



# ANNUAL REPORT 2014-2015

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# VILMORIN & CIE IN BRIEF



# I PROFILE

Vilmorin & Cie develops vegetable and field seeds with high added value to better meet global food requirements.

Accompanied by its reference shareholder, Limagrain, an international agricultural cooperative group, Vilmorin & Cie is currently the fourth largest seed company in the world.

True to its vision of sustainable development, Vilmorin & Cie relies on ongoing investments in research and international growth to strengthen its market shares on international markets that continue to expand.



# WORLD LEADERSHIP IN SEEDS

## 4<sup>TH</sup> LARGEST SEED COMPANY IN THE WORLD

Sales 2014-2015

**1,531**  
million Euros <sup>(1)</sup>

Net income 2014-2015

**75.9**  
million Euros  
with a group share of 72.9 million Euros

More than

**6,700**  
permanent staff <sup>(1)</sup>  
throughout the world

No. **2** WORLDWIDE  
FOR VEGETABLE  
SEEDS



### VEGETABLES SEEDS

#### ■ MORE THAN 30 CROPS

More than thirty crops, and in particular those that are most widely consumed throughout the world: tomato, onion, pepper, carrot, melon, bean, etc.

#### ■ FOR PROFESSIONALS WORKING IN VEGETABLE PRODUCTION

Market gardeners who produce vegetables for fresh markets, and indirectly, processors specialized in canning and deep-freezing.

No. **1** IN EUROPE  
FOR WHEAT  
SEEDS

No. **3** IN NORTH AMERICA  
FOR CORN  
SEEDS

No. **4** IN EUROPE  
FOR CORN  
SEEDS



### FIELD SEEDS

#### ■ 2 WORLD STRATEGIC CROPS: CORN AND WHEAT

Supplemented by regional crops: rapeseed and sunflower in particular.

#### ■ FOR FARMERS

Mainly on European, American, Asian and more recently African markets.

(1) If AgReliant (North America. Field seeds), in particular, is included.

After application of the IFRS 11 standard as of fiscal year 2014-2015, certain companies are consolidated using the equity method, whereas previously they were consolidated using the proportional integration method.

# A STRATEGY FOR GROWTH...

## A permanent quest for innovation

Innovation is at the heart of Vilmorin & Cie's strategic vision. Its role is to ensure growth for the future through the development of more efficient seeds (yield, disease resistance, drought tolerance, nutritional qualities, etc.).

**18.9%**

**of sales**  
invested in research

**280**

**million Euros**  
investment in research, including funding  
through partnerships

More than

**100**

**research centers**  
in the world

Almost

**300**

**new seed varieties**  
launched

Fiscal year 2014-2015



## A targeted policy of external growth and partnerships

Vilmorin & Cie has adopted a policy of targeted acquisitions. These operations enable the group to acquire new genetic resources, and to penetrate and cover zones with strong potential, while providing a better risk spread.

## Continued development of international business

The internationalization of Vilmorin & Cie's business drives its development, on what is now a global seed market.

Vilmorin & Cie is pursuing its development plan, both on vegetable seed and field seed markets, in zones with growth and with high potential: in particular the United States, Brazil, Asia and Africa.

**39%**

**of sales**  
**for 2014-2015**  
made outside Europe

Presence in

**42**

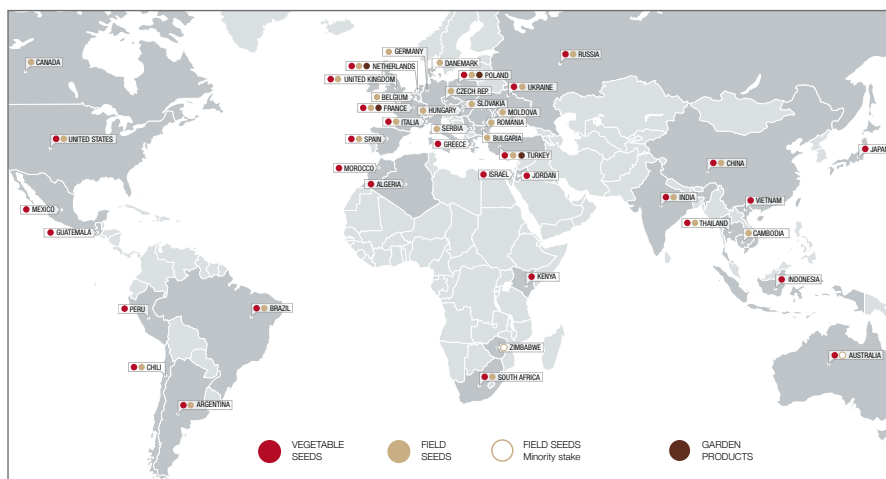
**countries**

**44%**

**of employees**  
based outside Europe

**58**

**nationalities**  
represented among  
the employees





# ... BASED ON A SPECIFIC DEVELOPMENT MODEL

## A unique approach to seed production

Actively engaged throughout the full value chain, from research to distribution, Vilmorin & Cie controls all the stages in the seed business, proposing high quality seeds, perfectly adapted to each of its target markets.



## Decentralized organization close to markets

Structured around two major activities, Vilmorin & Cie's operational organization is supported by 11 Business Units. This set-up is without doubt specific to Vilmorin & Cie. It guarantees close proximity to its customers, providing excellent market knowledge and a strong capacity to anticipate and respond.

## A long-term vision of its development

The long-term is central to a seed company, which has to organize its work over long periods, since on average it takes between 7 and 10 years to create a new variety.

Vilmorin & Cie's long-term vision is strengthened by the consistent accompaniment of its reference shareholder, Limagrain, an international agricultural cooperative group, whose culture and governance model encourage lasting strategic choices.

## Strong founding values

Progress, perseverance and cooperation: the values of Vilmorin & Cie, exactly the same as Limagrain, are related to its historical expertise in plant improvement since 1743 and its anchorage in the world of agriculture.



# THE MAJOR PHASES OF DEVELOPMENT

## 1993

Introduction of  
Vilmorin & Cie  
to the Paris  
stock market

### DEVELOPMENT IN VEGETABLE SEEDS

## 2007

Integration of  
Limagrain Field seeds  
(Europe and North America)

1992-1993

Sales

**171**  
million Euros

Net income

**6.5**  
million Euros

Almost

**1,400**  
headcount

2006-2007

Sales

**939**  
millions Euros

Net income

**57.3**  
million Euros

Almost

**4,400**  
headcount

#### RESEARCH PARTNERSHIP

**2000** **Keygene**  
(Netherlands),  
experts in genomics  
applied to vegetable  
plants

#### MAIN OPERATIONS

##### VEGETABLE SEEDS

**1996** **Clause**  
(France)  
**Harris Moran**  
(United States)  
**1998** **Nickerson Zwaan**  
(Netherlands)  
**2000** **Kyowa**  
(Japan)  
**2003** **Hazera Genetics**  
(Israel)  
**2006** **Mikado**  
(Japan)



**ACCELERATION  
OF DEVELOPMENT  
AND INTERNATIONALIZATION**



**4<sup>th</sup>** largest seed company  
in the world

2014-2015

Sales

**1,531<sup>(1)</sup>**  
million Euros

Net income

**75.9**  
million Euros

More than

**6,700**  
headcount<sup>(1)</sup>

**RESEARCH PARTNERSHIP**

- 2008** Australian Grain Technologies (Australia)
- 2010** Arcadia Biosciences (United States)
- 2011** Genective (France)

(1) If AgReliant (North America. Field seeds), in particular, is included

**MAIN OPERATIONS**

**VEGETABLE SEEDS**

- 2010** Mesa Maize (United States)
- 2010** Su Tarim (Turkey)
- 2012** Campbells' Seeds (United States)
- 2012** Century Seeds (India)
- 2013** Shamrock (United States)
- 2015** Tropdicorp (Vietnam)

**FIELD SEEDS**

- 2011** Brasmilho and Sementes Guerra (Brazil)
- 2013** Bisco Bio Sciences (India)
- 2013** Link Seed (South Africa)
- 2014** Seed Co (Zimbabwe) (minority stake)
- 2014** Seed Asia (Thailand)



## VILMORIN & CIE STRENGTHENS ITS POSITIONS, IN AN UNFAVORABLE CONTEXT AFFECTING ITS FINANCIAL PERFORMANCES

Dear Shareholders,

At the end of fiscal year 2014-2015, Vilmorin & Cie posted global sales of 1.5 billion Euros <sup>(1)</sup>. The slight increase in business achieved over the course of this fiscal year is the aggregate of two very different performances in the two strategic activities:

- The Vegetable seeds activity once more successfully concluded a year of very strong growth, driven by product innovation and strengthened by its proximity to the markets. This performance again underlines the pertinence of Vilmorin & Cie's organization model of Business Units and its approach to the vegetable seeds markets.
- As for the Field seeds activity, in fiscal year 2014-2015 it evolved in an unfavorable market environment. There was a fall in cultivated acreage for corn, a drop in the prices of agricultural raw materials, and the crisis in Ukraine and in Russia: several factors that combined to strongly disturb the markets and increase their volatility.


In such a context, Vilmorin & Cie, which ended a difficult year with sales down, nevertheless managed globally to consolidate its commercial positions.

Consequently, the total net income fell back significantly, and stood at 76 million Euros. Beyond these temporary disturbances, Vilmorin & Cie resolutely pursued the implementation of its strategic orientations, strengthening its investment in research at a reasoned pace, and accentuating the internationalization of its activities.

■ In vegetable seeds, Vilmorin & Cie continued to win market shares, reinforcing its world leadership. Moreover, the acquisition of Tropdicorp meant the company entered a 42<sup>nd</sup> country – Vietnam – and significantly strengthened its presence in Asia.

■ With regard to field seeds, Vilmorin & Cie is now present on all the major world corn markets, thus reaching

(1) Integrating 50% of AgReliant's sales (North America. Field seeds). Sales disclosed for 2014-2015 stood at 1,269 million Euros.



Vilmorin & Cie is pursuing the deployment of its development and innovation strategy with determination, and in a long-term vision. »

its first objective in its development plan launched in 2010. Besides finalizing its joint venture agreement with Anhui Hengji Seeds in China, Vilmorin & Cie furthered its investment in transgenic corn through Genective, convinced of the need to have its own GMO traits in the years to come.

■ In wheat seeds, a crop for which Vilmorin & Cie aspires ultimately to become the world reference, it extended its international network through the creation of a joint venture in research, and the purchase of a stake in Canterra Seeds in Canada.

