickerson Zwaan BV (Netherlands), Nickerson Zwaan GmbH (Germany).

> Member of the Board of Trustees:
CH Van den Berg BV (Netherlands).

> Member of the Board:
Coopérative Agricole Limagrain (Vice-Chairman) (France), Cylonie Re (Luxembourg), Groupe Limagrain Holding SA (France), Hazera Genetics Ltd (Israel), Maïcentre SCICA (France), Marco Polo Seed Ltd (Thailand), Oxadis SA (France), Suttons Seeds (Holdings), Ltd (United Kingdom).

> Director:
Mikado Kyowa Seed Co Ltd. (Japan), VCC Japan SA (Japan), Vilmorin USA Corp (United States).

- > Member of the Board Committee:
Sélia SAS (France).
- > Member of the Supervisory Board:
Vilmorin Luxembourg SA (Luxembourg).
- > Member of the Consultative Committee:
Flora Frey GmbH (Germany).
- > Member of the Board of Management:
Semillas Limagrain de Chile SARL (Chile).
- > Manager:
Vilmorin 1742 SARL (France).

Members of the Board:

François HEYRAUD

- > Chairman of the Board and CEO:
Oxadis SA.
- > Chairman of the Supervisory Board:
Cnos Garden (Poland).
- > Chairman of the Board of Trustees:
CH Van den Berg BV (Netherlands).
- > Chairman of the Board:
Suttons Seeds (Holdings), Ltd (United Kingdom).
- > Chairman of the Consultative Committee:
Flora Frey GmbH (Germany).
- > Member of the Board:
Clause SA (France), Clause Spain SA (Spain), Clause Italia SPA (Italy), Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Harris Moran Seeds Company (United States), Maïcentre SCICA (France), Top Green SAS (representing Vilmorin & Cie) (France), Vilmorin Ibérica SA (Spain), Vilmorin Inc. (United States), Vilmorin Italia SRL (Italy), Vilmorin SA (France).
- > Member of the Board Committee:
Sélia SAS (France).
- > Manager:
Vilmorin 1742 SARL (France).
- > Member of the Board of Trustees:
Nickerson Zwaan BV (Netherlands).
- > Member of the Board of Management:
Semillas Limagrain de Chile SARL (Sélia representative) (Chile).

Jean-Yves FOUCAULT

- > Chairman of the Board and CEO:
Jacquet SA (France), Pain Jacquet SA (France), Ulice SA (France).
- > Chairman of the Board:
Jacquet Belgium (Jacquet SA representative), Milcamps Food SA (Belgium).

- > Chairman:
Grain Auvergne Innovation (Union de Coop.) (Limagrain representative) (France), Jacquet Panification SAS (France), Limagrain Céréales Ingrédients (France), Société de Viennoiserie Fine (SDVF) SAS (France), Milcamps SA (Jacquet SA representative) (Belgium), Stasi SA (Jacquet SA representative) (Belgium), Trattoria SA (Jacquet SA representative) (Belgium).
- > Member of the Board:
Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Le Groupement Domagri-Maïcentre GIE (France), Maïcentre SCICA (France), JN Gaufre SA (Jacquet SA representative) (Belgium).
- > Member of the Board Committee:
Limaclub SAS (France), Sélia SAS (France).
- > Member of the Board of Management:
Semillas Limagrain de Chile SARL (Chile).

Joël ARNAUD

- > Chairman of the Board and CEO:
Limagrain Verneuil Holding SA (France).
- > Vice-Chairman and Member of the Board:
Coopérative Agricole Limagrain (France), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (Limagrain representative) (France), Valgrain (Coopérative Agricole) (Limagrain representative) (France).
- > Chairman of the Board:
Limagrain Central Europe SE (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy).
- > Chairman of the Board of Trustees:
Limagrain GmbH (Germany), Nickerson Advanta Ltd (United Kingdom).
- > Member of the Board:
Jacquet SA (France), Le Groupement Domagri-Maïcentre GIE (France), Maïcentre SCICA (France), Soltis SA (LVH representative) (France), Ulice SA (France), Unisigma GIE (France).
- > Member of the Supervisory Board:
Advanta BV (Netherlands), Vilmorin Luxembourg SA (Luxembourg).
- > Member of the Board Committee:
Limaclub SAS (France), Limagrain Céréales Ingrédients SAS (France), Sélia SAS (France).
- > Member of the Board of Management:
Semillas Limagrain de Chile (GLH representative) (Chile).

Philippe AYMARD

- > Chairman of the Board and CEO:
Grains Auvergne Innovation (Limagrain representative) (Union de Coop) (France), Limaclub SAS (France), Maïcentre SCICA (France).

> Chairman of the Board of Management:
Cave Saint VERNY SARL (France).

> Chairman of the Supervisory Board:
Advanta BV (Netherlands), Eurodur SA (France).

> Member of the Board:
AgReliant Genetics LLC (United States), Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Le Groupement Domagri-Maïcentré GIE (France), Limagrain Central Europe SE (France), Limagrain Genetics Inc. (Canada), Limagrain Iberica (Spain), Limagrain Italia Spa (Italy), Limagrain Verneuil Holding SA (France), Société Meunière du Centre SA (Groupe Limagrain Holding representative) (France), Ulice SA (Limaclub representative) (France), Vilmorin USA Corp (United States).

> Member of the Supervisory Board:
Limagrain GmbH (Germany), Nickerson Advanta Ltd (United Kingdom).

> Joint manager and Founder:
Dôme 2000 (France).

> Member of the Board Committee:
Limagrain Céréales Ingrédients SAS (France), Sélia SAS (France).

> Member of the Board of Management:
Semillas Limagrain de Chile Ltd (Chile).

Pierre PAGESSE

> Chairman of the Board and CEO:
Groupe Limagrain Holding SA (France).

> Chairman:
Coopérative Agricole Limagrain (France), Momagri (non profit-making association) (France).

> Chairman of the Board Committee:
Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France), Sélia SAS (France).

> Chairman of the Board:
Cylonic Ré SA (Luxembourg), Vilmorin Luxembourg SA (Luxembourg).

> Chairman of the Strategic Committee:
Biogemma SAS (France).

> Chairman of the Executive Council
Céréales Vallée (Competitiveness Cluster - non profit-making association) (France).

> Member of the Supervisory Board:
Advanta BV (Netherlands).

> Member of the Board:
Le Groupement Domagri-Maïcentré GIE (France), Limagrain Verneuil Holding SA (France), Maïcentré SCICA (France), Ulice SA (France).

> Member of the Board of Management:
Cave Saint VERNY SARL (France), Semillas Limagrain de Chile (Limagrain representative) (Chile).

> Member of the Board Committee:
Limaclub SAS (Limagrain representative) (France).

> Ex-officio member:
LG Compagnons (Association) (France).

Daniel CHÉRON

> CEO:
Coopérative Agricole Limagrain (France), Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France), Sélia SAS (France).

> CEO Delegate:
Groupe Limagrain Holding (France).

> Member of the Board:
Cylonic Ré SA (Luxembourg), Génoplante Valor SAS (France).

> Vice-Chairman:
Momagri (non profit-making association) (France).

> Chairman delegate:
Céréales Vallée (Competitiveness Cluster) (France).

Pascal VIGUIER

> Member of the Board:
Coopérative Agricole Limagrain (France), Groupe Limagrain Holding SA (France), Limagrain Central Europe SE (France), Limagrain Ibérica SA (Spain), Limagrain Italia Spa (Italy), Limagrain Verneuil Holding SA (France), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (Limagrain representative) (France).

> Member of the Supervisory Board:
Advanta BV (Netherlands).

> Member of the Board Committee:
Sélia SAS (France).

> Member of the Supervisory Board:
Limagrain GmbH (Germany), Nickerson Advanta Limited (United Kingdom).

> Member of the Board of Management:
Semillas Limagrain de Chile SARL (Chile).

Didier MIRATON

> Non-General Managing Partner of the Michelin group.

Consolidated financial statements on June 30th 2008

- I. Consolidated income statement
- II. Consolidated balance sheet
- III. Consolidated cash flow statement
- IV. Variation in consolidated equity
- V. Notes to the consolidated financial statements
- VI. Appendix: 2008 consolidation scope

I. Consolidated income statement

In millions of euros	Notes	07-08	06-07 pro-forma	06-07 disclosure	05-06 pro-forma
Revenue from ordinary activities	5	896.8	804.8	938.5	922.2
Cost of goods sold	-	- 487.4	- 445.8	- 523.8	- 519.2
Marketing and sales costs	-	- 126.4	- 120.6	- 150.8	- 146.4
Research and development costs	8	- 75.2	- 76.9	- 76.9	- 75.3
Administrative and general costs	-	- 89.0	- 91.4	- 106.5	- 109.9
Other income and operating charges	9	- 3.6	8.0	14.5	- 12.1
Operating income	-	115.2	78.1	95.0	59.3
Interest costs	10	- 23.2	- 20.0	- 21.7	- 15.1
Other financial profits and costs	11	- 6.9	1.8	1.9	2.0
Profit from associated companies	18	1.7	- 0.7	- 0.7	1.3
Income taxes	12	- 19.2	- 13.7	- 17.2	- 6.4
Profit from continuing operations	-	67.6	45.5	57.3	41.1
Profit from discontinued operations	-	- 16.5	11.8	-	5.5
Net income for the period	-	51.1	57.3	57.3	46.6
Group share	-	44.3	54.8	54.8	42.4
Minority share	-	6.8	2.5	2.5	4.2
In euros					
Earnings from continuing operations per share – Group share	13	4.55	3.2	4.1	2.8
Earnings from discontinued operations per share – Group share	13	- 1.24	0.9	-	0.4
Earnings for the period per share – Group share	13	3.31	4.1	4.1	3.2
Diluted earnings from continuing operations per share – Group share	13	4.28	N/A	N/A	N/A
Diluted earnings from discontinued operations per share – Group share	13	- 1.16	N/A	N/A	N/A
Diluted earnings for the period per share – Group share	13	3.12	N/A	N/A	N/A

II.1. Consolidated balance sheet Assets

In millions of euros	Notes	06.30.08	06.30.07	06.30.06 pro-forma
Goodwill	14	271.0	275.9	272.2
Other intangible fixed assets	15	393.6	385.2	383.6
Tangible fixed assets	16	131.9	134.5	143.0
Financial fixed assets	17	32.3	24.5	31.1
Equity shares	18	30.4	9.3	8.4
Deferred taxes	25	9.6	13.9	11.3
Total assets less current liabilities	-	868.8	843.3	849.6
Inventories	19	198.8	259.0	294.3
Trade receivables and other receivables	20	385.0	379.3	363.7
Cash and cash equivalents	21	259.9	150.6	168.9
Total current assets	-	843.7	788.9	826.9
Assets classified as held for sale	3	71.7	-	-
Total assets	-	1 784.2	1 632.2	1 676.5

II.2. Consolidated balance sheet Liabilities

In millions of euros	Notes	06.30.08	06.30.07	06.30.06 pro-forma
Share capital	22	204.2	204.2	204.2
Reserves and income – Group share	22	411.1	404.2	373.6
Equity – Group share	22	615.3	608.4	577.8
Minority interests	23	123.8	97.2	137.9
Consolidated equity	-	739.1	705.6	715.7
Provisions for employee benefits	24	17.5	23.6	33.4
Non-current financial debts	27	348.6	322.6	138.1
Deferred income taxes	25	81.7	84.0	90.4
Total non-current liabilities	-	447.8	430.2	261.9
Other provisions	26	25.1	19.9	27.8
Accounts payable	28	279.7	296.7	295.8
Deferred income	29	5.1	6.5	2.4
Current financial debts	27	234.6	173.3	372.9
Total current liabilities	-	544.5	496.4	698.9
Liabilities classified as held for sale	3	52.8	-	-
Total liabilities	-	1 784.2	1 632.2	1 676.5

III. Consolidated cash flow statement

In millions of euros	06.30.08	06.30.07	06.30.06 pro-forma
1 – Trading operations			
Income for the year	51.1	57.3	46.6
Results of companies consolidated under equity method after dividends	- 1.7	0.7	- 1.3
Depreciation and amortization	77.9	80.3	83.1
Net non-current provisions	9.4	- 15.9	6.8
Variation in deferred taxes	- 6.8	- 3.5	- 4.3
Income from capital operations	30.0	- 10.5	- 11.8
Profits on the disposal of financial assets	- 0.5	- 0.2	-
Cash flow	159.4	108.2	119.1
<i>Of which cash flow for discontinued operations</i>	<i>11.2</i>	<i>-</i>	<i>-</i>
Variation in working capital needs with comparable scope			
> Inventory	31.5	15.9	- 23.8
> Trade debts	- 50.3	- 21.9	- 4.8
> Short-term debts	26.0	8.9	11.0
Cash from operating activities	166.6	111.1	101.5
<i>Of which cash from operating activities for discontinued activities</i>	<i>10.6</i>	<i>-</i>	<i>-</i>
2 – Investment operations			
Sale of fixed assets ⁽¹⁾	4.7	21.5	24.9
Acquisition of fixed assets			
> Intangible fixed assets	- 83.7	- 75.0	- 68.5
> Tangible fixed assets	- 25.9	- 28.5	- 21.9
> Financial fixed assets ⁽³⁾	- 52.6	- 50.1	- 145.7
Decrease in other financial fixed assets	- 10.4	12.4	19.9
Cash flow acquired through scope entries ⁽²⁾	2.4	77.5	1.3
Cash flow conceded through scope exits	- 0.4	- 0.2	- 2.9
Variation in financial fixed assets	-	21.9	-
Net increase/decrease in cash and cash equivalents	9.3	0.1	- 0.5
Cash flows from investing activities	- 156.6	- 20.4	- 193.4
<i>Of which investment cash flows used by discontinued operations</i>	<i>- 1.4</i>	<i>-</i>	<i>-</i>
3 – Cash flows from financing activities			
Variation in equity	11.0	-	-
Increase in financial liabilities ^{(3) (4)}	117.0	- 10.2	93.1
Others	-	- 0.4	-
Dividends received on non consolidated participations	1.4	0.3	-
Dividends paid out	- 22.8	- 21.7	- 14.5
Net cash used in financing operations	106.6	- 32.0	78.6
<i>Of which financing cash flows from discontinued operations</i>	<i>- 10.0</i>	<i>-</i>	<i>-</i>
4 – Net effect of currency translation	- 5.6	- 0.2	- 3.0
<i>Of which currency translation from discontinued operations</i>	<i>- 0.1</i>	<i>-</i>	<i>-</i>
5 – Net increase/decrease in cash and cash equivalents	111.0	58.5	- 16.3
6 – Cash and cash equivalents at beginning of period	150.6	92.1	185.2
<i>Of which cash at beginning of period for discontinued operations</i>	<i>2.6</i>	<i>-</i>	<i>-</i>
7 – Cash and cash equivalents at end of period	261.6	150.6	168.9
<i>Of which cash at end of period for discontinued operations</i>	<i>1.7</i>	<i>-</i>	<i>-</i>

(1) Including 16.8 million euros linked to the discontinued activity of Ferry Morse on June 30th 2006.

(2) This concerns the integration of the field seeds activity on June 30th 2007.

(3) Including the impact of the contribution of Groupe Limagrain's field seeds activity on June 30th 2006.