It is such ambitions that will continue to guide Vilmorin & Cie towards further growth in its business, higher than market trends, while increasing its operating margins, both in Vegetable seeds and Field seeds.

Vilmorin & Cie will therefore pursue, with determination, and on highly promising markets, the deployment of its development and innovation strategy, in a long-term vision.

Its implementation relies more than ever on the expertise and commitment of its teams, the unwavering support of Limagrain, its reference shareholder, and on the accompaniment of its Shareholders and their long-term commitment. To thank them for their loyalty, at the beginning of 2015, Vilmorin & Cie allotted free shares and is proposing a dividend that corresponds to a continual increase in the distribution rate.

**Your Board of Directors**







# **ANNUAL REPORT**

## **2014-2015**





HYBRID CORN LG 30.600 IS PARTICULARLY WELL ADAPTED TO THE CONDITIONS OF THE MEDITERRANEAN BASIN.

# PRESENTATION OF VILMORIN & CIE

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# 1.1. AN OVERVIEW OF VILMORIN & CIE

Vilmorin & Cie develops vegetable and field seeds with high added value to better meet global food requirements.

Accompanied by its reference shareholder, Limagrain, an international agricultural cooperative group, Vilmorin & Cie is currently the fourth largest seed company in the world.

True to its vision of sustainable development, Vilmorin & Cie relies on ongoing investments in research and international growth to strengthen its market shares on markets that continue to expand.

Vilmorin & Cie focuses its development on a specific economic model, with three major advantages: a single core business of seed, a long-term vision of its development and an ambitious strategy to conquer market shares, combining a permanent drive for innovation, a policy of targeted, external growth and rising internationalization.

## VEGETABLE SEEDS

### Mainly food

#### MARKET CHARACTERISTICS

- A global market with high value, estimated to be worth 5.9 billion dollars in 2014.
- Highly segmented in terms of products and production methods.

**OBJECTIVE**  
**REINFORCE**  
**WORLD**  
**LEADERSHIP**

**No. 2**  
**WORLDWIDE**

### ACTIVITIES

- More than thirty crops, and in particular those that are most widely consumed throughout the world (tomato, onion, pepper, carrot, melon, bean, etc.).
- For professionals working in vegetable production: market gardeners and processors specialized in canning and deep-freezing.

### STRATEGY

- Combine organic and external growth:
  - Maintain organic growth higher than that of the markets, through the virtuous circle of innovation combined with proximity to its markets.
  - Strengthen positions by targeted external growth operations.



## CORN SEEDS

### Mainly animal feed

#### MARKET CHARACTERISTICS

- Largest world seed market in value: a market estimated to be worth nearly 17 billion dollars in 2014.
  - 30% of world corn acreage is cultivated using genetically modified seeds.
- (Sources: Phillips Mc Dougall 2015, ISAAA 2015).

OBJECTIVE  
BECOME  
A GLOBAL  
PLAYER

No. 3  
IN NORTH  
AMERICA<sup>(1)</sup>  
&  
No. 4  
IN EUROPE

#### ACTIVITIES

- A line-up of corn seeds for grain and forage, the latter being specific to Europe.
- For farmers, mainly on European, American, Asian and, more recently, African markets.

#### STRATEGY

- Become a major player on the grain corn market in Europe.
- Internationalize business beyond positions in Europe and North America.
- Pursue innovation and distribute proprietary genetically modified varieties.

## WHEAT SEEDS

### Mainly food

#### MARKET CHARACTERISTICS

- Most widely grown crop in the world in terms of acreage.
- Wheat is the staple food for a third of the world's population.
- A technically inefficient market with low value, dominated by farm seeds.

OBJECTIVE  
ULTIMATELY  
BECOME THE  
WORLD REFERENCE

No. 1  
IN EUROPE

#### ACTIVITIES

- A full line-up of wheat seed varieties (bread wheat, durum wheat, etc.).
- For farmers, mainly in Europe, but also in North America and Australia.

#### STRATEGY

- Contribute to converting the market to high yield seeds.
- Consolidate the position of No. 1 in Europe.
- Progressively go beyond new frontiers and develop solid international partnerships.

(1) Through AgReliant.

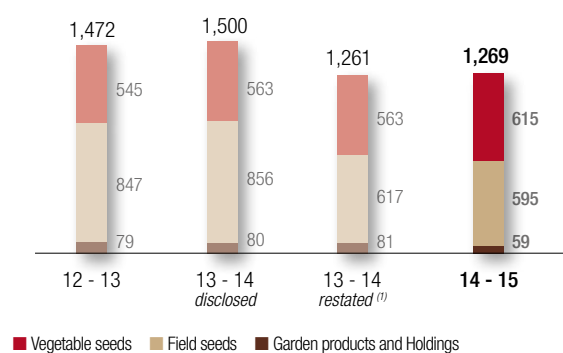
# 1.2. KEY FIGURES

## 1.2.1. MAIN INDICATORS DEVELOPED

### CONSTANTLY PROGRESSING ACTIVITY

#### EVOLUTION OF SALES

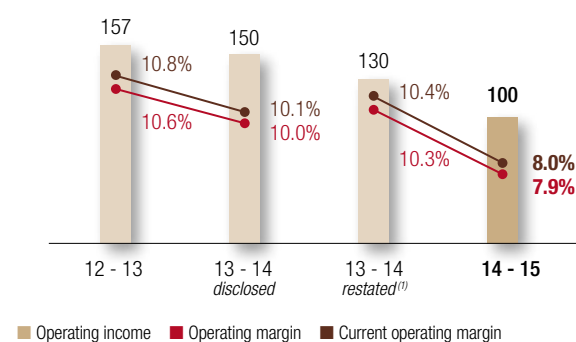
(in million of Euros)  
(Revenue from ordinary activities)



### OPERATING MARGIN IN PART DEVOTED TO INTENSIFYING INVESTMENT IN RESEARCH

#### EVOLUTION OF THE OPERATING INCOME AND THE OPERATING MARGIN

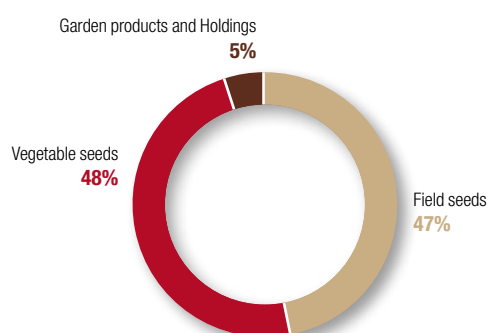
(in million of Euros and as a % of sales)



### TWO STRATEGIC ACTIVITIES

#### BREAKDOWN OF SALES IN 2014-2015 ACCORDING TO DIVISION

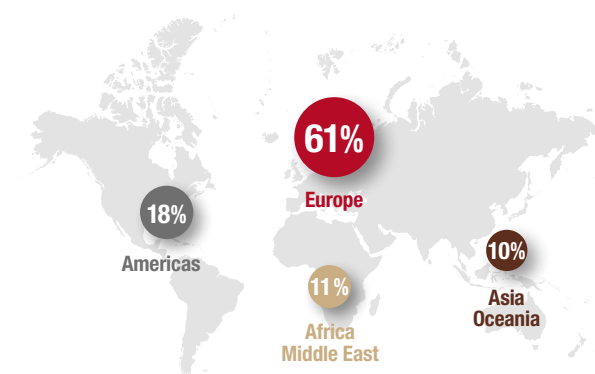
(as a %)



### STRONG INTERNATIONAL BUSINESS

#### GEOGRAPHICAL ANALYSIS OF SALES IN 2014-2015

(as a %)

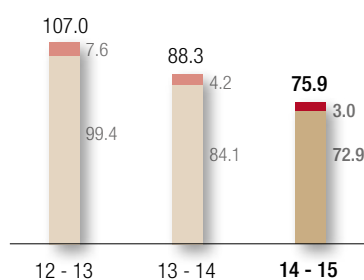


(1) Restated for the impacts of the first application of IFRS 11.

## NET INCOME AFFECTED BY AN UNFAVORABLE CONTEXT FOR FIELD SEEDS

### EVOLUTION OF NET INCOME

(in million of Euros)

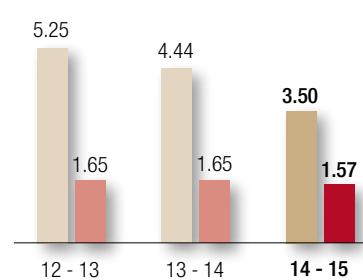


■ Minority interests' share of income ■ Group share of net income

## A CONSISTENT, ATTRACTIVE POLICY OF DISTRIBUTING PROFITS

### EVOLUTION OF THE EARNING PER SHARE GROUP (EPS) AND DIVIDEND PER SHARE<sup>(2)</sup>

(in Euros)

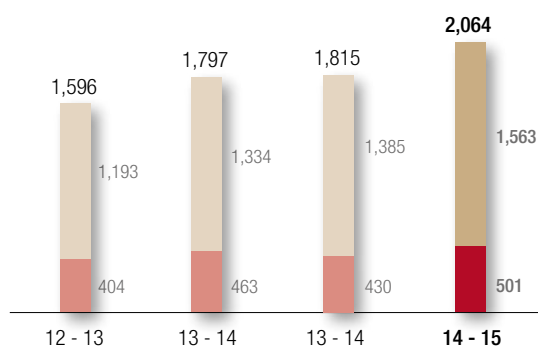


■ EPS ■ Dividend per share

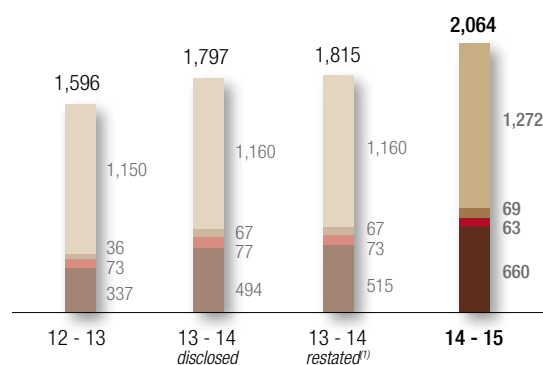
## A STABLE, SOLID FINANCIAL STRUCTURE

### BALANCE SHEET STRUCTURE ON JUNE 30<sup>TH</sup>

(in million of Euros)



■ Net fixed assets ■ Net working capital needs



■ Equity ■ Provisions ■ Net deferred taxes ■ Net indebtedness

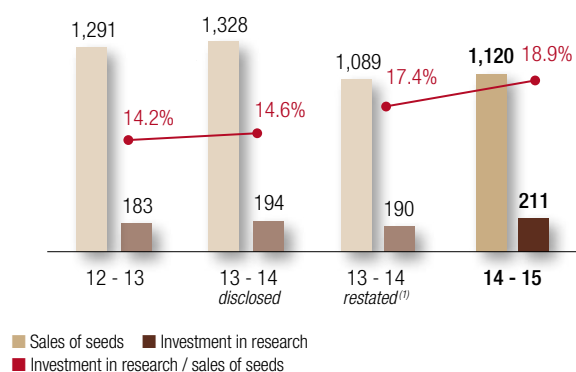
(1) Restated for the impacts of the first application of IFRS 11.

(2) Data not restated for the allotment of free shares of January 2013 and January 2015.

## SUSTAINED INVESTMENT IN RESEARCH, SECURING FUTURE GROWTH

### EVOLUTION OF INVESTMENT IN RESEARCH

(in million of Euros)

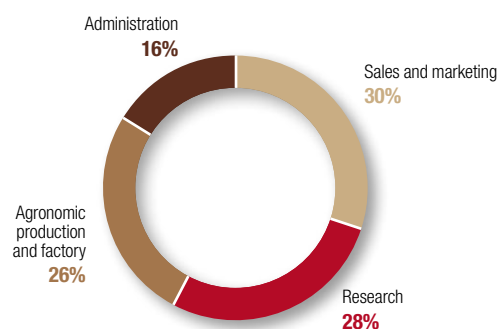


## SALES / MARKETING AND RESEARCH BOTH STRONGLY REPRESENTED IN THE HEADCOUNTS

### BREAKDOWN OF PERMANENT STAFF IN 2014-2015

ACCORDING TO FUNCTION

(as a %)

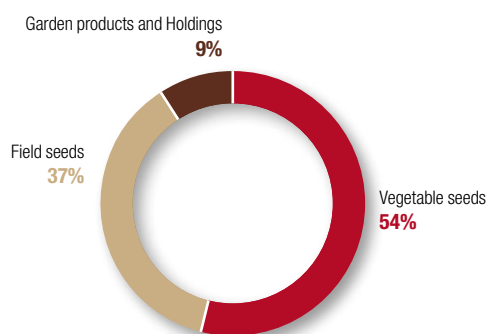


## EMPLOYEES SPREAD OUT ALL OVER THE WORLD

### BREAKDOWN OF PERMANENT STAFF IN 2014-2015

ACCORDING TO DIVISION

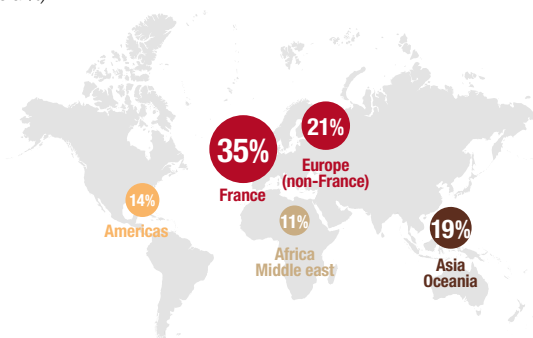
(as a %)



### GEOGRAPHICAL ANALYSIS OF PERMANENT STAFF

IN 2014-2015

(as a %)



(1) Restated for the impacts of the first application of IFRS 11.



## 1.2.2. KEY INDICATORS FOR EACH DIVISION

### VEGETABLE SEEDS

**No.2**

worldwide

**30**

countries with locations

**614.6**

million of Euros sales

contributed to consolidated sales (+6.3% like for like)

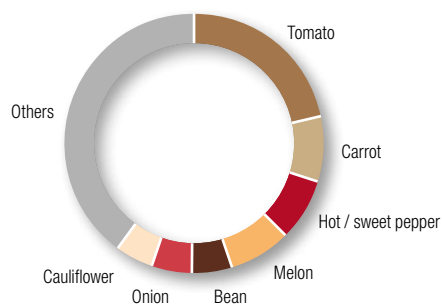
**3,403**

permanent staff

**90%**

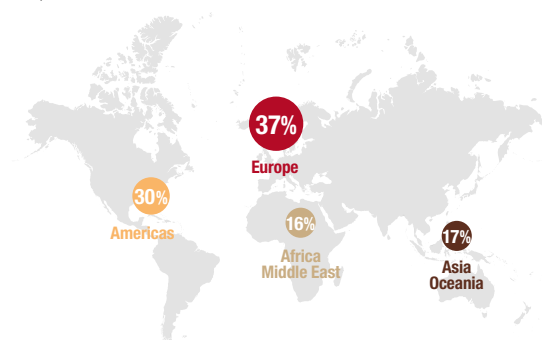
Sales from proprietary varieties\*

#### ANALYSIS OF SALES BY CROP



#### GEOGRAPHICAL ANALYSIS OF SALES

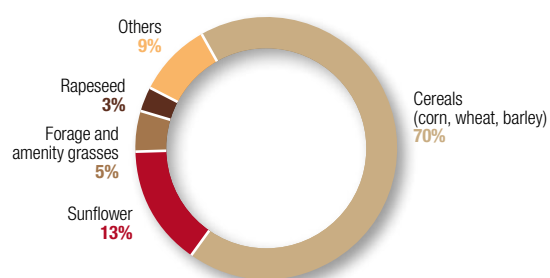
(as a %)



## FIELD SEEDS<sup>(1)</sup>

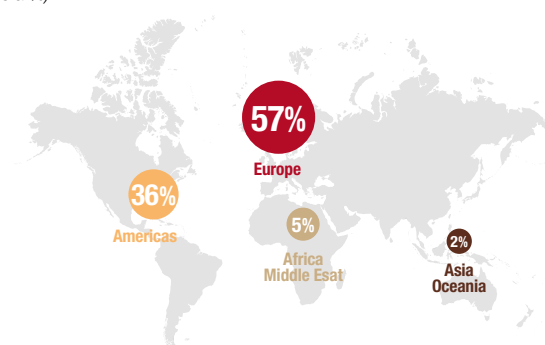
<b>No.1</b>	<b>in Europe</b> for wheat seeds	<b>856.5</b>	<b>million of Euros sales</b> contributed to consolidated sales (-3.2% like for like)
<b>No.3</b>	<b>in North America</b> for corn seeds	<b>60%</b>	<b>sales from proprietary varieties*</b>
<b>No.3</b>	<b>in Europe</b> for sunflower seeds	<b>29</b>	<b>countries with location</b>
<b>No.4</b>	<b>in Europe</b> for corn seeds	<b>2,792</b>	<b>permanent staff</b>

### ANALYSIS OF SALES BY CROP



### GEOGRAPHICAL ANALYSIS OF SALES

(as a %)



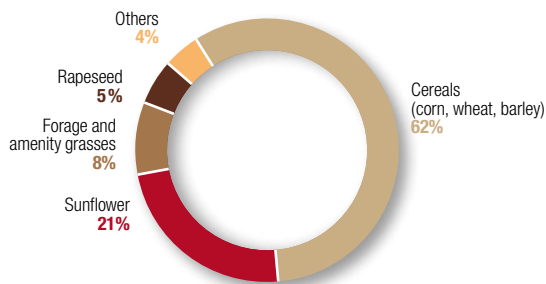
(1) If AgReliant (North America. Field seeds), in particular, is included.

After application of the IFRS 11 standard as of fiscal year 2014-2015, certain companies are consolidated using the equity method, whereas previously they were consolidated using the proportional integration method.

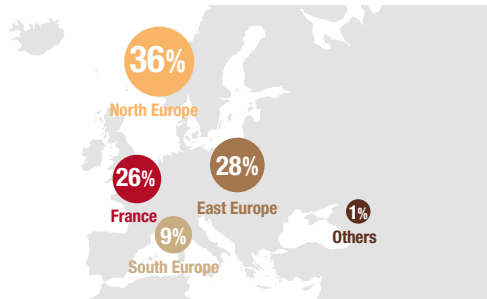
Field seeds in Europe



ANALYSIS OF SALES BY CROP  
(en %)



GEOGRAPHICAL ANALYSIS OF SALES  
(as a %)



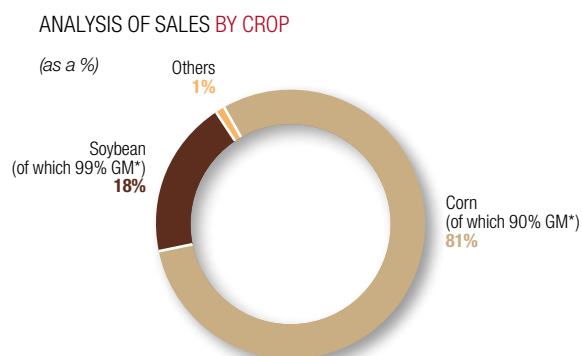
## Field seeds in North America

**522.4**

**million of Euros sales**  
contributed to consolidated sales (at 100%)  
(-3.9% like for like)

**914**

**permanent staff** (at 100%)



## Field seeds in new development zones

**54.8**

**million of Euros sales**  
contributed to consolidated sales  
(+4.3% like for like)

**8**

**countries with locations**

**744**

**permanent staff**

## GARDEN PRODUCTS AND HOLDINGS

**59.5**

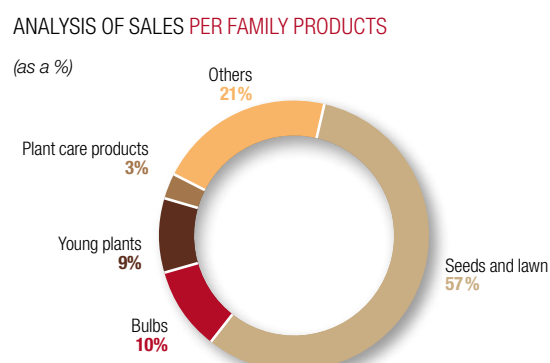
**million of Euros sales**  
contributed to consolidated sales (-6.0% like for like)

**4**

**countries with locations**

**548**

**permanent staff**





# 1.3. HISTORY AND EVOLUTION OF THE COMPANY

## A history of solid development

### 1.3.1. HISTORICAL EXPERTISE IN PLANT IMPROVEMENT

Vilmorin & Cie has been built on the foundations of 270 years of prestigious history. In 1743, Philippe Victoire de Vilmorin and Pierre d'Andrieux joined forces to create the boutique "*d'Andrieux et Vilmorin*", on the Quai de la Mégisserie in Paris. Following in the tracks of these two talented botanists, subsequent generations made major discoveries and decisive technical progress in plant improvement. Strengthened by this exceptional heritage, Vilmorin & Cie today benefits from an incomparable wide and diversified expertise and genetic heritage, a true reference in the seeds sector.