(4) Increase in non-current financial debts (including OCEANE convertible bonds) 164.8
 Repayment of non-current financial debts - 95.3
 Net increase/decrease of current financial debts 47.5

 117.0

IV. Variation in consolidated equity

In millions of euros	Group share					Minority Interests	Total
	Capital	Premium	Income and other reserves	Currency translation reserves	Total		
06.30.06	145.9	29.3	152.3	- 4.7	322.8	47.6	370.4
Currency translation	-	-	-	- 6.4	- 6.4	0.6	- 5.8
Gains and losses recorded directly in equity	-	-	0.6	-	0.6	0.2	0.8
Net income	-	-	54.8	-	54.8	2.5	57.3
Total gains and losses for the fiscal year	-	-	55.4	- 6.4	49.0	3.3	52.3
Variation of treasury shares	-	-	0.3	-	0.3	-	0.3
Dividends paid out	-	-	- 21.7	-	- 21.7	- 0.4	- 22.1
Variations in scope	-	-	-	-	-	47.7	47.7
Effect of share purchase commitments	-	-	-	-	-	- 0.8	- 0.8
Variation in stock of the parent company	58.3	182.9	-	-	241.2	-	241.2
Costs linked to the contribution operation deducted from the premium	-	- 1.3	-	-	- 1.3	-	- 1.3
Impact of the contribution of the field seeds activity to Vilmorin	-	-	15.0	-	15.0	-	15.0
Others	-	-	3.1	-	3.1	- 0.2	2.9
06.30.07	204.2	210.9	204.4	- 11.1	608.4	97.2	705.6
Currency translation	-	-	-	- 15.6	- 15.6	- 1.6	- 17.2
Gains and losses recorded directly in equity	-	-	- 0.3	-	- 0.3	- 0.2	- 0.5
Net income	-	-	44.3	-	44.3	6.8	51.1
Total gains and losses for the fiscal year	-	-	44.0	- 15.6	28.4	5.0	33.4
Variation of treasury shares	-	-	- 0.5	-	- 0.5	-	- 0.5
Dividends paid out	-	-	- 22.2	-	- 22.2	- 0.6	- 22.8
Variations in scope	-	-	-	-	-	-	-
Effect of share purchase commitments	-	-	0.4	-	0.4	0.7	1.1
Variation in capital of the parent company	-	-	-	-	-	-	-
Variation in stock of the parent subsidiaries	-	-	-	-	-	11.0	11.0
Restatement for OCEANE convertible bonds	-	-	-	-	-	11.3	11.3
Others	-	-	0.8	-	0.8	- 0.8	-
06.30.08	204.2	210.9	226.9	- 26.7	615.3	123.8	739.1

Details of the gains and losses for the fiscal year:

In millions of euros	07-08	06-07
Variation of the fair value of assets available for sale	-	0.3
Change in method	-	0.5
Others	- 0.5	-
Net profit recorded directly in equity	- 0.5	0.8
Income for the period	51.1	57.3
Total of income and charges for the period	50.6	58.1
<i>Group share</i>	<i>44.0</i>	<i>55.4</i>
<i>Minorities share</i>	<i>6.6</i>	<i>2.7</i>

V. Notes to the consolidated financial statements

	Notes	Page		Notes	Page
General information			Consolidated balance sheet - Liabilities		
• Accounting methods and principles in IFRS standards	1	106	• Shareholders' equity - group share	22	142
• Events occurring during the period	2	115	• Shareholders' equity - minority interests	23	142
• Consolidation scope	3	116	• Provisions for employee benefits	24	144
• Segment information	4	119	• Deferred taxes	25	146
			• Other current provisions	26	147
Income statement			• Current and non-current financial debts	27	148
• Revenue from ordinary activities	5	121	• Accounts payable	28	150
• Personnel costs	6	122	• Deferred income	29	151
• Provisions for the depreciation and amortization of tangible and intangible fixed assets	7	123	Further information		
• Research and development costs and studies	8	124	• Financial instruments	30	151
• Other operating income and charges	9	125	• Off balance sheet commitments	31	157
• Interest costs	10	126	• Transactions between related parties	32	158
• Other financial income and charges	11	126	• Potential liabilities	33	159
• Income taxes	12	127	• Events occurring after close	34	159
• Earnings per share	13	128			
Consolidated balance sheet - Assets					
• Goodwill	14	130			
• Other intangible fixed assets	15	132			
• Tangible fixed assets	16	134			
• Financial fixed assets	17	137			
• Equity shares	18	139			
• Inventories	19	140			
• Trade receivables	20	141			
• Cash and cash equivalents	21	141			

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 2008 in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union (website: <http://ec.europa.eu>).

The consolidated financial statements were closed by the Board of Directors on October 1st 2008.

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 Management 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 Management 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 Management 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 consolidated goodwill.
- > Any ultimate variation in the value of the commitment is recorded to adjust for the total consolidated goodwill.
- > 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 – Acquisition of minority interests in companies consolidated by global integration

When minority interests concerning companies controlled by Vilmorin are acquired, any assets, liabilities and potential liabilities of the company are recorded at their fair value within twelve months and retroactively to the acquisition date. Any surplus between the acquisition cost and the proportion of the purchaser in the fair values of the assets, liabilities and potential liabilities is recorded as goodwill. Any negative difference is recognized through the exercise of complementary acquisition.

4.3 – Security exchange operations

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.

4.4 – Application and interpretation of standards and regulations

New standards, interpretations and amendments to existing standards applicable to accounting periods open as of January 1st 2007 or later (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 et IAS 27 amendment: Cost of an investment in a subsidiary, jointly controlled entity or associate,
- IFRS 3 et IAS 27R: Business combinations.

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

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 to exert dominant influence in the sense of the principle presented by the standard IAS 27 in paragraph 13.

The financial statements of the subsidiaries are included in the consolidated financial statements as from the date when this control is obtained right up until the date when this control ends.

> 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.

> Any 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 (IFRS 3)

The way business combinations are recorded in accounts depends on the acquisition method. Thus, for the first consolidation of a controlled company, the assets, liabilities and potential liabilities of the acquired company are assessed at their fair value in compliance with the provisions presented in the IFRS standards. Positive or negative goodwill appearing at this time is accounted for in the assets and liabilities concerned, including for minority shares, and not just for the proportion of acquired securities. The difference between acquisition cost and the proportion of net assets evaluated at their fair value is accounted for as positive or negative “goodwill”.

Negative goodwill that results from acquisitions is recorded directly as income for the fiscal year when the acquisition was materialized.

7 – Segment information

Segment information is presented on the basis of the internal organization of Vilmorin that reflects the risk level for profitability to which it is exposed.

The first level of segment information, as defined by IAS 14, is organized according to business segments.

The breakdown adopted by Vilmorin for the different business segments is as follows:

- Vegetable seed activity – professional market,
- Vegetable seed activity – home garden market,
- Field seeds activity – European and North American markets.

The second level of segment information, as defined by IAS 14, is organized according to geographical area:

- Europe,
- Americas,
- Asia,
- Africa,
- Oceania,
- Middle East.

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” 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 income and operating charges”).

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 asset (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 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,
- > 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 include, 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, 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 (plus any additional costs) 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.

This goodwill is not amortized in accordance with IFRS 3 "Business Combinations".

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1.24. 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.

a. 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 the 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 the defined Cash Generating Units (CGUs).

b. Patents

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

c. Licenses

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

d. Software

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

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

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

10.4 – Genetic material

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 loss of value.

11.1 – Loan interests

In compliance with standards IAS 16 and IAS 23, 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 the ISA standard 23.

11.2 – Components approach

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

11.3 – Depreciation

a. 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.

b. Depreciation method

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

c. Duration of depreciation

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

- Land: not depreciated.
- Land management: 10 to 20 years.
- Constructions: 10 to 40 years⁽¹⁾.
- Specialized complex installations: 5 to 10 years.
- Machines, industrial equipment: 3 to 10 years.
- Office equipment: 3 to 10 years.
- Other tangible fixed assets: 3 to 10 years.

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

d. Presentation of 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 generate 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 in paragraph 1.24 hereafter.

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 – Inventory and production in progress

Inventory 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 of the balance sheet and the income statement

The total amount of provisions calculated for employee benefits appear 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:

a. 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.

b. Provisions for litigation (commercial, fiscal, intellectual property, etc.)

These litigations are assessed individually and/or based on 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.

c. 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 an asset that is depreciated. If they can be linked to a depreciated 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 temporary differences (except for goodwill) between the tax base and the book value of the assets and liabilities. The main items taken into account for this purpose are:

- > 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.

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 (cf. note 1).

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 evaluation and then adjusted for the cost of depreciation/amortization for subsequent evaluations.

21 – Financial instruments (IAS 32 and IAS 39)

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

In compliance with IAS 39 “Financial instruments”, the 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 paragraph 21.1 above.

21.3 – Recording financial assets and derivatives

Vilmorin applies the following principles:

a. Derivatives

Vilmorin uses derivatives to manage and reduce its exposure to currency exchange risks.

The accounting principles applicable to forward cover instruments for foreign currency are presented above in paragraph 1.9.

Financial instruments for forward cover of interest rates are recorded in the accounts at their fair forward value. Financial liabilities covered by interest rate swaps are reassessed at the fair value of the loan linked to the evolution of interest rates. Variations in fair value are recorded in the income of the period concerned by the symmetrical variations of the rate swaps for their efficient part.

b. Conditional advanced payments

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

c. 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.

22 – 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 paragraph 21.

23 – Cash and cash equivalents – investment securities

23.1 – 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.

23.2 – Investment securities

In compliance with IAS 39 “Financial instruments”, investment securities are evaluated at their fair value. No investment is analyzed as being held all the time 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.

24 – Amortization/Depreciation of intangible and tangible assets

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

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

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

A loss in value recorded for a Cash Generating Unit is first of all recorded as a reduction in the book value of all the

goodwill allocated to the Cash Generating Unit (or group of units), and then to a reduction in the book value of the other assets of the unit (or group of units) in proportion to the book value of each asset in the unit (or group of units).

24.1 – Calculation of the recoverable amount

The recoverable amount of intangible 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.

24.2 – 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.

25 – Breakdown of assets and liabilities into current / non-current

25.1 – General principle

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

25.2 – 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.

26 – Revenue from ordinary activities

26.1 – General principle

Revenue from ordinary activities is presented in IAS 18. This revenue 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.

26.2 – Application to Vilmorin

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

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

These royalties generally correspond to the remuneration of licenses for proprietary plant varieties or parental lines.

> Revenue from ordinary operations includes:

- the sales of products,
- the 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,
- retroactive discount to distributors, where relevant.

27 – Earnings per share

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

The average number of shares in circulation is calculated on the basis of the different valuations of the shareholders' stock, 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 is added all the dilutive potential ordinary shares.

Note 2 - Events occurring during the period

The main operations occurring during the course of the period closing on June 30th 2008 were as follows:

Purchase of a stake in the Chinese company Yuanlongping High-Tech Agriculture

On July 9th 2007, Vilmorin announced the signature of a strategic alliance with the Chinese company Hunan Xindaxin Co Ltd, the reference shareholder of the seed company Yuanlongping High-Tech Agriculture (LPHT). The financial characteristics of this operation are described in Note 3. Yuanlongping High-Tech Agriculture is one of the main seeds companies in China, with sales of 88.5 million euros and is one of the world leaders for hybrid rice, with a strong reputation for vegetable seeds too. This alliance is a key stage in Vilmorin's development in China.

Process of the sale of the home garden vegetable activity

On October 10th 2007, Vilmorin announced its intention to withdraw from its home garden market business (garden seeds and products). At the close of June 30th 2008, only the companies Flora Frey and Sperling had been sold. For the other companies (Suttons and Oxadis with its subsidiaries) the sale process is still in progress with investors and industrialists. In compliance with IFRS standard 5, the financial items (balance sheet and income statement) have been identified in order to present them distinctly on the balance sheet and income statement. There is an analysis of the restatements presented in Note 3.

Takeover of the Turkish company Vilmorin Anadolu

In July 2007, the Turkish company Anadolu Tohumculuk, now referred to as Vilmorin Anadolu, was taken over 100% following the purchase of shares from the main shareholder. Vilmorin Anadolu is the historical partner and distributor in Turkey for the subsidiary Vilmorin SA, representing sales of about ten million euros. Through this purchase, Vilmorin SA should be in a strong position to pursue its development in Turkey and in the surrounding countries.

Increased stake in Soltis

An increase of 10% in the stake held in Soltis, taking it up to 50%, enabled the subsidiary LVH to take joint control in July 2007. Soltis is today recognized throughout the world for its sunflower activity and has the leading germplasm in Europe.

Note 3 - Consolidation scope

1 – Consolidation scope

1.1 – On June 30th 2008, Vilmorin consolidated 99 companies in accordance with the rules set out in Note 1 paragraph 5 of the “Accounting methods and principles in IFRS standards”

	07-08	06-07
By global integration	86	84
By proportional integration	7	5
By the equity method	6	7
Total	99	96

1.2 – Variations in scope occurring during the course of fiscal 2007-2008 were as follows:

a. Entries to the consolidation scope

- > Through the creation of companies:
 - ICA Seeds SCA,
 - Clause Maghreb,
 - Vilmorin 1742,
 - Hazera Agricultural Beijing Co Ltd,
 - Nickerson Zwaan Ukraine,
 - Vilmorin Hong Kong,
 - Hazera do Brasil Comercio de Sementes Ltda.
- > Through the purchase of a stake:
 - Ceekay,
 - Changsha Xindaxin,
 - Yuanlongping High-Tech Agriculture.
- > Change in consolidation method:
 - the company Vilmorin Anadolu, previously consolidated using the equity method, is now consolidated by global integration, following the purchase of all the remaining shares (52.52%),
 - the company Soltis, previously consolidated using the equity method, is now consolidated by proportional integration at 50%.

b. Exits from the consolidation scope

- > Company sale:
 - Flora Frey GmbH,
 - Carl Sperling and Co GmbH.
- > Company being wound up:
 - Clause Harris Moran Tézier.

c. Changes in name

Former names	New names
Advanta A/S	Limagrain A/S
Anadolu	Vilmorin Anadolu
Clause Tézier do Brasil	Clause Brasil Comercio de Sementes Ltda
Clause Tézier Iberica SL	Clause Spain SA
Clause Tézier India	Clause India
Clause Tézier Italia SPA	Clause Italia SPA
Clause Tézier SA	Clause
Cnos Vilmorin sp zoo	Cnos Garden sp zoo
Henderson Seeds	Clause Pacific
Limagrain Advanta Belgium BVBA	Limagrain Belgium BVBA
Limagrain Advanta Nederland BV	Limagrain Nederland BV
Limagrain Genetics Corp	Vilmorin USA Corp
Nickerson (UK) Ltd	Nickerson Advanta Ltd

d. Description of significant operations

Purchase of a stake in Yuanlongping High-Tech Agriculture in China

Vilmorin created a subsidiary held 100% with the name Vilmorin Hong Kong (VHK). As the result of an agreement signed in July 2007 between Vilmorin Hong Kong and the company Hunan Xindaxin Co Ltd, Vilmorin Hong Kong entered the stock of Changsha Xindaxin through the purchase of shares and a subscription to a stock capital increase for a total of 271 million Chinese renminbi yuan (27 million euros).

As a result of these operations Vilmorin Hong Kong now holds 46.5% of the stock of Changsha Xindaxin, and its partner Hunan Xindahin Co Ltd holds 53.5%.

The agreements signed with Hunan Xindaxin Co Ltd will enable Vilmorin to increase its stake in Changsha Xindaxin, particularly in the event of a change in Chinese law allowing foreign investors to hold a majority stake in a company in the seeds sector.

Changsha Xindaxin hold 22.22% of the group Yuanlongping High-Tech Agriculture and is therefore the reference shareholder for this group which is listed on the Shenzhen stock exchange. This company is one of the main Chinese seeds companies and one of the world leaders in hybrid rice.

In view of the percentage stake of 22.22% held in Yuanlongping High-Tech Agriculture, this group is consolidated using the equity method.

Furthermore, cooperation agreements with Vilmorin's subsidiaries are to be set up on the Asian market in order to optimize all the resources available on this market.

In order to ensure there is a coordinated strategic approach to markets in Asia, Vilmorin and its reference shareholder Groupe Limagrain have decided to invest directly, through Vilmorin Hong Kong, in another subsidiary of Hunan Xindaxin Co Ltd, Morning Foodstuff, a company operating in the agri-industrial and food sector. This non-consolidated stake has been recorded on the balance sheet as an asset held for sale with a value of 113.8 MRMB (11 million euros).

Increased stake in Soltis

In the context of its co-operation with Euralis Semences, during the course of fiscal 2007-2008 Vilmorin increased its stake in Soltis, a research company specialized in sunflower, from 40% to 50%. Previously consolidated using the equity method, Soltis will henceforth be integrated proportionally.

Increased stake in Vilmorin Anadolu

In July 2007, Vilmorin SA took full control of the Turkish company Anadolu Tohumculuk, which has since become Vilmorin Anadolu. Previously consolidated using the equity method, Vilmorin Anadolu has been integrated globally since July 1st 2007.