### 1.3.2. CLOSE PROXIMITY WITH THE WORLD OF AGRICULTURE

Through its reference shareholder Limagrain, Vilmorin & Cie benefits from close proximity with the world of agriculture. Indeed, Limagrain is a cooperative created and run by French farmers, with around 2,000 members today in Auvergne (France). Limagrain's mission is entirely devoted to progress in agriculture. This knowledge of farmers and different forms of agriculture throughout the world represents a solid and original performance lever for Vilmorin & Cie.

### 1.3.3. KEY STAGES IN DEVELOPMENT

#### 1993: VILMORIN & CIE'S INTRODUCTION TO THE PARIS STOCK MARKET

Initially structured around field seeds since its creation in 1942, Limagrain progressively built up a second business pillar in vegetable seeds through successive purchases: Vilmorin in 1975, Tézier in 1979, Ferry-Morse in 1981, and Flora Frey in 1990. In 1989, Oxadis was created to distribute all the brands on the French home garden and thus capitalize on this wave of acquisitions.

In June 1993, Vilmorin & Cie, which held all Limagrain's Vegetable seeds and Garden products businesses, entered the Paris stock market with the ambition of reaching world leadership for its businesses.

#### 2006-2007: INTEGRATION OF LIMAGRAIN'S FIELD SEEDS BUSINESS IN THE SCOPE OF VILMORIN & CIE

From 1993 to 2006, the Vegetable seeds division pursued its development, with the purchase in 1996 of Clause in France and Harris Moran in the United States, then Nickerson Zwaan (Netherlands) in 1998 and Hazera Genetics (Israel) in 2003. Vilmorin & Cie also strengthened its investments in research by becoming a shareholder in the Dutch biotechnology\* company KeyGene in 2000.

Vilmorin & Cie wanted to pursue its expansion and consolidate its financial performances achieved since its introduction to the Paris stock market. With the support of Limagrain, its reference shareholder, in 2006, Vilmorin & Cie added the field seeds business of Limagrain to its scope.

At the time, the field seeds business was first and foremost European (with the integration of the straw cereals businesses of Nickerson, along with the acquisition of Advanta Europe in 2005) and American (AgReliant, the joint venture with the German seed company KWS, was created in 2000).

This enlarged scope allowed Vilmorin & Cie to intensify its upstream research resources, to build from a new critical mass in order to facilitate international external growth and develop new research partnerships, to set up new relays for growth and to spread risks better.

#### SINCE 2007, ACCELERATION OF DEVELOPMENT AND INTERNATIONALIZATION

Internationalization of the Vegetable seeds division continued with the creation of a seeds Business Unit in Japan in 2007 (Mikado Kyowa Seed), acquisitions in the United States (Mesa Maize in 2010, Campbell's Seeds in 2012, Shamrock in 2013), in Turkey (Su Tarim in 2010) in India (Century Seeds in 2012) and in Vietnam (Tropdicorp in 2015).

At the same time, and with a world-scale ambition in corn and wheat, the Field seeds business achieved fast growth, and Vilmorin & Cie progressively set up business in all parts of the world. In 2010, Limagrain Cereal Seeds was founded in the United States for the purpose of international-scale development of wheat. In South America, business developed as of 2011, with the acquisitions of Sementes Guerra and Brasmilho in Brazil. With the acquisition of Link Seed (South Africa) in 2013, and the purchase of a stake in Seed Co, the top African seed company, a solid base

has been established in Africa. In Asia, activities are structured around three business clusters: an Indian cluster after the integration of Bisco Bio Sciences in 2013, a Chinese cluster and a South East Asia cluster with the purchase of Seed Asia in 2014.

Maintaining a high research budget, to which between 13% and 15% of its sales of seeds are devoted, Vilmorin & Cie signed a

strategic wheat partnership with AGT in Australia in 2008, and set up a further agreement with its partner KWS to create Genective, a company to develop GM\* traits\* for corn. Its ambition has been clearly defined: to join the few world players who provide these technologies.

Year	Company Name	Country	Nature of the operation	Division
1743	Fondation of Vilmorin Andrieux			
1975	Vilmorin joins Limagrain			
1993	Introduction of Vilmorin & Cie to the Paris stock market			
1994	Suttons	United Kingdom	Acquisition	Garden products
1996	Clause	France	Acquisition	Vegetable seeds
	Harris Moran	United States	Acquisition	Vegetable seeds
1998	Nickerson Zwaan	Netherlands	Acquisition	Vegetable seeds
2000	Kyowa	Japan	Acquisition	Vegetable seeds
	Keygene	Netherlands	Research partnership and minority stake	Vegetable seeds
2003	Hazera Genetics	Israel	Acquisition	Vegetable seeds
2006	Mikado	Japan	Acquisition	Vegetable seeds
	Activités grandes cultures de Limagrain	Europe and North America	Acquisition	Field seeds
2008	Global Genetics	United States	Isolated assets	Vegetable seeds
	Australian Grain Technologies	Australia	Research partnership and minority stake	Field seeds
2009	LSL Plant Science-LSL Biotechnologies	Mexico	Isolated assets	Vegetable seeds
	Genefresh	United States	Isolated assets	Vegetable seeds
	K&B Development	United States	Isolated assets	Vegetable seeds
	Gentropic	Guatemala	Isolated assets	Vegetable seeds
	Dahlco	United States	Acquisition	Field seeds
2010	Su Tarim	Turkey	Acquisition	Vegetable seeds
	Trinity Growers	United Kingdom	Acquisition	Vegetable seeds
	Mesa Maize	United States	Acquisition	Vegetable seeds
	Trio Research	United States	Acquisition	Field seeds
	Arcadia Biosciences	United States	Research partnership and minority stake	Field seeds
	BSF Ag Research	United States	Specific assets	Field seeds
	Genesis Seed Research	United States	Specific assets	Field seeds
	Trigen	United States	Specific assets	Field seeds
	Clovis Matton	Belgium	Acquisition	Field seeds

Year	Company name	Country	Nature of the operation	Division
2011	Genective	France	Research partnership	Field seeds
	Sementes Guerra	Brazil	Specific assets	Field seeds
	Brasmilho	Brazil	Specific assets	Field seeds
2012	Campbells' Seeds	United States	Isolated assets	Vegetable seeds
	Century Seeds	India	Acquisition	Vegetable seeds
	Eurodur	France	Acquisition	Field seeds
	Boreal Plant Breeding	Finland	Minority stake and research partnership	Field seeds
	Genetica Agricola	Brazil	Specific assets	Field seeds
2013	Link Seed	South Africa	Acquisition	Field seeds
	Bisco Bio Sciences	India	Acquisition	Field seeds
	Geneseed	Brazil	Specific assets	Field seeds
	KSP	Brazil	Specific assets	Field seeds
	CCGL	Brazil	Specific assets	Field seeds
	Shamrock	United States and Mexico	Acquisition	Vegetable seeds
	Eureka Seeds	United States	Acquisition	Field seeds
2014	Seed Co	Zimbabwe	Minority stake	Field seeds
	Green Land	Poland	Acquisition	Garden products
	Seed Asia	Thailand	Acquisition	Field seeds
2015	Tropdicorp	Vietnam	Acquisition	Vegetable seeds
	DNA	Brazil	Specific assets	Field seeds

# 1.4. ACTIVITIES

## Leading positions in core business

### 1.4.1. TWO STRATEGIC ACTIVITIES

Vilmorin & Cie is one of the world leaders in the seeds sector.

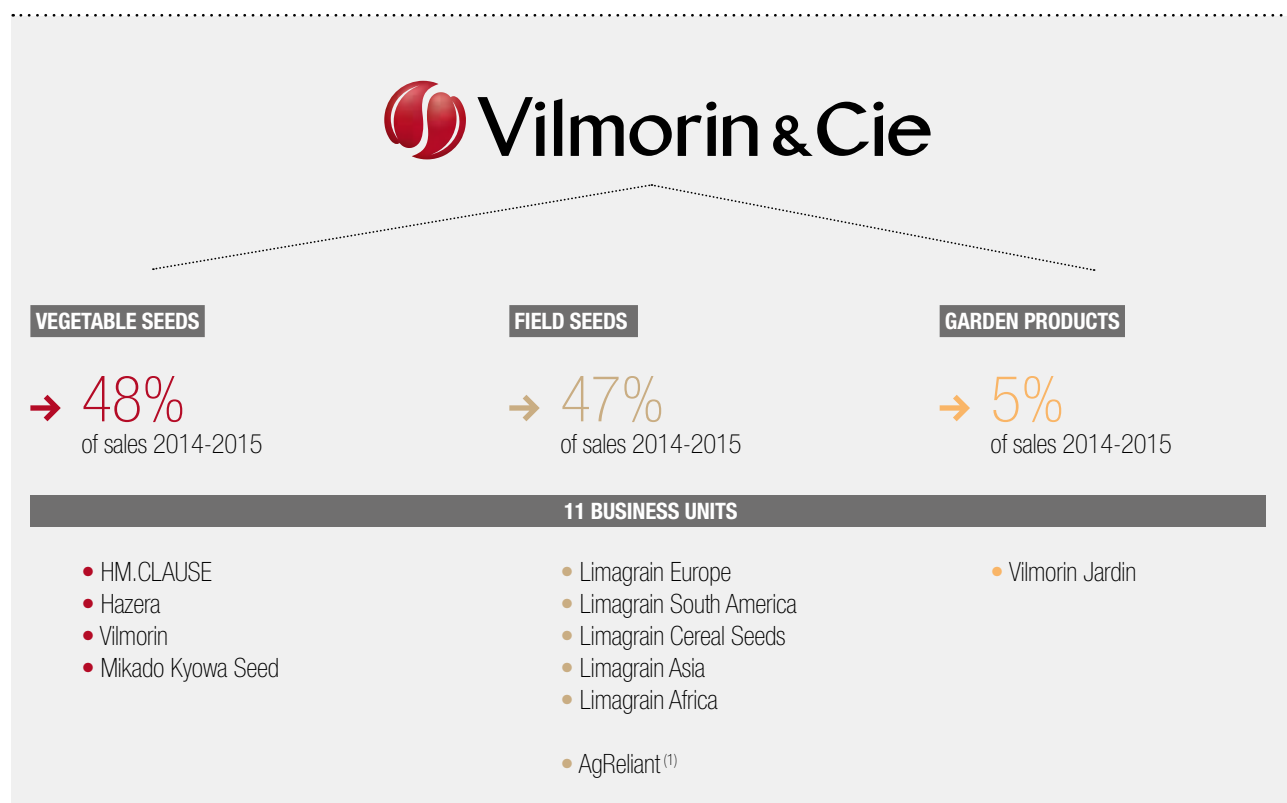
The company is focused on its single and historical business of seeds. It is structured around three business divisions, two of which represent its core business: Vegetable seeds and Field seeds, besides which there is a Garden products business, intended for the general public.