Acquisition of Ceekay, a vegetable seed research company based in India

Vilmorin has acquired the shares in Ceekay, a vegetable seed research company based in India. This acquisition is the result of different operations conducted with Avesthagen and that were finalized during the course of fiscal 2007-2008.

2 – Information concerning variations in consolidation scope

In millions of euros	Vilmorin Anadolu	Soltis ⁽¹⁾	Changsha Xindaxin ⁽²⁾	Ceekay
Date of entry in the scope	07.01.07	07.01.07	07.01.07	07.01.07
% acquired				
Over the fiscal year	52.52	10.00	46.50	100.00
Previously	47.48	40.00	-	-
Total held	100.00	50.00	46.50	100.00
Consolidated method adopted ⁽³⁾	GI	PI	PI	GI
Acquisition price of the shares				
Over the fiscal year	7.6	2.7	29.8	1.8
Previously	0.1	4.3	-	-
Total held	7.7	7.0	29.8	1.8
Repercussions on the balance sheet				
Fixed assets	0.6	16.0	17.9	-
Working capital needs	8.1	1.7	-	0.1
Provisions for liabilities and charges	0.3	-	-	-
Indebtedness net of cash	- 1.9	7.8	-	0.2
Equity	10.3	9.9	17.9	- 0.1
Acquired equity	5.4	1.0	8.3	- 0.1
Acquisition goodwill differential	-	-	-	-
Goodwill	2.2	1.7	21.5	1.9

(1) Figures from the balance sheet items are presented at 100% for the purpose of calculating the goodwill.

(2) Changsha Xindaxin holds 22.22% of Yuanlongping High-tech Agriculture which is therefore consolidated using the equity method.

The value of the Yuanlongping High-Tech Agriculture shares in Changsha Xindaxin, namely 17.9 million euros, corresponds to 22.22% of the consolidated equity of Yuanlongping High-Tech Agriculture.

Goodwill from this group stands at 21.5 million euros, since the acquisition was made during the first semester of fiscal 2007-2008.

(3) GI: Global integration – PI: Proportional integration.

3 – Comparability of the income statements

In order to compare the results with comparable scope, a pro-forma income statement for 2006-2007 has been established in the following conditions:

- > IFRS standard 5 has been applied as set out in paragraph 4,
- > in order to neutralize the impact of currency variations, the income statement on June 30th 2007 has been restated by applying the average rate on June 30th 2008,
- > the company Clause Harris Moran Tézier, which exited the scope during fiscal 2007-2008, has been neutralized for the previous fiscal year,
- > companies entering the scope during the course of 2007-2008 have been added to the accounts on June 30th 2007, namely:
 - Clause Maghreb,
 - Ceekay,
 - Hazera Agricultural Beijing Co Ltd,
 - Hazera do Brasil Comercio de Sementes,
 - ICA Seeds SCA,
 - Yuanlongping High-Tech Agriculture,
 - Nickerson Zwaan Ukraine,
 - Vilmorin 1742,
 - Vilmorin Hong Kong,
 - Changsha Xindaxin.
- > the companies Vilmorin Anadolu and Soltis, integrated using the equity method on June 30th 2007, have been restated in order to appear respectively globally integrated and proportionally integrated,
- > restated information is presented as follows:

In millions of euros	Variation in %	07-08	06-07 pro-forma
Revenue from ordinary activities	+ 13.0	896.8	793.7
Operating income	+ 43.6	115.2	80.2
Income from continuing operations	+ 44.4	67.6	46.8
Income from discontinued operations	NS	- 16.5	12.5
Income for the period	- 13.8	51.1	59.3

4 – The discontinued home garden activity

In order to compare results with the same scope, a pro-forma income statement for 2006-2007 has been established in the following conditions:

On October 10th 2007 Vilmorin announced a formal process of withdrawal from its home garden activity.

Consequently, a number of items have been restated in the income statement and balance sheet in order to comply with IFRS standard 5. These restatements consist in presenting the net charges and income on a specific line referred to as “Profit from discontinued operations” on the income

statement for each of the periods presented and “Assets and liabilities classified as held for sale” on the balance sheet solely for the fiscal year closing on June 30th 2008.

The contribution of this discontinued operation to the income, net of income tax, came to - 16.5 million euros over the period concerned, compared to + 11.8 million euros on June 30th 2007, and corresponds solely to the contribution of the operational activities of the home garden activity.

Presentation of a pro-forma income statement of the home garden activity

In order to respect the effects of the current process to sell the activity, it has been considered that the flow of sales of goods between companies in the professional vegetables and home garden activities, and particularly with the subsidiary Oxadis, will be pursued in the future. The effect on sales maintained for the professional vegetable seeds sector came to 6.9 million euros on June 30th 2008.

On the other hand, sales of services such as the business rental agreement have been eliminated both in the professional vegetable seed activity and the home garden activity. The effect of this measure is to increase the contribution net of taxes of the home garden activity by about 2.4 million euros and decreases the operating result of the continuing operations by the same amount.

The same approach holds for business fees invoiced by Groupe Limagrain, the effect of which is an increase in the contribution net of taxes of the home garden activity by 1.2 million euros, and decreases the operating result of the continuing operations by the same amount.

The main lines comprising the net income from the discontinued operation are as follows:

In millions of euros	07-08	06-07
Revenue from ordinary activities	121.2	133.7
Cost of sales	- 69.5	- 78.0
Operating income	- 11.9	16.9
Financial income	- 10.0	- 1.6
Income taxes	5.4	- 3.5
Net income generated by the home garden activity	- 16.5	11.8

The net income from the discontinued operation involves negative items that mainly concern the transfer of the Flora Frey and Sperling securities for a total of - 24.3 million euros. However, the other companies comprising this discontinued operation showed a positive result of approximately 7.8 million euros over the period.

The loss caused by the sale of the Flora Frey and Sperling securities mainly concerned the securities themselves and the current account transferred for one euro.

The net income from the discontinued operation closing on June 30th 2007 showing a profit of 11.8 million euros came mainly from extraordinary items for Flora Frey with regard to the sale of the lease option and a write back of impairment.

Presentation on the balance sheet of the assets and liabilities classified as held for sale

Since Vilmorin has announced it has initiated a formal process to sell its home garden activity, the assets and liabilities are presented on the balance sheet on June 30th 2008 as held for sale. The main asset and liability items representing the position at close appear in the table below:

In millions of euros	07-08
Goodwill	3.3
Other intangible fixed assets	3.3
Tangible fixed assets	7.2
Financial assets	0.9
Deferred taxes	1.7
Total non-current assets	16.4
Inventories	16.6
Trade receivables and other receivables	37.0
Cash and cash equivalents	1.7
Total current assets	55.3
Assets classified as held for sale	71.7

In millions of euros	07-08
Provisions for employee benefits	3.4
Non-current financial debts	- 0.1
Deferred income taxes	0.1
Total non-current liabilities	3.4
Other provisions	6.0
Accounts payable	31.3
Current financial debts	12.1
Total current liabilities	49.4
Liabilities classified as held for sale	52.8

Net cash flows concerning the discontinued operation of the home garden activity over the period

The table of consolidated cash flows for the period also has a specific line concerning the discontinued operations for each flow nature defined as follows:

In millions of euros	07-08
Cash flow concerning discontinued operations	11.2
Flows concerning operating activities for discontinued operations	10.6
Flows concerning investment schemes used by discontinued operations	- 1.4
Flows concerning funding schemes for discontinued operations	- 10.0
Impact of the variation of exchange rates	- 0.1
Cash at beginning of discontinued operations	2.6
Cash at end of discontinued operations	1.7

Note 4 - Segment information

1 – General principles

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

The breakdown adopted by Vilmorin includes two levels of information:

- a first level according to business segment,
- a second level according to geographical area.

2 – Information according to business segment

Vilmorin is organized and managed in three main segments:

- Vegetable seeds activity – professional market,
- Vegetable seeds activity – home garden market,
- Field seeds activity – European and North American markets.

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 significant.

2.1 – Information concerning fiscal 2007-2008

In millions of euros	Professional vegetable seeds activity	Home garden vegetables activity	Field seeds activity	Holdings and others	Unallocated	Total
Revenue from ordinary activities	394.3	-	502.5	-	-	896.8
Operating income	70.5	-	47.5	- 2.8	-	115.2
Income from continuing operations	50.0	-	28.5	- 10.9	-	67.6
Income from discontinued operations	0.0	- 16.5	-	-	-	- 16.5
Total consolidated net income	50.0	- 16.5	28.5	- 10.9	-	51.1

In millions of euros	Professional vegetable seeds activity	Home garden vegetables activity	Field seeds activity	Holdings and others	Unallocated	Total
Non-current assets	261.9	-	546.5	60.4	-	868.8
<i>Of which investments for the period ⁽²⁾</i>	62.8	1.9	55.6	41.9	-	162.2
Current assets	308.7	-	341.9	193.1	-	843.7
Discontinued operations	-	71.7	-	-	-	71.7
Total Assets	570.6	71.7	888.4	253.5	-	1 784.2
Equity ⁽¹⁾	-	-	-	-	739.1	739.1
Non-current liabilities	47.2	-	47.7	352.9	-	447.8
Current liabilities	153.0	-	196.3	195.2	-	544.5
Discontinued operations	-	52.8	-	-	-	52.8
Total Liabilities	200.2	52.8	244.0	548.1	739.1	1 784.2

(1) The line "Equity" for Vilmorin is not analyzed by business segments.

(2) A full breakdown can be seen in the consolidated cash flow statement.

2.2 – Information concerning fiscal 2006-2007 (Disclosed)

In millions of euros	Professional vegetable seeds activity	Home garden vegetables activity	Field seeds activity	Holdings and others	Unallocated	Total
Revenue from ordinary activities	365.0	142.0	431.5	-	-	938.5
Operating income	53.9	11.6	25.8	3.7	-	95.0
Income from continuing operations	34.5	8.3	12.6	1.9	-	57.3
Income from discontinued operations	-	-	-	-	-	-
Total consolidated net income	34.5	8.3	12.6	1.9	-	57.3

In millions of euros	Professional vegetable seeds activity	Home garden vegetables activity	Field seeds activity	Holdings and others	Unallocated	Total
Non-current assets	249.7	23.1	549.5	21.0	-	843.3
Current assets	299.3	70.3	350.5	68.8	-	788.9
Total Assets	549.0	93.4	900.0	89.8	-	1 632.2
Equity ⁽¹⁾	-	-	-	-	705.6	705.6
Non-current liabilities	81.9	16.0	236.2	96.1	-	430.2
Current liabilities	140.1	57.2	193.5	105.6	-	496.4
Total Liabilities	222.0	73.2	429.7	201.7	705.6	1 632.2

(1) The line "Equity" for Vilmorin is not analyzed by business segments.

3 – Information according to geographical area

Assets and investments for the period are divided up over the following geographical areas:

In millions of euros	Europe	Americas	Asia	Africa	Oceania	Middle East	Total
Assets	1 301.1	247.7	101.6	9.7	6.1	118.0	1 784.2
Investments for the period ⁽¹⁾	111.2	11.2	31.1	0.3	0.4	8.0	162.2

(1) A full breakdown can be seen in the consolidated cash flow statement.

Other information on revenue from ordinary activities is mentioned in Note 5.2.

Note 5 - Revenue from ordinary activities

1 – Analysis by nature

In millions of euros	Variation (%)	07-08	06-07 pro-forma	06-07 disclosed
Sales of goods and finished products	+ 11.7	844.5	756.3	890.4
Sales of services	+ 9.5	8.1	7.4	7.1
Royalties received	+ 7.5	44.2	41.1	41.0
Total	+ 11.4	896.8	804.8	938.5

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 26 of the “Accounting methods and principles in IFRS standards”.

As part of the restatements regarding the application of IFRS standard 5 “Discontinued operations”, the fiscal year closing on June 30th 2007 has a column restating these items and named “pro-forma” and also a column named “disclosed” showing the original items disclosed in 2007. Naturally the figures regarding the fiscal year closing on June 30th 2008 have also been restated to account for the discontinued home garden operation.

2 – Analysis by geographical area

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

In millions of euros	Variation (%)	07-08	06-07 pro-forma	06-07 disclosed
Europe	+ 15.4	496.4	430.0	563.2
Americas	+ 0.5	193.9	192.9	193.2
Asia	- 5.9	65.2	69.3	69.5
Middle East	+ 53.7	60.7	39.5	39.5
Africa	+ 13.9	21.3	18.7	19.1
Oceania	+ 18.6	7.0	5.9	5.9
Total	+ 11.7	844.5	756.3	890.4

3 – Analysis by product

The analysis of sales of finished goods according to product families is as follows:

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Forage and lawn seeds	38.1	40.3	40.3
Other field seeds	419.7	347.8	347.8
Vegetable and flower seeds	352.3	329.8	322.0
Home garden products	-	-	102.7
Other products	34.4	38.4	77.6
Total	844.5	756.3	890.4

The line “Home garden products” has not been completed because of the application of IFRS 5 concerning the discontinued operation “Home garden activity” (refer to Note 3).

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 financial year (excluding discontinued activities) would have come to 778 million euros, as opposed to 896.8 million euros for this fiscal year, an increase of 15.3%.

5 – Royalties received

Royalties received mainly concern:

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Autogamous species (mainly straw cereals)	38.8	38.9	38.9
Hybrid species (mainly corn)	5.4	2.2	2.1
Total	44.2	41.1	41.0

Note 6 - Personnel costs

1 – Evolution of personnel costs

In millions of euros	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
Gross salaries	154.2	153.0	177.5
Social charges	52.2	51.1	58.2
Profit-sharing schemes	5.9	4.6	5.5
Total	212.3	208.7	241.2

(1) Data exclude personnel from the discontinued operation “Home garden activity”.

2 – Further information

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

2.1 – Average annual headcount

a. Analysis France/Non-France

	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
France	1 647	1 617	2 052
Non-France	2 766	2 690	3 062
Total	4 413	4 307	5 114

(1) Data exclude personnel from the discontinued operation “Home garden activity”.

b. Analysis by employee status

	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
Management	1 165	1 133	1 262
Non-Management	3 248	3 173	3 852
Total	4 413	4 307	5 114

(1) Data exclude personnel from the discontinued operation “Home garden activity”.

2.2 – Permanent headcount at the end of the fiscal year

a. Analysis France/Non-France

	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
France	1 391	1 380	1 756
Non-France	2 464	2 310	2 675
Total	3 855	3 690	4 431

(1) Data exclude personnel from the discontinued operation “Home garden activity”.

b. Analysis by employee status

	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
Management	1 163	1 142	1 276
Non-management	2 692	2 548	3 155
Total	3 855	3 690	4 431

(1) Data exclude personnel from the discontinued operation “Home garden activity”.

c. Analysis by function

	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
Administration	563	540	649
Research	1 155	1 125	1 125
Agronomic production and factory	934	898	1 185
Sales and marketing	1 203	1 127	1 472
Total	3 855	3 690	4 431

(1) Data exclude personnel from the discontinued operation "Home garden activity".

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	07-08 ⁽¹⁾	06-07 pro-forma ⁽¹⁾	06-07 disclosed
Provisions for intangible fixed assets			
- Development programs	- 64.8	- 58.4	- 58.4
- Other intangible fixed assets	- 9.8	- 7.3	- 7.7
Sub-total	- 74.6	- 65.7	- 66.1
Provisions for tangible fixed assets	- 15.3	- 14.2	- 11.5
Total	- 89.9	- 79.9	- 77.6

(1) Data exclude personnel from the discontinued operation "Home garden activity".

2 – Pro-forma 2006-2007

Pro-forma 2006-2007 includes:

> cancellation of the depreciation and amortization for the discontinued activity: + 2.4 million euros

> restatement of the write-back on the loss of value for Flora Frey into the income statement for discontinued activities:
- 4.7 million euros

Note 8 - Research and development costs and studies

1 – Evolution of costs

In millions of euros	07-08	06-07
Development programs activated during the fiscal year	79.1	71.9
Provisions for the amortization of development programs recorded as fixed assets	- 64.8	- 58.4
Other research costs	- 109.8	- 100.1
Tax relief for research ⁽¹⁾	20.3	9.7
Total	- 75.2	(2) - 76.9

(1) As of the fiscal year closing on June 30th 2007, tax relief for research has been recorded in the line "Research costs" in order to provided a fairer picture of the net cost of this function. Moreover, the total amount for tax relief for research contains extraordinary income of 9 million euros because of the accounting of the tax relief for research over the first six months of the calendar year for 2008 in view of new taxation measures that came into force on January 1st 2008.

(2) There is no difference between the disclosed income for 2006-2007 and the pro-forma income for 2006-2007, since there are no research and development costs in the discontinued activities.

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

Other research costs are recorded directly as charges for the fiscal year.

2 – Further information

2.1 – The impact of the activation of development programs on the income for the year is as follows:

In millions of euros	07-08	06-07
Costs identified and recorded as intangible fixed assets (cf. Note 15)	79.1	71.9
Provisions for amortization	- 64.8	- 58.4
Impact on the result of the fiscal year before deferred taxes	14.3	13.5

It is important to note that out of a total investment of 109.8 million euros in research and development, only 79.1 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 9.7 million euros excluding the impact of tax relief for research.

2.2 – Effect of activation on the cash flow statement:

In millions of euros	07-08	06-07
Effect on the income for the period	14.3	13.5
Effect on amortization and depreciation	64.8	58.4
Effect on the cash flow	79.1	71.9
Effect on the investment flows	- 79.1	- 71.9
Total	-	-

Note 9 - Other operating income and charges

1 – Evolution of other operating income and charges

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Litigation	- 1.1	- 2.6	- 0.5
Income from the sale of fixed assets	2.1	3.3	1.7
Government subsidies recorded in the income	0.4	0.5	0.5
Reorganization costs	- 2.5	- 1.4	- 1.5
Loss of value on fixed assets	- 1.8	- 2.0	2.5
Negative goodwill recorded in the income	0.1	9.0	9.0
Other charges and income	- 0.8	1.2	2.8
Total	- 3.6	8.0	14.5

2 – Further information

2.1 – On operations for fiscal 2006-2007

In millions of euros	Pro-forma	Disclosed
Negative goodwill included in the income involves the purchase by Vilmorin of the balance of the Hazera Genetics stock held by minorities	9.0	9.0
Losses of value in fixed assets mainly concern:		
- The write back of the impairment on Flora Frey's lease following the sale of the option on this lease	-	- 4.8
- Impairment of goodwill for Limagrain Italia	- 2.5	- 2.5
- Others	0.5	0.2
	- 2.0	2.5
Income from the sale of fixed assets concerns:		
- Tangible fixed assets	- 0.2	- 1.8
- Intangible fixed assets (mainly the sale of sunflower germplasm and goodwill for the forage business)	3.6	3.6
- The sale of shares	0.1	0.1
- Others	- 0.2	- 0.2
	3.3	1.7
The line "Other charges and income" mainly concerns the income from the sale of Flora Frey's lease option.	-	4.7

2.2 – On operations for fiscal 2007-2008

In millions of euros	Amount
Income from the sale of fixed assets concerns:	
- Tangible fixed assets	2.5
- Intangible fixed assets	- 0.4
Total	2.1

Note 10 - Interest costs

1 – Evolution

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Interest on loans and bank overdrafts	- 27.5	- 20.0	- 21.5
Interest on financial leasing agreements	- 0.1	- 0.1	- 0.3
Losses and gains of fair value on forward cover instruments	0.5	0.2	0.2
Losses and gains on the sale of forward cover instruments	1.5	- 0.1	- 0.1
Cash income ⁽¹⁾	2.4	-	-
Total	- 23.2	- 20.0	- 21.7

(1) Cash income and charges have been derecognized in accordance with IFRS 7.

2 – Further information

The total cost of the finance is split into:

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Interest charges	- 29.4	- 20.3	- 21.9
Interest income	6.2	0.3	0.2
Total	- 23.2	- 20.0	- 21.7

Note 11 - Other financial income and charges

1 – Evolution

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Gains or losses on the sales of securities, dilution profits and mergers	0.3	- 0.6	- 0.6
Interest income ⁽¹⁾	0.3	1.2	1.3
Interest charges ^{(1) (2)}	- 3.0	-	-
Provisions for the impairment of securities and other financial assets	- 0.1	0.1	-
Gains or losses on currency translation	- 4.5	- 0.1	- 0.1
Other financial gains and losses	0.1	1.2	1.3
Total	- 6.9	1.8	1.9

(1) Cash income and charges have been derecognized in accordance with IFRS 7.

(2) Cf. Note 30 paragraph 2.2.

2 – Further information

2.1 – On operations for fiscal 2006-2007

Losses on the sales of securities involve the definitive exit of the value of securities for Advanta Hungary (in millions of euros)	- 0.6
---	-------

2.2 – On operations for fiscal 2007-2008

The merger gain concerning the company Mikado International absorbed by Mikado Kyowa Seeds (in millions of euros)	0.3
---	-----

Note 12 - Income taxes

1 – Evolution

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Current income taxes			
- Taxes	- 25.6	- 16.7	- 20.7
- Tax relief for research	1.9	-	-
Total current taxes	- 23.7	- 16.7	- 20.7
Total deferred taxes	4.5	3.0	3.5
Total	- 19.2	- 13.7	- 17.2

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.

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
Advanta BV	Limagrain Nederland BV	Netherlands
Vilmorin Luxembourg SA	Cylonie Ré	Luxembourg

2 – Further information

2.1 – Evolution of income taxes

This evolution was marked by several phenomena:

> when analyzing taxes one should bear in mind the tax savings of 5.4 million euros mentioned in the section on the income from discontinued operations. Furthermore, the impact on tax of the sale of the Flora Frey securities led to a reduction in taxes of 9 million euros,

> a rise of 4.5 million euros in deferred taxes compared with 3 million euros for two reasons:

- variation in the calculation basis for deferred taxes and variations in rates over the fiscal year,
- a write back of 0.8 million euros net provision for deferred taxes on 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 Oxadis	07.01.2000 07.01.2000
Limagrain Verneuil Holding	Limagrain Central Europe (LCE)	07.01.2004

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%.

2.3 – Current taxes

- 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.
- A tax relief system in favor of research exists in certain countries. The amount of this relief is deducted from the taxes due.

2.4 – Tax rate applicable

- The basic rate for income (corporation) tax in France is 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. Thus, for French companies, the legal tax rate is increased by 1.1%.

As a result, the total tax rate applicable to Vilmorin is as follows:

> Fiscal 2005-2006	33.33%
> Fiscal 2006-2007	33.33%
> Fiscal 2007-2008	33.33%

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

As a %	07-08 ⁽²⁾	06-07 ⁽¹⁾
Theoretical tax rate	33.33	33.33
Non-deductible charges and other non-taxable profits	4.98	11.39
Tax relief	- 5.29	14.97
Untaxed income deficits, tax base and rate differentials	- 0.86	5.78
True tax rate	32.16	14.62

(1) On June 30th 2007, tax relief for research was integrated into tax proof.

(2) The true tax rate takes into account savings on taxes made by discontinued operations.

2.5 – Details of the tax receivables and debts due

In millions of euros	07-08	06-07 pro-forma	06-07 disclosed
Tax receivables due	32.9	15.2	15.3
Tax debts due	6.0	2.7	2.7

2.6 – Information on tax deficits

On June 30th 2008, 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	-	31.1	-	2.3
Deficits with unlimited carry forward	48.1	9.6	48.1	7.8
Total	48.1	40.7	48.1	10.1

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 7.4 million euros.

For all fiscal years opening as of January 1st 2007, taxation calculations concerning long-term capital gains and losses have changed in France. Henceforth, any capital gains made on the sale of stock securities or securities recorded as fixed assets for more than two years are exempted, on condition a set quota of the costs and charges have been taxed. To counterbalance the exemption of capital gains, net long-term capital losses are no longer deductibles from the taxable income.

Consequently, long-term capital losses are no longer usable as of July 1st 2007 and are therefore lost for good.

Note 13 - Earnings per share

> The group share of earnings per share 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	07-08	06-07 pro-forma	06-07 disclosed
Group share in continuing operations	60 965 283	43 007 540	54 790 820
Group share in discontinued operations	- 16 680 495	11 783 280	-
Group share in the consolidated income	44 284 788	54 790 820	54 790 820
Number of Vilmorin shares	13 391 857	13 391 857	13 391 857
Earnings from continuing operations for one share	4.55	3.2	4.1
Earnings from discontinued operations for one share	- 1.24	0.9	-
Earnings per share	3.31	4.1	4.1

- 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 are converted and the ensuing change in the number of shares.

In euros	07-08	06-07 pro-forma	06-07 disclosed
Group share in continuing operations	61 402 525	N/A	N/A
Group share in discontinued operations	- 16 680 495	N/A	N/A
Group share in the consolidated income	44 722 030	N/A	N/A
Number of Vilmorin shares	14 350 436	N/A	N/A
Earnings from continuing operations for one share	4.28	N/A	N/A
Earnings from discontinued operations for one share	- 1.16	N/A	N/A
Earnings per share	3.12	N/A	N/A

Dividends paid out per share

	Dividends distributed in December 07	Dividends distributed in December 06
Amount distributed	€22 230 482.62	€21 694 808.34
Details	€1.66 x 13 391 857 shares	€1.62 x 13 391 857 shares

Note 14 - Goodwill

1 – Evolution of net book values

1.1 – Gross values

In millions of euros	Total
June 30th 2006	27.7
- Acquisitions and increases	0.6
- Exits	-
- Losses in value	- 1.0
- Variations in scope and others	260.4
- Reclassifications	4.7
- Currency translations	- 1.0
June 30th 2007	291.4
- Acquisitions and increases	0.1
- Exits	- 0.2
- Reduction in value	-
- Variations in scope and others	- 1.5
- Reclassifications	- 1.9
- Currency translations	- 4.9
- Assets classified as held for sale	- 3.3
June 30th 2008	279.7

1.2 – Amortization and value losses

In millions of euros	Total
June 30th 2006	5.6
- Provisions	-
- Exits	-
- Losses in value	2.7
- Variations in scope and others	7.4
- Reclassifications	-
- Currency translations	- 0.2
June 30th 2007	15.5
- Provisions	-
- Exits	-
- Losses in value	-
- Variations in scope	- 5.8
- Reclassifications	-
- Currency translations	- 1.0
June 30th 2008	8.7

1.3 – Net values

In millions of euros	Total
June 30 th 2006	22.1
June 30 th 2007	275.9
June 30th 2008	271.0

2 – Analysis by business segments

In millions of euros	June 30 th 2008	June 30 th 2007
Vegetable seeds activity - professional market	19.3	15.7
Vegetable seeds activity - home garden market ⁽¹⁾	-	4.8
Field seeds activity - European and North American markets	248.7	252.4
Holdings and various	3.0	3.0
Total net of amortization and losses in value	271.0	275.9

(1) Following the withdrawal from the "Home garden" activity during fiscal 2007-2008.

3 – Further information

3.1 – Goodwill value loss

A value loss test has been performed in compliance with the methodology described in Note 1 paragraph 24 of the "Accounting methods and principles in IFRS standards". Evolution was as follows:

In millions of euros	Total
June 30th 2006	5.6
Fiscal 2006-2007	9.9
June 30th 2007	15.5
Fiscal 2007-2008	- 6.8
June 30th 2008	8.7

> Value loss for fiscal 2006-2007 concerns (in millions of euros):

- entry into the consolidation scope following the integration of the field seeds activity – cf. 1.3 (2)	7.4
- goodwill impairment for Limagrain Italia	2.5
- goodwill impairment for Flora Frey	0.2
- others	- 0.2

Total **9.9**

> Value loss for fiscal 2007-2008 concerns:

- the sale of Flora Frey	- 5.8
- currency translations	- 1.0

Total **- 6.8**

3.2 – 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 2007-2008 is liable to be adjusted during fiscal 2008-2009.

3.3 – Variations in scope

Variations in scope concern the following operations:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	250.1
Acquisition of DLF's cereals activity	2.8
Others	0.1
Total	⁽¹⁾ 253.0
Fiscal 2007-2008 ⁽²⁾	
Acquisition of Ceekay	1.9
Sale of Flora Fray	- 1.5
Change in the consolidation method for Soltis	1.7
Change in the consolidation method for Vilmorin Anadolu	2.2
Total	⁽¹⁾ 4.3

(1) These amounts take into account both changes in the gross values and amortizations.

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

3.4 – Reclassifications

One item which was identified as an intangible asset for the opening balance sheet in IFRS has been reclassified as goodwill, since it no longer met the criteria set out in the IAS standard 38. The total amount involved by this reclassification stood at 4.7 million euros on June 30th 2007.

For the fiscal year closing on June 30th 2008, the goodwill of Mikado Seeds Growers was reduced by 0.7 million euros and there was a reclassification of 1.2 million euros between goodwill and germplasm.

3.5 – Goodwill impairment tests

Vilmorin carried out impairment tests on its goodwill on June 30th 2008 for all the Cash Generating Units (CGUs) with which goodwill is associated, with the exception of goodwill from acquisitions made in 2008 for which acquisition cost had not been finalized on June 30th 2008, since 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 professional vegetable seeds activities, the CGUs adopted comprise the legal companies since they run their business activities autonomously.

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: between 1.5% and 2.5%,
- 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.

Note 15 - Other intangible fixed assets

1 – Evolution of net book values

1.1 – Gross values

In millions of euros	Development costs	Germ-plasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.2006	132.3	53.5	22.7	12.4	40.0	1.3	0.2	262.4
Acquisitions and increases	71.9	-	0.9	0.9	-	0.4	0.7	74.8
Exits	-	- 3.0	- 0.4	- 0.2	-	-	-	- 3.6
Variations in scope and others	173.1	147.7	5.3	28.0	4.7	-	3.0	361.8
Currency translations	- 2.3	- 1.4	- 0.3	0.1	- 0.2	-	-	- 4.1
Reclassifications	-	-	2.9	-	- 4.7	-	- 2.9	- 4.7
06.30.2007	375.0	196.8	31.1	41.2	39.8	1.7	1.0	686.6
Acquisitions and increases	79.1	1.4	1.0	0.5	0.1	-	1.5	83.6
Exits	-	- 0.7	- 0.1	- 2.9	-	-	-	- 3.7
Variations in scope and others	-	7.0	- 0.4	- 0.1	- 2.0	- 0.7	-	3.8
Currency translations	- 6.8	0.3	- 0.5	- 0.9	- 1.0	-	-	- 8.9
Reclassifications	-	1.2	0.2	-	-	-	- 0.1	1.3
Assets classified as held for sale	-	-	- 2.5	-	- 5.2	-	-	- 7.7
06.30.2008	447.3	206.0	28.8	37.8	31.7	1.0	2.4	755.0

1.2 – Amortization and value losses

In millions of euros	Development costs	Germ-plasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.2006	81.8	2.5	13.1	8.2	1.1	0.7	-	107.4
Provisions / value losses	58.4	0.1	4.2	3.2	-	0.2	-	66.1
Exits	-	-	- 0.4	- 0.1	-	-	-	- 0.5
Variations in scope and others	107.0	1.1	4.7	17.4	-	-	-	130.2
Currency translations	- 1.6	- 0.1	- 0.2	0.1	-	-	-	- 1.8
Reclassifications	-	-	-	-	-	-	-	-
06.30.2007	245.6	3.6	21.4	28.8	1.1	0.9	-	301.4
Provisions / value losses	64.8	-	4.3	1.9	0.1	0.1	-	71.2
Exits	-	- 0.5	- 0.1	- 2.6	-	-	-	- 3.2
Value losses	-	-	-	1.9	1.5	-	-	3.4
Variations in scope and others	-	-	- 0.3	-	- 0.1	- 0.5	-	- 0.9
Currency translations	- 4.9	- 0.2	- 0.4	- 0.6	-	- 0.1	-	- 6.2
Reclassifications	-	-	0.1	-	-	-	-	0.1
Assets classified as held for sale	-	-	- 1.9	-	- 2.5	-	-	- 4.4
06.30.2008	305.5	2.9	23.1	29.4	0.1	0.4	-	361.4

1.3 – Net values

In millions of euros	Development costs	Germ-plasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.2006	50.5	51.0	9.6	4.2	38.9	0.6	0.2	155.0
06.30.2007	129.4	193.2	9.7	12.4	38.7	0.8	1.0	385.2
06.30.2008	141.8	203.1	5.7	8.4	31.6	0.6	2.4	393.6

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
06.30.2006 (net value)	-	1.0	1.0
New fixed assets	0.2	-	0.2
Variation in scope	3.2	-	3.2
Currency translations	-	- 0.1	- 0.1
Reduction	- 0.1	-	- 0.1
Provisions for amortization	- 0.4	- 0.9	- 1.3
Reclassification	-	2.6	2.6
06.30.2007 (net value)	2.9	2.6	5.5
New fixed assets	0.1	-	0.1
Value loss	- 1.2	-	- 1.2
Currency translations	-	-	-
Reduction	- 0.4	-	- 0.4
Provisions for amortization	- 0.4	- 1.0	- 1.4
06.30.2008 (net value)	1.0	1.6	2.6

2.2 – Value loss test

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 24 of “Accounting methods and principles in IFRS standards”. The evolution is as follows:

In millions of euros	Patents and Licenses	Germplasm	Brands	Total
06.30.2006	-	1.4	1.0	2.4
Fiscal 2006-2007	-	0.4	-	0.4
06.30.2007	-	1.8	1.0	2.8
Fiscal 2007-2008	1.9	- 0.2	⁽¹⁾ - 1.0	0.7
06.30.2008	1.9	1.6	-	3.5

(1) Reclassification linked to the discontinued operation.