### 1.4.2. OPERATIONAL ORGANIZATION THAT IS VERY CLOSE TO MARKETS

Vilmorin & Cie has chosen to organize each of its business divisions into Business Units, in order to give priority to its markets. These 11 Business Units bear responsibility for an adapted development strategy, defined in accordance with species category and geographical zones, benefiting from dedicated organization.

This organization model is specific to Vilmorin & Cie. It guarantees close proximity to its customers, excellent knowledge of its markets and exemplary reactivity.

At the same time, corporate services such as scientific strategy, external growth policy and finance are all centralized.



(1) After application of the IFRS 11 standard as of fiscal year 2014-2015, certain companies, including AgReliant (North America. Field seeds) are consolidated using the equity method, whereas previously they were consolidated using the proportional integration method.

### 1.4.3. VEGETABLE SEEDS

No. 2 worldwide for vegetable seeds, Vilmorin & Cie creates, produces and sells novel seeds for professional vegetable production. Market gardeners who produce vegetables for fresh markets, and indirectly processors, specialists in canning and deep-freezing, make up its target customers.

Extremely diversified, Vilmorin & Cie's product line-up comprises about thirty different crops, and in particular those that are most widely consumed throughout the world: tomato, onion, cucumber, sweet and hot pepper, carrot, melon, watermelon, sweet corn, bean, cauliflower, lettuce, summer squash, etc. For some of these crops Vilmorin & Cie holds leading world positions: No. 1 in carrot, melon, cauliflower and summer squash, No. 2 in tomato and bean, No. 3 in sweet pepper.

#### 1.4.3.1. KEY ADVANTAGES: INNOVATION AND PROXIMITY TO MARKETS

##### A STRONG CAPACITY FOR INNOVATION

Vilmorin & Cie is positioned as a world leader in terms of market shares and innovation. Indeed, Vilmorin & Cie continuously innovates to develop seeds that meet the performance demands of vegetable growers and processors: increase in productivity, resistance to diseases and insects, perfect adaptation to growing and processing conditions, etc.

The varieties sold must also anticipate and meet consumer expectations (nutritional qualities, taste etc.), taking their cultural diversity into account, while optimizing added value for professional vegetable producers.

##### A DIVERSIFIED MARKET APPROACH

In order to cover highly segmented markets efficiently, the Vegetable seeds division is structured around four Business Units: three of them have a global vocation (HM.CLAUSE, Hazera and Vilmorin) whereas Mikado Kyowa Seed has a regional vocation dedicated to the Asian markets. Organized around international, multi-cultural teams, each of these Business Units is responsible for its operational management. The global strategy is defined by the management of the Vegetable seeds division, in terms of marketing and research in particular.

With their commercial organization specifically adapted to their zones of influence, the Business Units successfully combine their portfolio of products and brands, their sales forces and

their distribution networks. Encouraging a closer approach to markets, from research right through to sales, this organization covers a large number of highly profitable local and niche markets, with a better response to the needs of vegetable producers and consumers, and therefore contributes to developing market shares.

#### VEGETABLE SEEDS MAIN BRANDS



#### 1.4.3.2. PERFORMANCES 2014-2015: A NEW YEAR OF STRONG GROWTH

Sales for the year for the Vegetable seeds division reached 614.6 million Euros on June 30, 2015, an increase of 9.3% with current data in relation to the previous year. Restated on a like-for-like basis, this increase was 6.3%.

In a favorable market environment, Vilmorin & Cie thus achieved another fiscal year with sustained business growth and throughout the year 2014-2015, made remarkable progress.

All the Business Units performed well, with significant progression in key areas, the main achievement being in the Americas (United States, Mexico, Brazil, Argentina, etc.), and in major strategic crops: tomato, melon and bean, in particular.

Thanks to this progression, which is greater than global market growth, Vilmorin & Cie continues to win market shares, reinforcing its solid position as No. 2 worldwide for vegetable seeds.



### 1.4.3.3. HIGHLIGHTS IN 2014-2015

#### TARGETED OPERATIONS TO CONSOLIDATE COMPETITIVE POSITIONS

The acquisitions and implantations achieved in recent years in key countries (United States, Turkey, Algeria, Morocco, India, Russia, etc.) and strategic crops (tomato, pepper, onion, etc.) have proven to be wise, and now provide true growth opportunities.

For example, the acquisition, in September 2012, of Campbells' Seeds, a company specialized in tomato varieties intended for industrial markets, and based in the United States, has made it possible to strengthen and leverage the performance of its research programs for this segment. Important market shares have been won in the United States, Italy and Turkey, illustrating the successful integration of this company.

Over the course of fiscal year 2014-2015, Vilmorin & Cie has also continued its policy of targeted acquisitions, with the full take-over, in March 2015, of the company Tropicorp (Vietnam). A family company specialized in cucurbit seeds (gourds, pumpkins), Tropicorp is the only local breeding company with research and factory infrastructures operating in accordance with European standards.

With this expansion on the Vietnamese market, Vilmorin & Cie has significantly reinforced its presence in Southeast Asia, entering the most dynamic country in the region for the development of vegetable seeds.

#### ACCELERATING INNOVATION AND PROXIMITY TO MARKETS

In order to keep up growth in coming years, investments in research programs and tools have been intensified, while resources devoted to sales and marketing development have been scaled up as sales have increased.

■ The fiscal year was marked by ongoing investments in research facilities, for example on the HM.CLAUSE site in Saint-Rémy de Provence (France), while the Hazera research center in Brurim (Israel), was inaugurated during the fiscal year, and is fully operational.

These new cutting-edge research facilities contribute to reinforce Vilmorin & Cie's capacity for innovation.

■ At the same time Vilmorin & Cie continues to invest in its industrial plants: in February 2015 HM.CLAUSE inaugurated a new seed factory in Hyderabad (India); the HM.CLAUSE India quality control laboratory and head office have also been set up on this industrial site.

■ Furthermore, in order to extend its cover of target regions, Vilmorin & Cie opened a representation office in South Korea, to support the development of its business in Asia on a market with high potential, while its subsidiary of Mikado Kyowa Seed in China ended the fiscal year with a fine increase in business.

Similarly, the creation of a subsidiary in Russia in 2011-2012 has enabled Vilmorin & Cie to accelerate its growth on this key market.

#### OPTIMIZING HIGH ADDED VALUE SEED PRODUCTION

With the inauguration, in April 2015, of a production farm in Kenya, Vilmorin & Cie is developing its seed production capacities on its own sites. The first tomato seed harvests took place this year, in a country that benefits from a particularly favorable climate for seed production.

The objective is to optimize the procurement of high added value seeds, with the capacity to produce throughout the year, in order to ensure greater flexibility in inventory management.

### 1.4.3.4. COMPETITIVE POSITION

Today the top five operators represent almost half the world market for vegetable seeds. Within this highly concentrated competitive environment, Vilmorin & Cie is clearly positioned as No. 2 worldwide.

Companies	Countries	Sales Vegetable seeds (in million of Euros)
Monsanto	United States	742 <sup>(1)</sup>
<b>Vilmorin &amp; Cie</b>	<b>France</b>	<b>615<sup>(1)</sup></b>
Syngenta	Switzerland	603
Nunhems (Bayer Crop Science)	Germany	355
Rijk Zwaan	Netherlands	312

(1) Sales 2014-2015

Sources: internal estimates and company disclosures

## 1.4.4. FIELD SEEDS

No. 1 in Europe for wheat seeds, No. 3 in North America and No. 4 in Europe for corn seeds, Vilmorin & Cie creates, produces and sells field seeds for farmers.

Corn and wheat are the two strategic crops defined by Vilmorin & Cie worldwide. The company also works with more regional crops, such as sunflower and rape in Europe. Vilmorin & Cie's activities cover Europe, North America and, since 2010, new development zones: South America (mainly Brazil), Asia (India, China and Southeast Asia), and Africa.

In 2014-2015, in a context of tense markets, the Field seeds division posted sales of 595.3 million Euros, down by 3.3% on a like-for-like basis compared with fiscal year 2013-2014. But if the corn and soybean activities of North America, consolidated in AgReliant<sup>(1)</sup>, are included, sales came to 856.5 million Euros, an overall drop of 3.2% on a like-for-like basis compared with 2013-2014.

### 1.4.4.1. FIELD SEEDS IN EUROPE

The field seeds activities in Europe – cereals and oilseed crops – are grouped in a single Business Unit. Through distribution networks that vary according to the countries targeted and the crops sold, their customer target is farmers.

#### A KEY ADVANTAGE: OPTIMIZED COVER OF THE EUROPEAN MARKET

##### A product line segmented in relation to strategic interests

Vilmorin & Cie is active on the main European agricultural markets, with clearly defined positioning on the different crops. To optimize its research and marketing efforts, Vilmorin & Cie has segmented its crops into three main categories:

- strategic crops for which it holds strong competitive positions, particularly corn and wheat. Sunflower and oilseed rape are also among its main European crops,
- support crops which constitute commercial synergies as line complements when strategic crops are marketed. Research investment is limited and production is carried out by sub-contractors through partnerships such as that developed with DLF, the leader for the forage plant segment,

- other crops (amenity grasses, cotton, sugar beet, etc.), distributed according to market opportunities, complete the line-up.

Corn, straw cereals (wheat and barley), sunflower and oilseed rape, which represent the heart of Vilmorin & Cie's product portfolio in Europe, are powerful creators of value, in the short-, medium- and long-term.