2.3 – Variations in scope

Variations in scope concern the following operations:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	228.6
Acquisition of DLF's cereal activity	3.0
Total	231.6
Fiscal 2007-2008	
Change in the consolidation method for Soltis	7.0
Sale of Flora Frey	- 2.3
Total	4.7

2.4 – Variations in scope

One item which was identified as an intangible asset for the opening balance sheet in IFRS has been reclassified as goodwill, since it no longer met the criteria set out in the IAS standard 38.

The total amount involved by this reclassification stood at 4.7 million euros on June 30th 2007.

For the fiscal year closing on June 30th 2008 1.2 million euros of germplasm goodwill was reclassified.

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
06.30.2006	18.7	93.8	33.4	48.0	6.3	18.9	4.8	223.9
Acquisitions and increases	3.2	4.7	3.0	3.6	0.4	3.2	10.3	28.4
Exits	- 2.5	- 17.4	- 0.1	- 6.3	- 1.0	- 1.9	- 0.1	- 29.3
Variations in scope and others	5.1	43.0	12.8	51.6	7.2	16.8	2.1	138.6
Currency translations	- 1.1	- 2.5	- 0.1	- 0.7	- 0.1	- 0.2	- 0.1	- 4.8
Reclassifications	0.1	4.3	1.1	3.4	-	- 1.2	- 9.5	- 1.8
06.30.2007	23.5	125.9	50.1	99.6	12.8	35.6	7.5	355.0
Acquisitions and increases	0.1	3.1	2.1	3.7	0.6	2.7	13.6	25.9
Exits	- 0.1	- 1.2	- 0.3	- 1.7	- 0.9	- 1.3	-	- 5.5
Variations in scope and others	0.4	-	0.2	- 1.5	-	- 0.8	0.2	- 1.5
Currency translations	- 0.4	- 3.8	0.6	- 4.7	- 0.9	- 0.5	- 0.2	- 9.9
Reclassifications	0.9	2.8	0.9	3.4	0.7	0.5	- 9.3	- 0.1
Assets classified as held for sale	- 0.4	- 9.6	0.3	- 9.1	- 1.2	- 3.9	-	- 23.9
06.30.2008	24.0	117.2	53.9	89.7	11.1	32.3	11.8	340.0

1.2 – Amortization and value losses

In millions of euros	Land and fittings	Constructions and fittings	Complex Installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
06.30.2006	0.9	55.5	23.0	37.5	5.1	13.9	-	135.9
Provisions / value losses	0.1	0.1	2.2	5.3	1.1	2.7	-	11.5
Exits	-	- 7.1	-	- 5.2	- 0.9	- 1.5	-	- 14.7
Variations in scope and others	0.4	22.9	10.4	40.6	5.9	11.4	-	91.6
Currency translations	-	- 1.3	- 0.1	- 0.5	- 0.1	- 0.3	-	- 2.3
Reclassification	-	-	- 0.2	0.5	- 0.4	- 1.4	-	- 1.5
06.30.2007	1.4	70.1	35.3	78.2	10.7	24.8	-	220.5
Provisions / value losses	0.1	4.2	2.8	5.0	0.9	2.3	-	15.3
Exits	-	- 0.6	- 0.3	- 1.7	- 0.9	- 1.1	-	- 4.6
Variations in scope and others	-	-	0.1	- 1.3	-	- 0.4	-	- 1.6
Currency translations	-	- 1.1	0.5	- 3.5	- 0.7	- 0.3	-	- 5.1
Reclassification	-	-	-	0.2	- 0.1	0.2	-	0.3
Assets classified as held for sale	-	- 6.6	0.3	- 6.4	- 0.9	- 3.1	-	- 16.7
06.30.2008	1.5	66.0	38.7	70.5	9.0	22.4	-	208.1

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
06.30.2006	17.8	38.3	10.4	10.5	1.2	5.0	4.8	88.0
06.30.2007	22.1	55.8	14.8	21.4	2.1	10.8	7.5	134.5
06.30.2008	22.5	51.2	15.2	19.2	2.1	9.9	11.8	131.9

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	Land and fittings	Constructions and fittings	Complex Installations	Industrial equipment	Office equipment	Total
06.30.2006	1.8	4.4	0.2	0.1	0.1	6.6
06.30.2007	-	1.7	0.5	-	-	2.2
06.30.2008	-	1.6	0.3	-	-	1.9

2.2 – Value loss test

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 24 of “Accounting methods and principles in IFRS standards”. The evolution is as follows:

In millions of euros	Installations, equipment and others	Constructions and fittings	Total
06.30.2006	-	4.7	4.7
Fiscal 2006-2007	0.2	⁽¹⁾ - 4.7	4.5
06.30.2007	0.2	-	0.2
Fiscal 2007-2008	- 0.1	-	- 0.1
06.30.2008	0.1	-	0.1

(1) During the course of fiscal 2006-2007, Flora Frey sold its purchase option on the lease of its factory to a third party company in the original contract. Because of this sale, a new rental contract was established, which does not fulfill the conditions laid down by IAS standard 17. Consequently, the new contract is considered as being a simple lease contract.

2.3 – Variations in scope

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

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	55.0
Operation to sell the forage business to DLF	- 8.0
Deconsolidation of Oxadis SRL	- 0.1
Acquisition of Nickerson Zwaan South Africa	0.1
Total	47.0
Fiscal 2007-2008	
Change in consolidation method used for Vilmorin Anadolu	0.7
Change in consolidation method used for Soltis	0.2
Sale of Flora Frey	- 0.8
Total	0.1

2.4 – Commitments on leasing contracts

in millions of euros	Total	< 1 year	1 to 5 years	> 5 years
Direct financing lease	4.4	1.2	3.1	0.1
Simple lease contract	21.5	7.0	11.6	2.9

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
06.30.2006	1.9	7.3	3.5	12.7
Increases	5.4	0.1	2.2	7.7
Exits	- 2.3	- 10.0	- 1.1	- 13.4
Variations in scope and others	3.0	9.3	9.3	21.6
Currency translations	- 0.2	-	- 0.7	- 0.9
Reclassifications	-	- 0.2	-	- 0.2
06.30.2007	7.8	6.5	13.2	27.5
Increases	11.2	0.4	1.2	12.8
Exits	- 0.1	- 1.7	- 0.7	- 2.5
Variations in scope and others	0.1	-	-	0.1
Currency translations	- 0.1	-	- 1.4	- 1.5
Reclassifications	-	-	-	-
Assets classified as held for sale	- 0.2	-	- 0.8	- 1.0
06.30.2008	18.7	5.2	11.5	35.4

1.2 – Provisions

In millions of euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.2006	0.2	-	0.4	0.6
Provisions	0.1	-	-	0.1
Write back	-	-	- 0.2	- 0.2
Value losses	-	-	-	-
Variations in scope and others	0.3	2.1	0.2	2.6
Currency translations	-	-	- 0.1	- 0.1
Reclassifications	-	-	-	-
06.30.2007	0.6	2.1	0.3	3.0
Provisions	-	-	0.1	0.1
Write back	-	-	-	-
Variations in scope and others	-	-	-	-
Currency translations	-	-	-	-
Reclassifications	0.1	-	-	0.1
Assets classified as held for sale	- 0.1	-	-	- 0.1
06.30.2008	0.6	2.1	0.4	3.1

1.3 – Net values

In millions of euros	Financial assets held for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.2006	1.7	7.3	3.1	12.1
06.30.2007	7.2	4.4	12.9	24.5
06.30.2008	18.1	3.1	11.1	32.3

2 – Further information

2.1 – Blocked current accounts

This line records the original investment made in the company Soygenetics in the United States.

This company, set up in the form of a Limited Liability Partnership, did not issue securities representative of stock shares; the investment was made in the form of a simple investment that appears on this line.

Soygenetics is consolidated using the equity method.

This line shows the proportion of income for each fiscal year.

2.2 – 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	Totals on 06.30.08		Totals on 06.30.07		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Results (in M€)
Maïcentre	20.33	1.2	20.31	1.2	6.9	-
Mornring	41.00	10.8	-	-	-	-
Avesthagen	4.56	5.0	4.56	5.0	-	-
Miscellaneous	-	1.1	-	1.0	-	-
Total	-	18.1	-	7.2	-	-

2.3 – Other non-current financial assets

This line mainly comprises a guarantee of 2.3 million euros (4 millions euros on June 30th 2007) deposited by the company Cylonic Ré in the conditions explained in Note 31 “Off balance sheet commitments”.

2.4 – Variations in scope

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

In millions of euros	
Fiscal 2006-2007	
Acquisition of the field seeds activity	19.0
Total	19.0
Fiscal 2007-2008	
Deconsolidation of Clause Harris Moran Tézier	0.1
Total	0.1

Note 18 - Equity shares

1 – Details of equity shares

In millions of euros	06.30.08	06.30.07	06.30.06
Vilmorin Anadolu	-	5.0	3.9
BioSeeds	3.4	3.0	2.9
Top Green	1.7	1.6	-
Soltis	-	4.0	-
Unisigma	0.4	0.3	-
Genoplante Valor	1.8	1.7	-
Soygenetics	- 5.6	- 6.3	-
Yuanlongping High-Tech Agriculture	28.7	-	-
Total	30.4	9.3	6.8
Variation for the fiscal year	21.1	2.5	-

2 – Further information

Variation for the fiscal year corresponds to the items below:

In millions of euros	07-08	06-07
Proportion of income for the fiscal year	1.7	- 0.7
Vilmorin Anadolu	-	0.6
BioSeeds	0.4	0.3
Genoplante Valor	0.1	- 0.1
Soltis	-	- 0.3
Yuanlongping High-Tech Agriculture ⁽³⁾	-	-
Soygenetics	1.0	- 0.9
Top Green	0.1	0.1
Unisigma	0.1	- 0.4
Variation in scope, variation in percentages of interest and others	⁽²⁾ 20.3	⁽¹⁾ 2.3
Distributions	- 1.5	-
Currency translation	0.6	0.9
Total	21.1	2.5

(1) Change for Top Green from the proportional integration to the equity method of consolidation on July 1st 2006 as a result of agreements signed with DLF for fiscal 2006-2007.

(2) For fiscal 2007-2008:

- change for Vilmorin Anadolu from equity method to global integration	- 5.0
- change for Soltis from equity method to proportional integration	- 3.9
- entry of the group Yuanlongping High-Tech Agriculture into the scope using equity method	29.2
	20.3

(3) In compliance with IFRS standard 3, the goodwill concerning Yuanlongping High-Tech Agriculture is of a provisional nature and is likely to be adjusted in 2009, since allocation of the acquisition of this company was still in progress at the time when the accounts were closed.

3 – Financial information concerning the equity shares

In millions of euros	Yuanlongping High-Tech Agriculture	BioSeeds	Top Green	Unisigma	Genoplante Valor	Soygenetics
Sales	88.5	8.9	24.1	2.0	0.4	10.5
Net income	1.5	2.1	0.3	0.3	0.2	2.7
Assets	169.1	23.1	10.5	0.9	6.3	3.9
Liabilities (excluding net situation)	69.5	6.0	5.6	0.1	2.9	19.2

Note 19 - Inventories

1 – Evolution of net book values

In millions of euros	Totals on 06.30.08			Totals on 06.30.07			Totals on 06.30.06
	Gross	Provisions	Net	Gross	Provisions	Net	Gross
Raw materials and other supplies	26.5	- 2.7	23.8	43.0	- 3.4	39.6	33.7
Production in progress	27.8	- 3.6	24.2	33.0	- 3.7	29.3	19.6
Goods	76.1	- 7.2	68.9	140.5	- 10.1	130.4	49.3
Finished products	104.4	- 22.5	81.9	91.0	- 31.3	59.7	62.1
Total	234.8	- 36.0	198.8	307.5	- 48.5	259.0	164.7
Variation for the fiscal year			- 60.2			94.3	

2 – Further information

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

In millions of euros	07-08	06-07
Variation in scope (net of provisions)	- 3.6	113.6
Variation of gross values	- 40.5	- 10.6
Variation of provisions of which:	9.0	- 4.7
<i>New provisions</i>	- 24.0	- 30.5
<i>Provisions used</i>	31.6	23.1
<i>Provisions written back</i>	1.4	2.7
Currency translations	- 8.5	- 4.0
Assets classified as held for sale (net of provisions)	- 16.6	-
Total	- 60.2	94.3

2.2 – Variations in scope concern:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	129.6
Sale of the forage seeds business to DLF	- 15.5
Acquisition of Nickerson Zwaan South Africa	0.3
Change in the consolidation method of Top Green	- 0.8
Total	113.6
Fiscal 2007-2008	
Change in the consolidation method used for Vilmorin Anadolu	2.6
Sale of Flora Frey	- 6.2
Total	- 3.6

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 2006: 16.7%

- June 30th 2007: 15.8%

- June 30th 2008: 15.3%

Note 20 - Trade receivables

1 – Evolution of net book values

In millions of euros	06.30.08	06.30.07	06.30.06
Customer receivables	307.2	316.3	162.2
Advance payments to suppliers	10.0	4.8	2.4
Personnel and social security	1.2	2.1	0.8
Tax receivables	59.7	38.4	8.0
Other operating receivables	10.0	19.0	6.6
Prepayments	6.6	10.1	8.0
Gross total	394.7	390.7	188.0
Customer receivables	- 9.5	- 11.2	- 7.0
Other operating receivables	- 0.2	- 0.2	- 0.1
Total provisions	- 9.7	- 11.4	- 7.1
Net book values	385.0	379.3	180.9
Variation for the fiscal year	5.7	198.4	-

2 – Further information

2.1 – Variations for the fiscal year include the following main items:

In millions of euros	07-08	06-07
Variation in scope (net of provisions)	5.6	180.0
Variation in provisions of which:	0.7	0.2
<i>New provisions</i>	- 1.7	- 2.2
<i>Provisions used</i>	1.5	1.9
<i>Provisions written back</i>	0.9	0.5
Other variations	50.3	22.8
Currency translations	- 13.9	- 4.6
Assets classified as held for sale	- 37.0	-
Total	5.7	198.4

2.2 – Variations in scope concern:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	183.0
Sale of the forage seeds business to DLF	- 1.0
Acquisition of Nickerson Zwaan South Africa	0.2
Deconsolidation of Oxadis SRL	- 0.5
Change in the consolidation method of Top Green	- 1.7
Total	180.0
Fiscal 2007-2008	
Acquisition of Ceekay	0.1
Sale of Flora Frey	- 4.7
Deconsolidation of Clause Harris Moran Tézier	- 0.1
Change in the consolidation method of Vilmorin Anadolu	7.2
Change in the consolidation method of Soltis	3.1
Total	5.6

2.3 – Tax receivables:

The line "Tax receivables" comprises:

In millions of euros	07-08	06-07
State, income taxes	32.9	15.3
Other tax receivables	26.8	23.1
Total	59.7	38.4

Note 21 - Cash and cash equivalents

1 – Evolution of fair values

In millions of euros	06.30.08	06.30.07	06.30.06
Financial current accounts	2.6	1.5	29.4
Placement securities held for purposes of transaction	183.5	14.6	32.9
Cash and bank in hand	73.8	134.5	29.8
Total	259.9	150.6	92.1
Variation for the fiscal year	109.3	58.5	-

The evaluation rules applicable for this line are described in Note 1 paragraph 23 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	Total
Fiscal 2006-2007	
Variations in scope	78.2
- Integration of the field seeds activity	76.8
- Sale of the forage business to DLF	1.6
- Deconsolidation of Oxadis SRL	- 0.2
Variation of gross values	- 19.4
Currency translations	- 0.3
Total	58.5
Fiscal 2007-2008	
Variations in scope	2.0
- Acquisition of Changsha Xindaxin	0.2
- Change in the consolidation method of Vilmorin Anadolu	2.0
- Sale of Flora Frey	- 0.4
- Absorption of Mikado International	0.2
Variation of gross values ⁽¹⁾	115.8
Currency translations	- 6.8
Assets classified as held for sale	- 1.7
Total	109.3

(1) The variation in placement securities is the result of the placement of liquidities from the OCEANE bond operation with a value of 149.5 million euros obtained by Vilmorin on June 6th 2008 (cf. Note 27).

Note 22 - Shareholders' equity - group share

1 – Composition of the shareholders' equity - group share

In millions of euros	06.30.08	06.30.07	06.30.06
Parent stock	204.2	204.2	145.9
Issue premium	210.9	210.9	29.3
Parent legal reserve	9.0	7.7	6.5
Other parent reserves	19.8	17.5	17.8
Consolidation reserves and others	153.8	124.1	84.2
Currency translation reserves	- 26.7	- 10.8	- 4.7
Income for the fiscal year	44.3	54.8	43.8
Total	615.3	608.4	322.8
Variation for the fiscal year	6.9	285.6	-

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

2 – Further information

Vilmorin's stock comprises 13 391 857 shares, each with a nominal value of 15.25 euros. Over the course of the fiscal year 2006-2007, the number of shares increased from 9 566 979 to 13 391 857 following the stock increase made on July 3rd 2006.

Consequently, the variation for the fiscal year is mainly due to the stock increase and the issue premium following the integration of the field seeds activity and the income for the fiscal year.

Moreover equity notes have been issued by the company Limagrain Verneuil Holding with a total value of 11.5 million euros, treated as equity instruments (refer to the "Accounting methods and principles in IFRS standards").

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 stock 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 stock 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.

Note 23 - Shareholders' equity - minority interests

1 – Composition of shareholders' equity - minority interests

In millions of euros	06.30.08	06.30.07	06.30.06
Consolidation reserve and others	119.1	95.2	43.6
Currency translation reserve	- 2.1	- 0.5	- 1.4
Income for the fiscal year	6.8	2.5	5.4
Total	123.8	97.2	47.6
Variation for the fiscal year	26.6	49.6	-

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

2 – Further information

a. Stocks options of the company Hazera Genetics

Following the purchase of the minority interests in Hazera Genetics, both from the kibbutzim and the Tel Aviv Stock Exchange, the stock options were exercised and purchased at the time of the take over in fiscal 2006-2007.

b. Characteristics of the equity notes issued by Limagrain Verneuil Holding (LVH)

Issuing companies	LVH	LVH
Date of entitlement	06.15.2003	06.15.2003
Number of securities issued	9 032	9 082
Issue premium	€ 636.60	€ 633.19
Total income from the issue	M€ 5.7	M€ 5.8
Interest rate	Euribor 6 months + margin	Euribor 6 months + margin
Due date	12.31.2010	12.31.2011
Normal redemption rate	1 LVH share for 1 equity note	1 LVH share for 1 equity note

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

In millions of euros	Gross total for the equity notes	Impact on the balance sheet		
		Debts component	Deferred taxes	Equity component
06.30.2006	11.5	2.1	- 0.7	10.1
Restatement of the interests of the debts component in 2006-2007	-	- 0.4	0.1	0.3
06.30.2007	11.5	8.6	- 0.6	10.4
Restatement of the interests of the debts component in 2007-2008	-	- 0.5	0.2	0.3
06.30.2008	11.5	1.2	- 0.4	10.7

c. 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 bonds issued by Vilmorin:

Issuing company	Vilmorin
Date of entitlement	06.06.2008
Number of bonds issued	958 579
Issue premium	€ 155.96
Total income from the issue	M€ 149.5
Interest rate	4.5%, i.e. € 7.0182 per bond
Due date	07.01.2015, with possibility of early redemption on 07.01.2013
Normal redemption	1 Vilmorin share for 1 bond

Note 24 - Provisions for employee benefits

Provisions for employee benefits are analyzed as follows:

In millions of euros	06.30.08	06.30.07
Provisions for lump sums paid at retirement	6.3	7.9
Commitments for "work medal" bonuses and other benefits	0.5	0.8
Pension plans	10.7	15.8
Total	17.5	24.5
<i>Of which Provision for employee benefits (Non-current share)</i>	<i>17.5</i>	<i>23.7</i>
<i>Provision for employee benefits (Current share)</i>	<i>-</i>	<i>0.8</i>
Total	17.5	24.5

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

> Lump sums paid at retirement mainly concern French companies.

During the course of fiscal 2002-2003, the convention that applies to a certain number of Vilmorin's companies was modified with retroactive effect. The impact of this change on past services is amortized over the average remaining time of activity for the employees concerned, which has been estimated to be nineteen years at the date of the change. Consequently the provision made on June 30th 2008 does not include the extra commitment of 0.7 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.

> Write-back of provisions exercised for fiscal 2007-2008 in particular involves the provisions of 3.9 million euros previously made for British and North American pension schemes.

> A financial asset of 0.5 million euros exists and corresponds to provisions for employee benefits.

> The current proportion of the provision for employee benefits has been reclassified in the non-current proportion.

> In application of IFRS standards, provisions for employee benefits for companies from the home garden activity companies have been reclassified to the line "Liabilities classified as held for sale" for a total amount of 3.4 million euros.

1 – Evolution over the course of the fiscal year

The evolution of the current value of obligations with regard to defined contribution plans is as follows:

In millions of euros	06.30.08	06.30.07
Current value of obligations at opening of the fiscal year	131.5	136.1
Cost of services rendered for the year	3.0	3.4
Financial cost	6.6	7.0
Participants' contributions	0.4	0.5
Net actuarial losses or gains	- 0.6	- 8.8
Welfare services paid out	- 5.6	- 6.2
Cost of past services recorded	0.3	0.2
Effect of liquidations/ reduction of future services	- 10.7	- 0.6
Currency translations and others	- 13.1	- 0.1
Current value of obligations at close of the fiscal year	111.8	131.5

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

In millions of euros	06.30.08	06.30.07
Fair value of forward assets at opening of the fiscal year	117.6	102.5
Expected returns on forward assets	7.6	6.8
Net actuarial losses or gains	- 12.8	0.8
Employers' contributions	4.4	12.3
Participants' contributions	0.4	0.5
Welfare services paid out	- 5.0	- 5.8
Effect of liquidations/ reduction of future services	- 8.4	-
Currency translations and others	- 12.8	0.5
Fair value of forward assets at close of the fiscal year	91.0	117.6

1.1 – Further information

a. 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.

These distinct assets are insurance contracts taken out by companies in Vilmorin that cover benefits provided after employment.

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

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

- Ordinary shares	43 %
- Bonds	27 %
- Real estate	5 %
- Others	25 %

c. The true yield for employee benefit assets in 2008 was - 5.3 million euros in 2008 as opposed to - 7.6 million euros in 2007.

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 2008:

In millions of euros	06.30.08	06.30.07
Adjusted value of the commitment	111.8	131.5
Fair value of assets of defined contribution plans	- 91.0	- 117.6
Deficit/(Excess)	20.8	13.9
Unrecorded actuarial differences	- 2.9	10.8
Unrecorded costs of used services	- 0.8	- 0.8
Others	0.4	0.6
Net recorded commitment	17.5	24.5
<i>Of which Provision for pensions and similar schemes</i>	<i>18.0</i>	<i>25.0</i>
<i>Financial assets</i>	<i>- 0.5</i>	<i>- 0.5</i>
Total	17.5	24.5

2.1 – Further information

a. 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.

b. 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 scheme that comes into effect after employment of the post retirement health scheme. Other long-term benefits are “work medal” long service bonuses.

Non-financed commitments cover lump sums for retirement paid out in France.

c. 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 are analyzed as follows:

In millions of euros	06.30.08	06.30.07
Cost of services rendered	2.8	3.4
Financial cost	6.6	7.0
Expected return on assets	- 7.6	- 6.8
Other charges	- 0.1	-
Recognized actuarial losses or gains	- 0.2	- 0.1
Cost of past services recognized	0.1	0.3
Effect of liquidations/reductions	- 0.2	- 1.0
Recorded charge for defined employee benefit schemes	1.4	2.8

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	
	2008	2007	2008	2007
Adjustment rate	5.75 to 6.00	4.75 to 5.00	6.70 to 6.00	5.70 to 6.00
Expected return on assets	4.00 to 6.00	4.00 to 5.00	7.51 to 8.00	6.95 to 8.00
Salaries progression rate	1.50 to 3.00	1.50 to 3.00	5.00	4.00
Pension fund inflation rate	1.00 to 2.00	1.50 to 2.00	2.50 to 4.10	3.30 to 3.50

Americas Zone

As a %	2008	2007
Adjustment rate	6.82	6.10
Expected return on assets	9.00	9.00
Salaries progression rate	4.00	4.00
Pension fund inflation rate	0.00	0.00

Middle East and Asia Zone

As a %	2008	2007
Adjustment rate	2.00 to 3.00	2.00 to 4.90
Expected return on assets	2.20 to 2.50	2.20 to 2.50
Salaries progression rate	3.50 to 3.75	3.50
Pension fund inflation rate	0.00	0.00

5 – Geographical analysis of rights

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

In millions of euros	07-08	06-07
France	6.8	8.5
Europe (except France)	77.7	93.3
Americas	19.5	23.1
Middle East / Asia	7.8	6.6
Adjusted value of rights	111.8	131.5

6 – Schemes with defined contributions

In millions of euros	Schemes with defined contributions	06.30.08 Multi-employer schemes	Total schemes	06.30.07 Total schemes
Charges recorded in the income statement	1.6	0.6	2.2	2.8
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
06.30.2006	3.6	35.1	-	-
Variations in scope	7.8	56.0	-	-
Variations influencing income from for the fiscal year	- 0.5	- 4.0	3.5	-
Variations influencing equity	2.9	- 2.1	-	5.0
Reclassifications and others	0.5	- 0.6	-	-
Currency translations	- 0.4	- 0.3	-	-
06.30.2007	13.9	84.0	3.5	5.0
Variations in scope	0.1	- 0.5	-	-
Variations influencing income from continuing operations	- 1.1	- 5.6	4.5	-
Variations influencing income from discontinued operations	0.5	- 1.8	2.3	-
Variations influencing equity	- 0.8	5.9	-	- 6.7
Assets / Liabilities classified as held for sale	- 1.7	- 0.1	-	-
Currency translations	- 1.3	- 0.2	-	-
06.30.2008	9.6	81.7	6.8	- 6.7

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 tax assets	Deferred tax liabilities
Fiscal 2006-2007		
Integration of the field seeds activity	7.6	55.2
Acquisition of DLF's cereals activity	0.2	0.8
Total	7.8	56.0
Fiscal 2007-2008		
Change in the consolidation method of Vilmorin Anadolu	0.1	-
Sale of Flora Frey	-	- 0.5
Total	0.1	- 0.5

2.2 – Variations influencing equity

In millions of euros	Deferred tax assets	Deferred tax liabilities
Fiscal 2007-2008		
Forward cover	-	0.2
Restatement of the OCEANE bonds	-	5.6
Others	- 0.8	0.1
Total	- 0.8	5.9

Note 26 - Other current provisions

1 – Evolution of book values

In millions of euros	06.30.08	06.30.07	06.30.06
Commercial litigation	3.4	2.2	2.9
Other risks and litigation	17.5	12.3	5.5
Reorganization costs	4.1	4.6	2.6
Employee benefits	0.1	0.8	0.7
Total	25.1	19.9	11.7
Variation for the fiscal year	5.2	8.2	-

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

2 – Further information

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

In millions of euros	Total
Fiscal 2006-2007	
Variations in scope	16.1
Variations in provisions	- 7.4
<i>Of which Provisions for the fiscal year</i>	<i>4.6</i>
<i>Write-back used</i>	<i>- 10.7</i>
<i>Write-back not used</i>	<i>- 1.3</i>
Reclassifications	- 0.3
Currency translations	- 0.2
Total	8.2
Fiscal 2007-2008	
Variations in scope	-
Variations in provisions	11.1
<i>Of which Provisions for the fiscal year</i>	<i>18.6</i>
<i>Write-back used</i>	<i>- 6.3</i>
<i>Write-back not used</i>	<i>- 1.2</i>
Reclassifications to provisions for employee benefits	- 0.8
Currency translations	- 0.3
Other reclassifications	1.2
Liabilities classified as held for sale	- 6.0
Total	5.2

2.2 – Variations in scope concern the following operations:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	16.1
Total	16.1
Fiscal 2007-2008	
No variations	-
Total	-

2.3 – The line "Other provisions for risks and liabilities" includes provisions made by the captive reinsurance company Cylonic Ré standing at 6.8 million euros on June 30th 2008 as opposed to 8.9 million euros on June 30th 2007.

Note 27 - Current and non-current financial debts

1 – Composition of the financial debts

1.1 – Non-current financial debts

In millions of euros	06.30.08	06.30.07	06.30.06
Bank loans	212.2	313.0	25.6
Debt component of the equity notes ⁽¹⁾	0.8	1.6	-
Debt component of the OCEANE bonds ⁽¹⁾	132.8	-	-
Minority redemption commitments	3.1	3.9	3.5
Derivatives	- 4.8	- 2.0	-
Lease/hire purchase	1.5	1.9	9.0
Other financial debts	3.0	4.2	6.0
Total	348.6	322.6	44.1
Variation for the fiscal year	26.0	278.5	-

(1) cf. Note 23.

1.2 – Current financial debts

In millions of euros	06.30.08	06.30.07	06.30.06
Bank loans	230.2	165.9	100.3
Debt components of the equity notes ⁽¹⁾	0.5	-	-
Lease/hire purchase	0.2	0.2	0.9
Derivatives	- 0.8	-	-
Current accounts	3.0	2.2	16.0
Other financial debts	0.3	0.1	-
Interest incurred	1.2	4.9	0.1
Total	234.6	173.3	117.3
Variation for the fiscal year	61.3	56.0	-

(1) cf. Note 23.

1.3 – Net financial indebtedness

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

In millions of euros	06.30.08	06.30.07	06.30.06
Non-current financial debts	348.6	322.6	44.1
Current financial debts	234.6	173.3	117.3
Cash and bank in hand (cf. Note 21)	- 259.9	- 150.6	- 92.1
Net financial debts	323.3	345.3	69.3
Variation for the fiscal year	- 22.0	276.0	-

The rules applied for recording financial debts are described in Note 1 paragraphs 21.3, 21.4 and 25 of the “Accounting methods and principles in IFRS standards”.