- Corn is a highly profitable crop, given high-performance germplasm that is historically well-suited to the needs of the forage corn market in Northern Europe. It is liable to develop even further through the launch of new varieties developed for grain corn, the main corn market in Europe, and ultimately the potential emergence of the market for genetically modified plants.

- Straw cereals (wheat and barley), sold through two different distribution channels, have a life cycle that is longer than average. Their profitability, which is indirectly influenced by the prices of agricultural raw materials, is lower than for other major crops, and can vary from one year to the next. However the long-term outlook for the creation of value is encouraging, with the perspective of developing GMO\* and then hybrid\* wheat. This is a strategic development for Vilmorin & Cie and is presented on page 41. As far as barley is concerned, Vilmorin & Cie owns efficient germplasm which will enable it to become one of the reference breeders\* for this crop.

- Sunflower, which is very similar to corn, benefits from very high performance germplasm and a solidly implanted European distribution network. It has been developing fast for several years, especially in Eastern Europe, even though the growth dynamics were stopped in their tracks in 2014-2015, because of a drop in the market caused by the political and economic crisis in Ukraine and Russia.

- Rapeseed varieties, because of their agronomic profile, have a short lifespan. The crop is extremely profitable, and will be even more so as it continues to switch to its hybrid\* form.

##### A distinctive marketing and sales approach

The marketing strategy adopted by Vilmorin & Cie for the field seeds market in Europe is also one of the key factors in its success. In corn for example, the company has fine-tuned the segmentation of its range according to two criteria: the market targeted (market for forage corn and industrial applications) and

(1) After application of the IFRS 11 standard as of fiscal year 2014-2015, certain companies - including AgReliant - are consolidated using the equity method, whereas previously they were consolidated using the proportional integration method.

the qualities targeted (digestibility and starch content for forage corn, and varieties devoted to the production of agrofuels, etc.). Privileged commercial partnerships with European cooperative distribution networks represent another sizeable advantage.

#### FIELD SEEDS IN EUROPE MAIN BRANDS



Advanta®: brand registered by  
Advanta Netherlands Holdings BV

#### PERFORMANCES AND HIGHLIGHTS IN 2014-2015: A FISCAL YEAR WITH SALES DOWN IN AN UNFAVORABLE MARKET CONTEXT

For fiscal year 2014-2015 Vilmorin & Cie posted a substantial drop in its sales in Europe, which stood at 540.5 million Euros on June 30, 2015, down 4% on a like-for-like basis. Business, globally in line with market trends, was hit particularly hard this year by a tense market environment. This environment was marked both by a drop in cultivated acreage in corn and sunflower (respectively - 1% and - 3% in EU 28. Sources: *Stratégie grains*, *Oil World*, *USDA*), in particular because of the impact of the low prices of agricultural raw materials, and the political and economic crisis in Ukraine and Russia. In a particularly difficult market context in these two countries, Vilmorin & Cie's development (corn, sunflower) was clearly stopped in its tracks in this zone, but without the medium- and long-term growth outlook being called into question.

On its disturbed European markets this year, Vilmorin & Cie nevertheless succeeded in controlling its market shares, and held up its prices well, showing increased vigilance with regard to the management of financial risks, both in terms of customer solvency and management of foreign currency.

At the same time, throughout the full fiscal year Vilmorin & Cie pursued its programs on upstream research (molecular marking\* and transgenesis\*) and breeding\* on its strategic crops, guaranteeing its future development.

■ In corn, after reaching a record level in 2013-2014, volumes sold were down considerably, with a particularly marked decline in Ukraine and Russia. Vilmorin & Cie nevertheless managed

to hold up its prices well, and to win market shares in Western Europe (Germany, France and United Kingdom in particular).

■ In straw cereals, certified wheat and barley seeds sales for the long distribution channel, from the seed company to the farmer, experienced growth, particularly in Central Europe. Delegation of straw cereal varieties, from the seed company to the agricultural cooperative (the so-called short channel) is also making progress compared with the previous year; it contributed to the generation of more than 34 million Euros in royalties. Indeed, new varieties were launched successfully over the fiscal year, especially in the United Kingdom. Vilmorin & Cie therefore managed to confirm its position as No. 1 in Europe for wheat seeds;

■ Sunflower sales volumes fell sharply, particularly in Russia and certain countries in Central Europe. Nevertheless, in a market that has been contracting considerably, Vilmorin & Cie has managed to strengthen its positions in certain zones (France, Spain, etc.), while maintaining globally stable selling prices.

■ In oilseed rape, the sales campaign for 2014-2015 ended with fine growth in business, in a market under pressure, characterized by a drop in cultivated acreage (- 3% in Europe in 2014. Source: *Oil World*). The adoption by farmers of new hybrid\* varieties is continuing, allowing Vilmorin & Cie to reinforce its position on the European market.

#### COMPETITIVE POSITION

In Europe, Vilmorin & Cie holds top rate competitive positions for its main crops.

#### COMPETITIVE PANORAMA IN THE EUROPEAN UNION 28

	Straw cereals	Corn	Sunflower
No.1	Vilmorin & Cie	Dupont Pioneer	Syngenta
No.2	KWS	KWS	Dupont Pioneer
No.3	RAGT	Monsanto	Vilmorin & Cie
No.4	-	Vilmorin & Cie	Euralis

#### 1.4.4.2. CORN SEEDS IN NORTH AMERICA<sup>(1)</sup>

AgReliant, a 50/50 joint venture set up in July 2000 with the German seed group KWS, breeds, produces and sells corn and soybean seeds in the United States and Canada. The original aim in creating this company was to unite the research and marketing investments of the two companies and to climb into the rankings of the top local seed companies. Research, production, distribution and administration are all today fully pooled.

AgReliant has achieved recurring market share gains since it was first set up, and is now the third largest player on the corn market in the United States.

##### A KEY ADVANTAGE: A SPECIFIC MARKET APPROACH

#### High added value seeds

AgReliant offers North American farmers high-quality germplasm, which, when combined with technical options, enables adapting seeds to their most specific needs. These options concern two possibilities:

- traits\*, giving the plant the characteristic sought after. These resistance genes incorporated into the plant's genome\* enable it to resist certain destructive insects (corn-borer and rootworm) and herbicides. The genetically modified varieties most of the time combine several resistance genes, using the stacking\* technique, now considered to be a standard offer by farmers,

- plant protection products, giving protection to the plant against certain parasites or diseases.

#### An original sales policy

By devoting more than half of its staff to a first rate sales team, AgReliant can cover the three distribution networks in the United States:

- direct sales to the farmer,
- farmer-dealer networks,
- and sales through distributors.

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

AgReliant's sales teams therefore rely on a portfolio of highly reputable brands, some with a national scope and others with a regional vocation dedicated by area, that extensively cover the Corn Belt, the heart of the North American market, and the Canadian market.

##### FIELD SEEDS IN NORTH AMERICA MAIN BRANDS



##### PERFORMANCES AND HIGHLIGHTS IN 2014-2015: CONSOLIDATION OF MARKETING AND FINANCIAL ACHIEVEMENTS IN SPITE OF A TENSE MARKET ENVIRONMENT

For fiscal year 2014-2015 AgReliant's sales came to 261.2 million Euros (contribution to consolidated sales) posting a drop of 3.9% on a like-for-like basis, in a difficult market context. There was a notable drop in the cultivated acreage of corn (-2%. Source: USDA), once again this year due in particular to strong competition from soybean.

The stability of corn seed volumes marketed nevertheless demonstrated the fine performance of the product line-up at AgReliant, which managed to consolidate its market shares. This fiscal year, prices were hit by a drop in agricultural raw material prices, even if this contraction was partly compensated by a reduction in procurement costs.

At the same time, sales volumes of soybean seeds increased in proportion to the higher cultivated acreage for this crop (+2%. Source: USDA), which reached a new record by the end of the campaign.

<sup>(1)</sup> After application of the IFRS 11 standard as of fiscal year 2014-2015, certain companies - including AgReliant - are consolidated using the equity method, whereas previously they were consolidated using the proportional integration method.

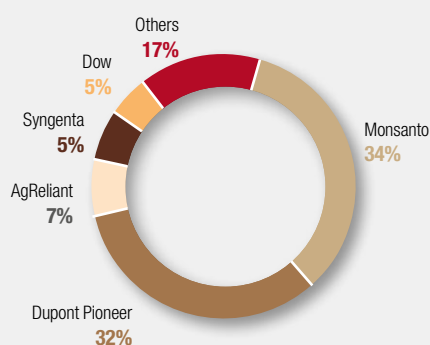
Moreover, the new production factory located in Iowa, fully operational this year, successfully completed its first harvest, allowing AgReliant to better control and secure its corn seed supplies.

Finally, after the acquisition of the corn seed business of the Californian company Eureka Seeds, finalized in fiscal year 2013-2014, AgReliant is pursuing its geographical expansion policy beyond the Midwest. At the beginning of fiscal year 2015-2016, the acquisition of Golden Acres Genetics, a company based in Texas and specialized in corn and sorghum seeds, will allow AgReliant to continue to reinforce its sales network in North America.

## COMPETITIVE POSITION

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

### ESTIMATE OF MARKET SHARES IN CORN SEEDS (SPRING 2015)



Source: internal estimates

### 1.4.4.3. CORN SEEDS IN NEW DEVELOPMENT ZONES

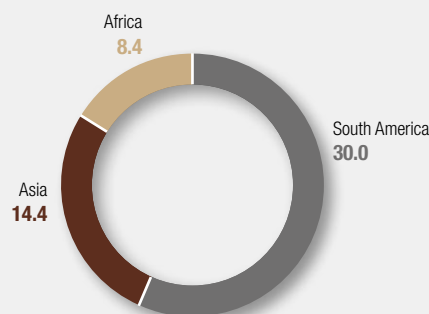
To go beyond its positions in Europe and North America, Vilmorin & Cie made the strategic choice in 2010 to internationalize its corn activities on new, fast-developing markets: South America, Asia and Africa.

## PERFORMANCES IN 2014-2015: FINE BUSINESS GROWTH

In its new development zones for corn seeds, Vilmorin & Cie made sales of almost 53 million Euros in 2014-2015, an increase of 4.3% on a like-for-like basis compared with 2013-2014.

### ANALYSIS OF ACTIVITY ON JUNE 30, 2015

(in million of Euros)



These sales remain modest on the scale of the rest of the group. But as the fruit of Vilmorin & Cie's strategy to internationalize its corn seed business, they testify to fine commercial progression, even though below the initial objectives. Vilmorin & Cie is pursuing its investments to ensure its gradual development in these areas, in spite of strong competition from other crops this year again, particularly soybean.