2 – Further information

2.1 – Analysis of the evolution of the financial debt

a. The main variations in financial indebtedness are as follows:

In millions of euros	Non-current financial debts	Current financial debts	Total
06.30.2006	44.1	117.3	161.4
Increase	333.3	-	333.3
Decrease	- 127.3	- 216.2	- 343.5
Variation in scope	94.1	255.4	349.5
Reclassification to equity	- 0.3	-	- 0.3
Reclassifications	- 20.9	20.9	-
Currency translations	- 0.4	- 4.1	- 4.5
06.30.2007	322.6	173.3	495.9
Increase	164.8	47.5	212.3
Decrease	- 95.3	-	- 95.3
Restatement of OCEANE bonds ⁽¹⁾	- 16.9	-	- 16.9
Variation in scope	1.1	3.0	4.1
Restatement of forward cover	- 1.1	-	- 1.1
Commitment to purchase minority shares	- 1.1	-	- 1.1
Reclassifications	- 25.1	25.1	-
Liabilities classified as held for sale	0.1	- 12.1	- 12.0
Currency translations	- 0.5	- 2.2	- 2.7
06.30.2008	348.6	234.6	583.2

(1) cf. Note 23.

b. Variations in scope concern:

In millions of euros	Non-current financial debts	Current financial debts	Total
Fiscal 2006-2007			
Integration of the field seeds activity ⁽¹⁾	94.0	255.6	349.6
Acquisition of Nickerson Zwaan South Africa	0.1	0.1	0.2
Change in the consolidation method of Top Green	-	- 0.3	- 0.3
Total	94.1	255.4	349.5
Fiscal 2007-2008			
Acquisition of Ceekay	-	0.2	0.2
Change in the consolidation method of Soltis	1.1	2.8	3.9
Total	1.1	3.0	4.1

(1) Following the integration of the field seeds activity, Vilmorin took out syndicated credit of 300 million euros (including 100 million euros of revolving credit) in order to cover:

- > The purchase of the 104 million euros loan granted by Groupe Limagrain Holding to Limagrain Verneuil Holding to pay for the acquisition of the Advanta group in 2005.
- > Repayment of Biofina's financial debt of 122.4 million euros to Groupe Limagrain Holding.
- > The balance was used to finance the current needs of the new Vilmorin scope, previously covered by Groupe Limagrain Holding.

As a result of this new syndicated credit, Vilmorin has transferred part of its current financial debt into non-current financial debt.

2.2 – Information on the debenture loan

This loan has the following characteristics:

Issuer	Vilmorin (OCEANE)
Date of issue	06.06.2008
Amount involved	M€149.5
Due date (bullet amortization)	07.01.2015
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 millions 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	M€300
Company to which the loan was granted	Vilmorin
Outstanding on 06.30.2008	M€210
Rate	Euribor + margin
Collateral granted	No
Existence of “covenants”	Yes

No collateral was given. After redemption of 15 million euros during the fiscal year, the authorized ceiling is 285 million euros.

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

- Financial debts over EBITDA,
- EBITDA over financial costs.

We confirm that the above-mentioned covenants were respected for fiscal 2007-2008.

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
06.30.2007			
Financial debts with fixed rate	6.7	20.8	27.5
Financial debts with variable rate	315.9	152.5	468.4
Total	322.6	173.3	495.9
06.30.2008			
Financial debts with fixed rate	136.4	50.5	186.9
Financial debts with variable rate	212.2	184.1	396.3
Total	348.6	234.6	583.2

Taking forward cover rates into account, financial debts with variable rate were covered up to 140 million euros at the end of June 2008.

Note 28 - Accounts payables

1 – Evolution of the book values

In millions of euros	06.30.08	06.30.07	06.30.06
Suppliers and other accounts payable	107.7	125.3	64.7
Debts on the acquisition of fixed assets	15.4	6.1	4.8
Advance payments received from customers	1.2	2.1	2.1
Social security	39.3	38.0	23.8
Taxes	19.8	17.7	5.5
Other operating debts	95.5	104.5	21.7
Other non-operating debts	0.8	3.0	3.8
Total	279.7	296.7	126.4
Variation for the fiscal year	- 17.0	170.3	-

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

2.1 – The variation for the fiscal year includes the following items:

In millions of euros	07-08	06-07
Variations in scope	0.6	169.7
Reclassification into deferred income	-	- 2.7
Other variations	35.3	7.3
Currency translations	- 21.6	- 4.0
Liabilities classified as held for sale	- 31.3	-
Total	- 17.0	170.3

Variations in scope concern:

In millions of euros	Total
Fiscal 2006-2007	
Integration of the field seeds activity	169.6
Sale of the forage business to DLF	1.4
Acquisition of Nickerson Zwaan South Africa	0.2
Deconsolidation of Oxadis SRL	- 0.4
Change in consolidation method of Top Green	- 1.1
Total	169.7
Fiscal 2007-2008	
Acquisition of Ceekay	0.1
Sale of Flora Frey	- 3.7
Change in the consolidation method of Vilmorin Anadolu	2.0
Change in the consolidation method of Soltis	2.2
Total	0.6

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

2.3 – 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	06.30.08	06.30.07	06.30.06
Total	5.1	6.5	0.6
Variation for the fiscal year	- 1.4	5.9	-

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 subsidiaries.

2 – Further information

Movements for the fiscal year involve the following items:

In millions of euros	07-08	06-07
Subsidies written back into the income	- 0.4	0.5
Evolution in scope	-	1.8
Others	- 1.0	0.9
Reclassification from operating debts	-	2.7
Total	- 1.4	5.9

Note 30 - Financial instruments

1 – Financial instruments per category

In millions of euros	06.30.08		Analysis by category of instruments				Non financial ⁽¹⁾
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	
Financial assets	32.3	32.3	18.1	14.2	-	-	-
Customers and other receivables	385.0	385.0	-	307.5	-	-	77.5
Cash and cash equivalents	259.9	259.9	-	259.9	-	-	-
Financial Assets	677.2	677.2	18.1	581.6	-	-	77.5
Non-current financial debts	348.6	348.6	-	-	353.4	- 4.8	-
Current financial debts	234.6	234.6	-	-	235.4	- 0.8	-
Suppliers and other payables	284.8	284.8	-	-	279.7	-	5.1
Total Liabilities	868.0	868.0	-	-	868.5	- 5.6	5.1

(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	06.30.07		Analysis by category of instruments				Non financial ⁽¹⁾
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	
Financial assets	24.5	24.5	7.2	17.3	-	-	-
Customers and other receivables	379.3	379.3	-	323.9	-	-	55.4
Cash and cash equivalents	150.6	150.6	-	150.6	-	-	-
Financial Assets	554.4	554.4	7.2	491.8	-	-	55.4
Non-current financial debts	322.6	322.6	-	-	324.6	- 2.0	-
Current financial debts	173.3	173.3	-	-	173.3	-	-
Suppliers and other payables	303.2	303.2	-	-	296.7	-	6.5
Total Liabilities	799.1	799.1	-	-	794.6	- 2.0	6.5

(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 2008, the derived financial instruments set up by Vilmorin to manage its risks can be analyzed as follows:

2.1 – Information regarding currency exchange risks

a. 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.

b. Assets and liabilities analyzed according to the main foreign currencies:

In millions of euros	Euro zone	American dollar	Canadian dollar	GBP	Australian dollar	Yen	Shekel	Other currencies	Total
06.30.2007									
Assets ⁽¹⁾	681.7	145.7	6.8	70.8	3.7	44.5	53.1	67.0	1 073.3
Liabilities ⁽¹⁾	588.2	91.7	24.5	22.7	3.8	36.5	9.2	16.0	792.6
Differential	93.5	54.0	- 17.7	48.1	- 0.1	8.0	43.9	51.0	280.7
06.30.2008									
Assets ⁽¹⁾	841.0	122.4	12.5	27.2	2.2	43.2	57.2	120.8	1 226.5
Liabilities ⁽¹⁾	694.0	79.0	23.8	7.5	2.3	30.2	11.3	14.8	862.9
Differential	147.0	43.4	- 11.3	19.7	- 0.1	13.0	45.9	106.0	363.6

(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.

c. 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
06.30.2007				
Forward exchange contracts	14.7	14.7	-	-
Exchange options	-	-	-	-
Total	14.7	14.7	-	-
06.30.2008				
Forward exchange contracts	29.3	29.3	-	-
Exchange options	-	-	-	-
Total	29.3	29.3	-	-

d. Information on the real value of instruments set up to hedge currency exchange

In millions of euros	Total
06.30.2007	
Contracts on commercial transactions > Cash flow hedge ⁽¹⁾	NS
Contracts on financial operations > Fair value hedge	-
06.30.2008	
Contracts on commercial transactions > Cash flow hedge ⁽²⁾	NS
Contracts on financial operations > Fair value hedge	-

(1) The intrinsic value of contracts on June 30th 2007 is not significant (NS).

(2) The intrinsic value of contracts on June 30th 2008 is not significant (NS).

e. Information on risk exposure to instruments set up to hedge currency exchange

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

In millions for each currency	USD	GBP	JPY	AUD	Others
Net position before management	8.3	1.4	- 17.4	0.6	0.2
Forward purchasing	-	-	-	-	-
Forward selling	- 6.9	-	-	-	-
Net position after management	1.4	1.4	- 17.4	0.6	0.2

As part of its collective currency exchange management, Vilmorin also provided cover of GBP 0.3 million and USD 3.4 million for a subsidiary of Groupe Limagrain.

On June 30th 2008, the exchange rates for one euro were USD 1.5764, GBP 0.7923, JPY 166.4 and AUD 1.6371.

On June 30th 2008, sensitivity on net positions after management could be analyzed as follows:

In millions for each currency	USD	GBP	JPY	Others
Hypothesis of currency variation	10.0%	10.0%	10.0%	10.0%
Impact on income	0.1	0.2	-	-

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 2008, the derived financial instruments set up by Vilmorin to hedge the risk on raw materials concern future corn contracts showing a loss of about two million euros and recorded at fair value in the line financial income.

2.3 – Information concerning interest rate risks

a. Objectives

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

b. Assets and liabilities broken down according to interest rate risks:

In millions of euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.2007				
Assets	21.2	20.4	0.1	0.7
Liabilities	495.9	174.6	307.8	13.5
Differential	- 474.7	- 154.2	- 307.7	- 12.8
06.30.2008				
Assets	19.3	18.3	0.36	0.7
Liabilities	583.2	234.6	204.3	144.3
Differential	- 563.9	- 216.3	- 204.0	- 143.6

c. 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 follows:

In millions of euros	Nominal	2009	2010	Due dates 2011	2012	> 2012	Market value
Cash flow hedge operations							
Interest rate SWAP	80.0	40.0	40.0	-	-	-	1.5
Fair value operations through profit and loss ⁽²⁾							
Interest rate SWAP	60.0	-	-	10.0	20.0	30.0	0.7
Total ⁽¹⁾	140.0	40.0	40.0	10.0	20.0	30.0	2.2

(1) In application of IFRS standard 5, this total does not contain a contract of ten million euros with the subsidiary Oxadis.

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

d. Information on risk exposure to instruments set up to hedge interest rates

On the basis of net financial indebtedness on June 30th 2008, a variation of $\pm 1\%$ in interest rates would represent an extra financial charge or income estimated at 0.6 million euros.

On June 30th 2008, bearing in mind Vilmorin's low exposure due to assets or liabilities subject to a fixed rate and recorded at fair value in profit and loss, we consider that the impact of a variation in rates on the fair value of assets and liabilities would not have significant impact on the income.

2.4 – Information concerning risks for shares and own 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 the company Yuanlongping High-Tech Agriculture, 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; this concerns a guarantee (cf. Note 17).

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 of 0.7 million euros for Vilmorin's own shares.

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 conditions 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 2008, 75 million euros of this credit was unused, constituting a significant reserve of cash.

Moreover on June 30th 2008 the conventions of existing financial commitments were all respected.

The schedule for financial debts is as follows:

In millions of euros	Due dates			Total
	< 1 year	1 to 5 years	> 5 years	
06.30.2007				
Non-current financial debts				
Bank loans	-	298.8	14.2	313.0
Debt components of the equity notes	0.4	1.2	-	1.6
Commitment to purchase minority shares	1.1	2.8	-	3.9
Derivatives	- 0.2	- 0.8	- 1.0	- 2.0
Financial lease/hire purchase	-	1.9	-	1.9
Other financial debts	-	3.9	0.3	4.2
Total non-current debts	1.3	307.8	13.5	322.6
Current financial debts	173.3	-	-	173.3
Total	174.6	307.8	13.5	495.9
06.30.2008				
Non-current financial debts				
Bank loans	-	198.6	13.6	212.2
Debt components of the equity notes	-	0.8	-	0.8
Debt components of the OCEANE bonds	-	-	132.8	132.8
Commitment to purchase minority shares	-	3.1	-	3.1
Derivatives	-	- 2.5	- 2.3	- 4.8
Financial lease/hire purchase	-	1.5	-	1.5
Other financial debts	-	2.8	0.2	3.0
Total non-current debts	-	204.3	144.3	348.6
Current financial debts	234.6	-	-	234.6
Total	234.6	204.3	144.3	583.2
Future interest on loans and other liabilities	20.6	54.4	1.5	76.5

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 2008, Vilmorin had not identified any significant risk.

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

In millions of euros	06.30.08
Receivables not yet due	241.7
Receivables due:	
- delay of zero to three months	32.3
- delay of three to six months	14.3
- delay of six to twelve months	10.4
- delay greater than one year	8.5
Gross customer and other receivables	307.2

Note 31 - Off balance sheet commitments

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

1 – Guarantees received

In millions of euros	06.30.08	06.30.07
Endorsements, sureties, guarantees	1.2	1.7
Other commitments	0.6	0.6
Total	1.8	2.3

The company Groupe Limagrain Holding granted a tax guarantee to Vilmorin for the companies Limagrain Genetics Inc and Limagrain Verneuil Holding, 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	06.30.08	06.30.07
Endorsements, sureties, guarantees	29.8	29.5
Clause of return to better fortune	7.0	7.0
Other commitments	0.6	3.5
Total	37.4	40.0

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 6.7 million euros (8.4 million euros on June 30th 2007) and the site of Solingen (ex-head office of Flora Frey in Germany) for 19.2 million euros (19.1 million euros on June 6th 2007).

The clause of return to better fortune involves a commitment of Limagrain Verneuil Holding towards Groupe Limagrain Holding following the integration of the field seeds business.

Forward cover of interest rates concern the following operations:

3.1 – June 30th 2008

Medium-term bank loans (syndicated credit)	M€140.0	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	-	Fixed rate over variable rate at 6 months
Short-term loans	-	Fixed and semi-fixed rate over variable rate at 3 months

3.2 – June 30th 2007

Medium-term bank loans (syndicated credit)	M€50.0	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	-	Fixed rate over variable rate at 6 months
Short-term loans	-	Fixed and semi-fixed rate over variable rate at 3 months

3 – Reciprocal commitments

In millions of euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.2007				
Lease agreements	3.2	1.4	1.7	0.1
Simple rental agreements	50.9	10.2	18.4	22.3
Forward purchasing of currency (cf. Note 30)	14.7	14.7	-	-
Forward interest rate cover (cf. Note 30)	50.0	50.0	-	-
Interest to pay on medium and long-term debts	46.1	15.5	30.6	-
Medium- and long-term research contracts	1.0	0.8	0.2	-
Other commitments	15.8	9.4	6.4	-
Total	181.7	102.0	57.3	22.4
06.30.2008				
Lease agreements	2.7	1.0	1.6	0.1
Simple rental agreements	21.5	7.0	11.6	2.9
Forward purchasing of currency (cf. Note 30)	29.3	29.3	-	-
Forward interest rate cover (cf. Note 30)	140.0	40.0	100.0	-
Interest to pay on medium and long-term debts	76.5	20.6	54.4	1.5
Medium- and long-term research contracts	0.3	0.2	0.1	-
Other commitments	21.3	7.9	13.4	-
Total	291.6	106.0	181.1	4.5

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
06.30.2007	50.6	103.0	103.0
06.30.2008	44.5	97.5	97.5

(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 – Commitment of the company Cylonic Ré

As part of a captive set-up, the reinsurance company Cylonic Ré has given and received the following commitments:

> First, it has given a reinsurance commitment to the benefit of a third party insurance company for a total amount of 43 million US dollars for a period that expired on June 30th 2007, which has been renewed for a period of 3 years. To date, 18 million US dollars have been used. Moreover it has given a reinsurance commitment of 17 million US dollars to a third party company, for a period that expires on December 31st 2009.

> As a surety for this commitment, it set up a cash pledge to a third party holder for the value of 2.3 million euros on June 30th 2008 (4 million euros on June 30th 2007). This sum appears on the balance sheet on the line “Other non-current financial assets”.

> It also received a reinsurance commitment issued by a third party reinsurance company for a maximum amount of 30 million US dollars on June 30th 2008 (30 million US dollars on June 30th 2007) and for a period that expires on June 30th 2009.

6 – Other commitments

As part of the agreement signed with DLF, Vilmorin gave a guarantee on the purchasing values until 2011 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 home garden vegetables 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. Moreover, it should be noted that there is an earn out clause which will be recorded in the accounts when the conditions and due dates come up over the three coming years.