Business development will also contribute to compensating progressively for the strong seasonality that exists in the division, since business has been concentrated until now in the northern hemisphere.

## HIGHLIGHTS IN 2014-2015: CONTINUED STRUCTURING AND DEPLOYMENT OF THE ORGANIZATION

Vilmorin & Cie continues to structure its business in its new development areas, in terms of research, production and commercial development. There is growing coordination between the support functions: cross-functional strategic marketing has been set up, while in terms of research, a genetic resources\* network has been established, making it possible to optimize the management of tropical corn germplasm.



## Brazil

In 2014-2015, Vilmorin & Cie continued to structure its business on the Brazilian market, through Limagrain South America, the Business Unit in charge of deploying these activities.

The year was marked by the implementation of an industrial facility in Goianesia (state of Goiás). This particularly modern plant is centrally located and is ready to deal with the expected growth in business activity.

At the same time, Vilmorin & Cie has continued to structure its research on the basis of local genetic resources\* while strengthening its research teams and consolidating the implantation of research centers. Thus, as a complement to the site of Goiania (state of Goiás), the Brazilian research center dedicated to tropical corn, located in the state of Mato Grosso, is now fully operational. Ultimately, Vilmorin & Cie intends to set up a third site, in the state of Parana, in order to cover the main Brazilian breeding\* environments.

## Asia

In Asia, Vilmorin & Cie's corn activities are structured around three priority zones: India, China and Southeast Asia. Their development is managed by teams in the Business Unit Limagrain Asia, based mainly in Hyderabad (India), Beijing (China) and Bangkok (Thailand).

■ In India, Vilmorin & Cie's business relies particularly on Bisco Bio Sciences, one of the top Indian players in corn seeds, held 100% since March 2013.

Vilmorin & Cie, which today holds a market share for field seeds of about 7% on the sub-continent, is continuing to develop its business in India.

■ In China, Vilmorin & Cie today has three research centers, located according to the different corn types (spring, summer and sub-tropical), two counter season sites, and a wheat breeding\* station. Vilmorin & Cie, which already distributes its first hybrid\* corn variety throughout China, is pursuing its local research programs. Several varieties are in the process of registration and therefore should be ready for distribution in

the coming years. Furthermore, during the summer of 2015, Vilmorin & Cie obtained authorization from the Chinese authorities for the creation of a joint venture for the production and distribution of corn seeds, for which it has signed an agreement with the company Anhui Hengji Seeds. Vilmorin & Cie holds 45% of the capital of this structure.

■ In Southeast Asia, the successful operational integration of the Thai company Seed Asia, acquired in March 2014, has continued. The research teams, key for future development, have been reinforced, and Seed Asia's genetic resources have constituted a pertinent enrichment of Vilmorin & Cie's genetic heritage. Also suited to other world zones (in particular India, Brazil, southern China and Africa), these resources have been integrated into the organization set up to manage tropical corn germplasm. Furthermore, the project to build the second part of the factory located in Takfa (Thailand), initiated at the time of the acquisition of Seed Asia, was finalized during the course of the fiscal year. The factory, inaugurated in February 2015, is now fully operational.

## Africa

In Africa, Vilmorin & Cie develops its field seeds activities through the Business Unit Limagrain Africa. Vilmorin & Cie began its activity on the African corn market in January 2013, with the acquisition of Link Seed, the 4<sup>th</sup> largest seed company in South Africa. In order to pursue its strategic implantation on the continent, in 2013-2014 Vilmorin & Cie, acquired 21.4% of the capital of the African company Seed Co. Listed on the Zimbabwe Stock Exchange since 1996, Seed Co<sup>(1)</sup> is the largest seed company in Africa. As a follow-up to this operation, during the course of fiscal year 2014-2015, Vilmorin & Cie exercised the financial option to raise its stake to 30.5%<sup>(2)</sup>, at the end of 2014, through a reserved capital increase. This operation clearly demonstrated the will of the two groups to pursue in great depth the implementation of partnerships, as begun in fiscal year 2013-2014, particularly in research. As of 2015-2016, Vilmorin & Cie will be accompanying Seed Co in its venture into vegetable seeds, which was initiated during this past fiscal year following Seed Co's acquisition of the company Prime Seed, one of the largest companies in Zimbabwe for this segment.

(1) For its fiscal year 2014-2015 (closing on March 31), Seed Co made sales of \$94.7 million. Distributed corn seed volumes were significantly lower, particularly owing to the choice to limit business with the State of Zimbabwe. At the same time, Seed Co made considerable efforts in its costs and financial charges, and was therefore able to post net income higher than \$15 million, an increase of 26.8%.

(2) The stake held was raised to 30.38% on June 30, 2015.

#### 1.4.4.4. WHEAT SEEDS IN NORTH AMERICA AND IN NEW DEVELOPMENT ZONES

Wheat is the most widely cultivated crop in the world, and so for Vilmorin & Cie it is a strategic crop which must be approached on a worldwide basis. Beyond Europe, where it is the market leader, Vilmorin & Cie is gradually moving out into new territories:

- in North America, through Limagrain Cereal Seeds,
- in Australia, through its minority stake of almost 33% in Australian Grain Technologies, the Australian leader for breeding\*, developing and distributing cereals,
- and more recently, in Brazil and in Canada.

##### NORTH AMERICA: SOLID ORGANIZATION TO ENSURE FUTURE GROWTH

Since 2009-2010 Vilmorin & Cie has had a structure to build up its development as a priority on the North American market for wheat, at the same time as, and independently of, its corn business, run by AgReliant.

Limagrain Cereal Seeds, based in Fort Collins (Colorado), is the development platform for these activities. It is a joint venture between Vilmorin & Cie (holding 65% of the capital stock) and Arcadia Biosciences (holding 35%), an American biotechnology\* company.

The organization is still taking shape; it involves scientific cooperation with certain American universities, a portfolio of diversified genetic resources\* adapted to local climate conditions, privileged access to Arcadia Biosciences' innovative technologies and a sales network covering the main American production areas. The local team is also a key factor in the success of the project, and comprises experts in wheat who are highly mobilized to develop this new market that remains undervalued today.

##### DEPLOYMENT IN NEW GEOGRAPHICAL ZONES

#### Brazil

In December 2014, Vilmorin & Cie acquired the Brazilian company DNA, specialized in the genetic improvement of wheat. Located in the state of Rio Grande do Sul, DNA owns large reserves of original genetic material of tropical origin.

As a result of this acquisition, made through its Business Unit Limagrain South America, Vilmorin & Cie is now working on the high potential Brazilian wheat market, characterized by strong demand for varieties with better productivity and the highest quality, intended for the different processing industries.

Vilmorin & Cie will be launching its first wheat varieties on the Brazilian market by the end of 2015, providing Brazilian farmers with an important complement to its corn supplies.

#### Canada

At the beginning of July 2015, Vilmorin & Cie and the Canadian company Canterra Seeds announced the creation of a joint venture, Limagrain Cereals Research Canada, specialized in the development and breeding\* of cereals, and located in Saskatoon (Province of Saskatchewan, Canada). Canterra Seeds, founded in 1996 and based in Winnipeg (Province of Manitoba, Canada), sources original, genetically superior seed products; its portfolio mainly comprises cereals, supplemented by pulses and oilseed crops.

Held 70% by Vilmorin & Cie and 30% by Canterra Seeds, the new joint venture will ultimately bring significant added value to western Canadian agriculture, by developing new varieties of cereals, with a specific focus on wheat, using the most advanced technologies currently available.

This creation was made possible in a context where the Canadian government has just adjusted its legislation, which, in the coming years, should result in the application of royalties on wheat seeds, and which should place Canada among the top world players for this crop.

Beyond this joint venture, Vilmorin & Cie is taking up a minority stake of 30% in Canterra Seeds, through a capital stock increase. In this way, the two companies are bolstering their partnership in order to develop the distribution of cereal seeds in western Canada.

## 1.4.5. GARDEN PRODUCTS

Vilmorin & Cie offers home gardeners a full range of seeds (vegetable, flower and lawn) and associated products: flower bulbs, products for soil and plant nutrition and garden equipment. Its customers comprise all the garden product distribution networks: garden centers, DIY stores and supermarkets. Following the disposal of the British company Suttons during the course of fiscal year 2014-2015, the Garden products division is now structured around a single Business Unit, today named Vilmorin Jardin.

### 1.4.5.1. A KEY ADVANTAGE: INNOVATING TO SATISFY CONSUMER EXPECTATIONS

Vilmorin & Cie permanently develops innovations to anticipate and meet the needs of consumers who are seeking efficient, easy-to-use solutions, and guaranteeing success for their vegetable and decorative flower gardens. Moreover the Garden products division relies on the technical expertise of the Vegetable seeds division to succeed in this strategy of innovation, and also on a portfolio of strong, prestigious brands, including the emblematic brand name of Vilmorin.

#### GARDEN PRODUCTS MAIN BRANDS



### 1.4.5.2. PERFORMANCES IN 2014-2015: BUSINESS DOWN IN A DECLINING MARKET

Sales for the Garden products division, now consolidated with the activities of the holdings, came to 58.4 million Euros on June 30, 2015, a drop of 6.2% on a like-for-like basis. This activity is still largely affected by an economic environment that remains difficult.

In this challenging context, and working in a garden sector where certain segments continued to decline, the Garden products division nevertheless managed to gain market shares in France, by winning key references with major chains of supermarkets and DIY stores. It has also optimized the structure of its “brand-distribution channel” combinations, with brands devoted to different types of store. At the same time Vilmorin & Cie continued to implement measures to ensure better cost control (review of the processes to improve industrial efficiency, finalization of the deployment of a new IT system, etc.), with a view to providing greater value to its distributor customers through promotional operations, for example.

Furthermore, the fiscal year was marked by the Garden product division’s fine performances on certain export markets, and in Poland. On this promising market, the successful integration of the family distribution company Green Land, acquired in 2013-2014, has enabled Vilmorin & Cie to broaden its customer base while improving service quality for its new clients.

### 1.4.5.3. HIGHLIGHTS IN 2014-2015: DISPOSAL OF SUTTONS (UNITED KINGDOM)

The fiscal year was marked by the disposal, finalized in December 2014, of the company Suttons (United Kingdom), specialized in the production and distribution of garden products (vegetable and flower seeds, young plants, bulbs and garden equipment), through direct sales and distance trading (Internet, mail order).