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 2008

In millions of euros	Assets	Liabilities
Operating debts and receivables	1.9	19.5
Financial debts and receivables	1.2	-
Total	3.1	19.5

2.2 – Charges and income for the fiscal year 2007-2008

In millions of euros	Charges	Income
Purchases and sales of goods	- 55.3	0.3
Corporate allocations	- 7.9	1.1
Other operating charges and income	- 10.1	-
Financial charges and income	- 0.1	-
Total	- 73.4	1.4

3 – Further information

3.1 – 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 9 million euros.

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

> for general management services:

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

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

3.2 – 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 14 million euros.

Moreover, Vilmorin also invoices for services of a scientific nature for the seed companies in the Vilmorin group, namely those that have field seed and professional vegetable seed activities. The total amount invoiced to all the subsidiaries came to 10.3 million euros. The criteria applied homogeneously throughout the Vilmorin group to calculate these allocations take several 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.

3.3 – Cash flow agreements

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.

3.4 – Other operations

Other operations correspond to 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

In July 2008 Vilmorin signed a strategic partnership with the Australian company Australian Grain Technologies (AGT). This partnership is based on the purchase of a 25% stake in the company's stock in order to develop new research programs jointly on wheat improvement.

Moreover, Vilmorin confirmed its strategic orientation, as presented in October 2007, to withdraw from its home garden activity. After the sale of the companies Flora Frey and Sperling on June 30th 2008, Vilmorin has continued negotiations with investors and industrialists for the sale of the companies Oxadis and its subsidiaries, and the company Suttons.

VI. Annex: consolidation scope 2008

Name	Country	Head Office	French registration	% Voting rights	% Interest	Consolidation method
Vilmorin	France	4, Quai de la Mégisserie Paris (75001)	377 913 728	100.00	100.00	GI
BioSeeds	Netherlands	Blaak 31 - 3011GA Rotterdam	-	20.00	20.00	EM
Ceekay Seeds & Seedlings Pvt. Ltd	India	59/1, 8th Main, Radhakrishna Layout Padmanabha Nagar 560070 Bangalore-Karnataka	-	100.00	100.00	GI
Changsa Xindaxin Vilmorin Agri-Business Co. Ltd	China	9th/F Xindaxin Building, n°168 Huangxing Middle Road Changsha (410005) Hunan	-	46.50	33.71	PI
Cylonie Ré	Luxembourg	19, rue de Bitbourg - L 1273 Luxembourg-Hamm	-	100.00	99.99	GI
Mikado Seed Holding K.K. Mikado Ikushu Holding	Japan	1203 Hoshiguki-Cho, Chuo-Ku Chiba-Shi	-	64.73	64.73	GI
Plant Development Australia	Australia	165, Templestowe Road Templestowe Lower, VIC 3107	-	100.00	99.97	GI
VCC Japan	Japan	15-13 Nampeidaicho Shibuya-Ku Tokyo	-	100.00	100.00	GI
VCC Seeds Ltd (Israel)	Israel	c/o Schwartz, Duvdevany, Lerner CPA - 76 Herzl Street - Haifa	-	100.00	100.00	GI
Vilmorin 1742	France	6, Quai de la Mégisserie Paris (75001)	504 933 953	100.00	100.00	GI
Vilmorin Luxembourg SA	Luxembourg	11, avenue Emile Reuter L 2420 Luxembourg	-	99.99	99.99	GI
Vilmorin Hong-Kong Limited	China	Level 28, Three Pacific Place, 1 Queen's Road East - Hong-Kong	-	72.50	72.50	GI
Yuanlongping High-Tech Agricultural Company Limited	China	Agriculture Hi-Tech Park, Mapoling, Second Yuanda Road, Furong District - Changsha	-	22.22	7.49	EM
1 - Field seeds activity						
Biogemma	France	1, rue Édouard Colonne Paris (75001)	412 514 366	55.01	55.01	GI
Biogemma UK	United Kingdom	Science Park - 200 Milton Road Cambridge CB4 0GZ	-	100.00	55.01	GI
Genoplante Valor	France	523, Place des Terrasses Évry (91034)	439 202 821	33.33	29.33	EM
1.1 - European market						
Limagrain Verneuil Holding	France	Ferme de l'Étang - BP 3 Verneuil L'Étang (77390)	542 009 824	79.96	79.96	GI
Eurodur	France	Loudes - Castelnaudary (11400)	338 982 614	43.96	35.15	PI
GIE Semences de Brie	France	RD 402 - Chaumes-en-Brie (77390)	388 147 845	50.00	39.98	PI
Limagrain Central Europe	France	Biopôle Clermont-Limagne Saint-Beauzire (63360)	438 205 320	99.99	79.95	GI
Nickerson International Research Snc	France	Rue Limagrain - Chappes (63720)	388 170 938	100.00	79.96	GI
Soltis	France	Domaine de Sandreau Mondonville-Blagnac (31700)	420 327 231	50.00	39.98	PI
Unisigma GIE	France	2, rue Petit Sorri - Froissy (60480)	317 760 668	46.00	36.78	EM
Advanta BV	Netherlands	Van der Haveweg - 24411 RB Rilland	-	100.00	79.96	GI
Advanta Holdings Ltd UK	United Kingdom	Sleaford, Lincolnshire - NG34 7HA	-	100.00	79.96	GI

Name	Country	Head Office	French registration	% Voting rights	% Interest	Consolidation method
Advanta Research Ltd	United Kingdom	Sleaford, Lincolnshire - NG34 7HA	-	100.00	79.96	GI
Advanta Seeds Trustees Ltd	United Kingdom	Sleaford, Lincolnshire - NG34 7HA	-	100.00	79.96	GI
Advanta Seeds Ltd UK	United Kingdom	Sleaford, Lincolnshire - NG34 7HA	-	100.00	79.96	GI
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 Nederland BV	Netherlands	Van der Haveweg 2 4411 RB Rilland	-	100.00	79.96	GI
Limagrain Bulgaria Eood	Bulgaria	5-7 Lubotran Str. F15, ap 20 1407 Sofia	-	100.00	79.95	GI
Limagrain Central Europe Cereals S.r.o.	Czech Republic	Sazecska 8 108 25 Prague 10 Malesice	-	100.00	79.95	GI
Limagrain Ceska Republika S.r.o.	Czech Republic	Pardubska 1197 CZ 763 12 Vizovice	-	100.00	79.95	GI
Limagrain d.o.o	Serbia	Bulevar Oslobođenja 127 Novia Sad (21000)	-	100.00	79.95	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 Magyarorszag Kft	Hungary	Gyar Ut.2, PF 325 Budaörs H 2040	-	100.00	79.95	GI
Limagrain Moldova Srl	Moldava	Bd. Stefan Cel Mare 162 Chisinau 2004	-	100.00	79.95	GI
Limagrain GmbH	Germany	2 Am Griewenkamp - Edemissen - D 31234	-	100.00	79.96	GI
Limagrain Polska	Poland	Zo.o ul Lindigo 6 - Poznan PL 60-573	-	100.00	79.95	GI
Limagrain Romania	Romania	Soseaua Bucuresti - Ploiesti KM15.2 Orasul Otopeni - Judetul Ilfov 8244	-	97.14	77.67	GI
Limagrain Slovensko S.r.o.	Slovakia	M. Razusa 29, Lucenec SK - 984-01	-	100.00	79.95	GI
Limagrain Tohum Islah ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 Kozyatagi-Erenkoy Istanbul 34742	-	67.00	53.57	GI
Nickerson Advanta Limited	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire	-	100.00	79.96	GI
Nickerson Sugar Beet Seed Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire	-	100.00	79.96	GI
Sharpes Seeds Ltd	United Kingdom	Market Rasen - LN7 6DT Rothwell Lincolnshire	-	100.00	79.96	GI
1.2 - North American market						
Limagrain Genetics Inc	Canada	Centre CDP Capital-1001 Victoria Square Bloc E – 8 th Floor-Montreal (H2Z 2B7)	-	100.00	100.00	GI
Advanta Pacific LLC	United States	2718 Centerville Road-Suite 400 Wilmington (19808) Delaware	-	100.00	100.00	GI
AgReliant Genetics Llc	United States	1122 E 169 th Street Westfield, IN 46074	-	50.00	50.00	PI
AgReliant Genetics Inc	Canada	Concession n° 4 - Dover Township Pain Court - Ontario NOP IZO	-	50.00	50.00	PI
Soygenetics Llc	United States	PO Box 349 - Battle Ground, IN 47920	-	33.33	37.00	EM
Vilmorin USA Corp.	United States	2711 Centerville Road, Suite 400 Wilmington (19808) Delaware	-	100.00	100.00	GI

Name	Country	Head Office	French registration	% Voting rights	% Interest	Consolidation method
2 - Vegetable seeds activity						
2.1 - Professional market						
Clause	France	Rue Louis Saillant Portes-les-Valences (26800)	435 480 546	99.97	99.97	GI
Vilmorin SA	France	Route du Manoir - La Ménitrie (49250)	562 050 864	99.95	99.95	GI
Alliance Semillas de Chile	Chile	Casa Matriz - Hendaya 27 - Oficina 201 Las Condas Santiago	-	51.00	51.00	GI
Alliance Semillas	Argentina	Cochrane 2848 CP 1419 Capital Federal Buenos Aires	-	100.00	100.00	GI
Asamia Cold Storage Ltd	Israel	DN Shikmim - Brurim	-	100.00	100.00	GI
Biotech Mah Management	Israel	DN Shikmim - Brurim	-	50.00	50.00	PI
Clause Tezier Australia	Australia	165, Templestowe Road Lower Templestowe 3107 Victoria	-	100.00	99.97	GI
Clause India	India	6-1-20/2, Walker Town 500025 New Bhoiguda - Secunderabad	-	100.00	99.97	GI
Clause Brasil	Brazil	Rua Miguel Penteado nº 138 Jardim Chapado CEP 13070118 - Campesinas SP	-	100.00	99.97	GI
Clause Spain SA	Spain	Paraje La Reserva s/n - Apdo Correos nº 17 La Mojonera Almeria (04745)	A-46 031 258	100.00	99.97	GI
Clause Italia SPA	Italy	Via Emilia 11 - Venaria Real (10078)	-	100.00	99.97	GI
Clause Maghreb	Algeria	Villa nº 192 Quartier Amara 2 Lotissement Alioua Fodhil - Chéraga	-	100.00	99.97	GI
Clause Pacific	Australia	165, Templestowe Road Lower Templestowe 3105 Bulleen Victoria	-	100.00	99.97	GI
Harris Moran Seeds	United States	555, Codoni avenue 95352 Modesto (Californie)	-	100.00	100.00	GI
Hazera Brazil	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo	-	100.00	100.00	GI
Hazera Canaria	Spain	Avenida Santa Cruz 182 San Isidro Granadilla 386110 Santa Cruz de Tenerife	-	100.00	100.00	GI
Hazera España	Spain	c/o Landwell, Paseo de la Castellana 53 Madrid	-	100.00	100.00	GI
Hazera Genetics Ltd	Israel	Brurim Farm MP - 79837 Shikmim	-	100.00	100.00	GI
Hazera Holding International BV	Israel	DN Shikmim - 79837 Brurim	-	100.00	100.00	GI
Hazera Mauritius 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 AS	Turkey	Genclik Mahallesi, Fevzi Cakmak Cad. 2 Mahmut Cil Apt. nº 75 D7Antalaya (07100)	-	99.99	99.99	GI
Hazera Agriculture Technology and Services (Beijing) Co	China	17 Jian Guo Men Wai St 28th Floor, Suite 210 Chao Yan District - BEIJING	-	100.00	100.00	GI
Ica Seeds Sac	Peru	Fundo la Viña S/N Caserio La Poruma - Ica	-	99.83	99.83	GI
Marco Polo Seed Nusantara	Indonesia	Ruko Bumi Prayadan - Permai Block B-6 Mertoyudan 56172 Magelang Jawa Tengah	-	100.00	100.00	GI
Marco Polo Seed Thailand	Thailand	11th Floor, Panjabhum Building 127 South Sathorn Road, Tungmahamek - 10120 Sathorn Bangkok	-	100.00	100.00	GI

Name	Country	Head Office	French registration	% Voting rights	% Interest	Consolidation method
Mikado Kyowa Seed	Japan	15-13 Nanpeidai-Shibuya-Ku 150-0036 Tokyo	-	69.27	60.45	GI
Nickerson Zwaan BV	Netherlands	Schanseind 27 BP28 - 4921 Pm Made	-	100.00	99.95	GI
Nickerson Zwaan GmbH	Germany	2 Am Griewenkamp - D31234 Edemissen	-	100.00	99.95	GI
Nickerson Zwaan India	India	312 Batarayanpura BB Road Opposite L&T Gate - 560 092 Bangalore	-	100.00	99.95	GI
Nickerson Zwaan Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT Rothwell	-	100.00	99.95	GI
Nickerson Zwaan Sp. zo.o	Poland	Ul. Gersona 8, (03307) Warszawa	-	100.00	99.95	GI
Nickerson Zwaan South Africa	South Africa	319 Pine Avenue, Ferndale Randburg (2125)	-	100.00	99.96	GI
Nickerson Zwaan Ilc	Ukraine	Professora Pidvysotstkogo Str.6-B, non residential premises 3,4,5 - (01013) Kiev	-	100.00	99.95	GI
Semillas Harris Moran Mexicana	Mexico	Blvd. V. Carranza 2378-A Mexicali, BV Mexico CP	-	100.00	100.00	GI
Top Green	France	ZA Les Pains - Les Alleuds Brissac Quince (49320)	432 004 679	33.33	33.33	EM
Vilmorin Anadolu Tohum Uretim Ve Pazarlama AS	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 - Pendik Istanbul (34903)	-	100.00	99.95	GI
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 - (03006) Alicante	-	99.90	99.85	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 do Brasil Comércio de Sementes Ltda	Brazil	Rua Maria Monteiro, 830 Campinas, Estado de Sao Paulo 2nd andar, sala 21 (13025-151) Cambui 151 Campinas/SP	-	100.00	99.95	GI
2.2 – Home garden market						
Oxadis	France	65, rue de Luzais - BP 37 St Quentin Fallavier (38291)	959 503 111	99.99	99.99	GI
Van Den Berg C.H.	Netherlands	Nijverheidsweg 1& 8A - Po Box 4 (1693) Am Wervershoof	-	100.00	99.99	GI
Cnos Garden Sp. zo.o	Poland	Ul Kopanina 28/32 - 60 951 Poznan	-	51.00	50.99	GI
Flora Geissler	Switzerland	Müliwisstrasse 212 - (5467) Fisibach	-	100.00	99.99	GI
Suttons Seeds 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



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.

Deep-freezing:

Process by which perishable goods can be frozen quickly to a very low temperature.

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.

Lyophilization:

Freeze-drying (between - 40°C and - 80°C). The material is rapidly frozen and dehydrated under high vacuum. Technology used to preserve the most fragile compounds.

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).

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.

ROCE:

Return On Capital Employed. Calculated as profit before interest and tax divided by the difference between total assets and current liabilities. The resulting ratio represents the efficiency with which capital is being utilized to generate revenue.

Sales from proprietary varieties:

Sales made on varieties coming out of the research programs of Vilmorin.

Seed multiplication farmer:

Farmer specialized in large-scale multiplication or production of seed, with a view to selling the seed.

Stacking:

The process of introducing several traits (not necessarily GM) into one plant or plant type by either selective (human) or natural breeding methods.

Substrate:

Mixture (soil, sand, compost, etc.) A surface on which an organism can be sown.

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 descendants.

Sources:

International Seed Federation

> www.worldseed.org/en-us/international_seed/company_directory.html?search=1&query=FAQ

Food and Agriculture Organization of the United Nations

> www.fao.org/waicent/portal/glossary_en.asp

> www.agriculturelaw.com/links/dictionary.htm

> www.freesearch.co.uk/dictionary/

> www.lexicon-biology.com

> www.biochem.northwestern.edu/holmgren/Glossary/

> www.investorwords.com

Internal. Vilmorin

Vilmorin & Cie
B.P.1 - 63720 CHAPPES (France)
Tél. +33 (0)4 73 63 41 95
Fax +33 (0)4 73 63 41 80
www.vilmorin.info