This operation was achieved through a “Management Buy-Out” (MBO) with the support of a regional development fund and assistance from Vilmorin & Cie.

Suttons had in fact been confronted with a difficult economic situation for several years, and the joining of forces with Vilmorin Jardin at the end of 2012 was not enough to improve the situation as there was a lack of sufficient synergy. Moreover, Suttons' activities, both in terms of product line-ups and geographical zone, turned out to be non-strategic for Vilmorin & Cie, bearing in mind the fact that the Garden products division refocused business under the brand Vilmorin, with the objective of favoring development in continental Europe.

### 1.4.5.4. COMPETITIVE POSITION

Vilmorin & Cie remains one of the European leaders on the seeds market for home gardeners.

# 1.5. THE SEED MARKET

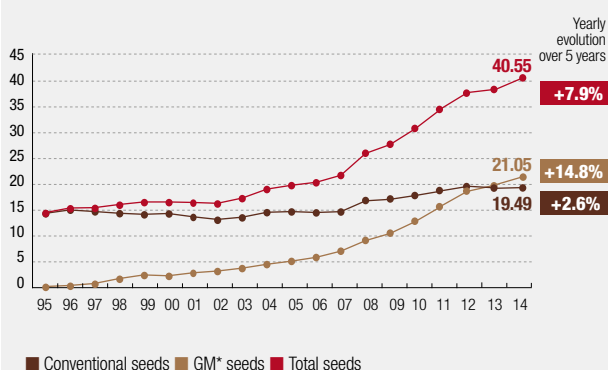
## Major levers for growth

Representing more than 40 billion dollars in 2014, the world market for seeds is experiencing regular and solid growth, both in volume and value. This growth is estimated to be 8% every year over the past 5 years (*Source: Phillips McDougall 2015*), driven by several complementary growth relays.

### 1.5.1. CONSTANTLY PROGRESSING MARKETS

#### EVOLUTION OF THE SEED MARKET BETWEEN 1995 AND 2014

(in billions of dollars)



Source: Phillips McDougall 2015.

#### 1.5.1.1. THE VEGETABLE SEEDS MARKET

The value of the world market for vegetable seeds was estimated to be at around 5.9 billion dollars in 2014, corresponding to an estimated average annual growth of 6% per year over the past 5 years (*Source: Phillips McDougall 2015*).

The regularly increasing world consumption of vegetables drives the growth of Vilmorin & Cie's target markets. It is a consequence of the rising world population, and the evolution of the food habits of consumers who have become more aware of the importance of well-balanced, varied food.

Greater use of commercial seeds in developing markets, and the breakthrough of seed technology in the more mature markets, is also contributing to global growth in the sector.

#### MANY HIGH ADDED-VALUE NICHES

The operators in the vegetable seeds market work side by side in the major production and consumption zones.

The sector has become highly concentrated yet it still remains scattered in terms of products. This trend can be explained by the numerous specificities of the vegetables market:

- a great diversity of species, with wide ranges, covering all the sales possibilities, from production in season, to that of counter-season,
- extremely varied types of production unit : open field, cold or heated shelter (greenhouses, etc.), etc.,
- a vast geographical dispersion of production zones.

#### INNOVATION AT THE HEART OF MARKET GROWTH

The vegetable seeds market is highly sensitive to the technical performance of seeds.

Indeed the varieties the growers choose will determine the quality and added value of their production, while the cost of seeds remains moderate compared to that of other inputs\*. It is therefore a strategic choice, motivated, above all driven by economic considerations, and by the criteria of yield, resistance to disease and suitability to trends in consumption.

Even though the market for vegetable seeds is powered by the global increase in vegetable consumption, it is mainly dependent on the research results of seed companies and the development of innovation that can stimulate producers to purchase seeds with greater added value.

#### 1.5.1.2. THE FIELD SEEDS MARKET

The value of the world field seeds market is estimated to be almost 35 billion dollars in 2014 (*Source: Phillips McDougall 2015*), including 21 billion dollars for genetically modified seeds.

Corn holds the position of top crop in terms of value, representing almost 17 billion dollars, whereas wheat is the most widely cultivated world crop in terms of acreage (almost 225 million hectares in 2014) (Source: USDA).

#### THE MARKET FOR FIELD SEEDS IN EUROPE

The European market is dominated by corn, straw cereals, and by rapeseed and sunflower. It has experienced varying trends in the cultivated crops and an increased acreage of set-aside, with overall market growth that was constant albeit moderate; this growth was hit by an unfavorable global environment in fiscal year 2013-2014. This contraction in cultivated acreage for corn and sunflower, due largely to the impact of the low levels of the prices of agricultural raw materials concerned most countries over fiscal year 2014-2015.

#### EVOLUTION OF CULTIVATED ACREAGE IN THE EUROPEAN UNION 28

(in millions of hectares)

	Acreage 14-15	Evolution over 1 year
Total corn	15.5	-1%
> Grain corn	9.5	-1%
> Forage corn	6.0	0%
Wheat	24.1	-1%
Sunflower	4.2	-3%
Rapeseed	6.5	-3%

Sources: Oil World, Stratégie grains, USDA.

Furthermore, as a consequence of the particularly difficult market context in Ukraine and Russia, sunflower acreage in these two countries have globally suffered strong contraction.

#### Marginal acreage of GM\* crops

Growing, selling and importing genetically modified plants are subject to European directives and regulations. To date, only one GM\* variety (MON810) is authorized for growing and selling in the European Union, whereas almost fifty types of transgenic corn, soybean, cotton and spring rape, including combinations, are authorized for import, mainly for animal feed.

Certain member states have nevertheless suspended authorization to grow MON810 corn, triggering different clauses provided in European regulations. This is specifically the case of France, Germany, Italy, Hungary, Austria, Greece and Luxembourg. A procedure allowing member states to restrict or prohibit the cultivation for commercial purposes of transgenic plants in their country was adopted in March 2015 (directive 2015/412) by the Parliament and the Council; it offers greater liberty and a seemingly wider legal base to prohibit such cultivation.

Consequently, GM\* varieties were only marginally grown in Europe in 2014 with about 143,000 hectares (mainly in Spain, Portugal, and the Czech Republic). Down 3% this year, it represents less than 1% of world acreage (Source: ISAAA 2015).

Convinced that these markets will open up in the medium term, Vilmorin & Cie is running specific research programs with the aim of selling its own genetically modified seeds, initially integrating insect resistance and herbicide tolerance traits\* adapted to this market. The research program is explained on page 41.

#### Persistent fluctuating prices of agricultural raw materials

The prices of agricultural raw materials continued to drop in 2014-2015.

These trends can be explained by the lack of coherence between supply and demand that is specific to all agricultural production, fluctuating weather conditions in different geographical areas leading to surpluses or shortfalls, and the fact that there is speculation on markets for agricultural raw materials.

This evolution has an impact on the potential future revenues of farmers, who are being even more careful in how they manage their inputs\*.

#### EVOLUTION OF THE PRICES OF CORN AND WHEAT IN EUROPE BETWEEN 2001 AND 2015

(In Euros per tonne)



Sources: Cereals market, France Agrimer. August 2015.



## THE MARKET FOR CORN SEEDS IN NORTH AMERICA

After several years of growth and a record level reached in 2013, corn acreage in the United States dropped considerably again this past year. It fell by 2% in 2015 (*Source: USDA 2015*) to 36 million hectares, as a result of the strong competition from soybean. Sustained by the evolution of the prices of agricultural raw materials, surface areas planted with soybean continued their progression (+ 2%), reaching a record level of 34.5 million hectares.

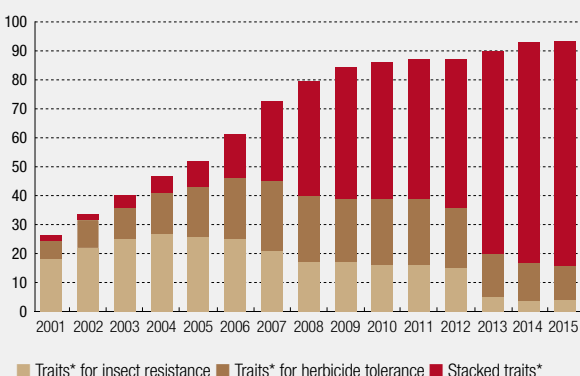
### Genetically modified plants: a virtuous growth circle

Representing more than 40% of the world acreage for all crops combined (*Source: ISAAA 2015*), the United States is by far the biggest producer of genetically modified plants. Today they cover 92% of cultivated acreage in corn.

Varieties integrating several resistance traits\* represent a significant share of the market, estimated to be 77% of GM\* corn acreage, compared with 76% in 2014 (*Source: USDA 2015*).

#### EVOLUTION OF THE ACREAGE OF GENETICALLY MODIFIED CORN IN THE UNITED STATES

(as a %)



Source: USDA 2015

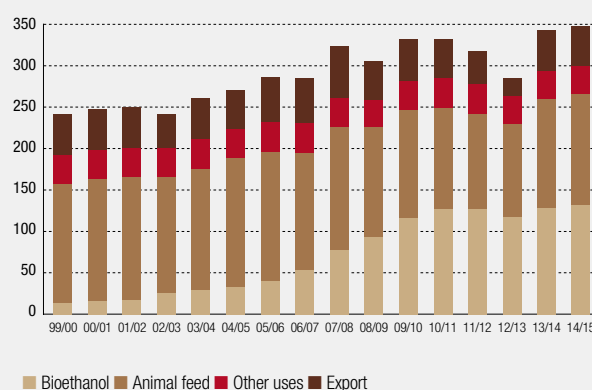
Although on average these genetically modified seeds are considerably more expensive than conventional seeds, they enable farmers to reduce their running costs significantly, in particular those concerning pesticide and herbicide treatments, while guaranteeing a much more abundant harvest.

## Agrofuels, a significant outlet for corn production

Since 2000, corn production in the United States had been stimulated by agrofuels. High demand from bioethanol factories in particular were behind the strong increase in corn acreage. In 2014-2015, 38% of corn in the United States was devoted to this market, but today agrofuels appear less attractive because of the drop in oil prices, in particular.

#### EVOLUTION OF THE TOTAL APPLICATIONS FOR CORN IN THE UNITED STATES

(in millions of tonnes)



Source: USDA 2015

## The move towards precision farming

American farmers tomorrow will have increasingly wide access to new services accompanying them in the management of their farms. Based on the use of new technologies, precision farming will make more and more detailed data available to them, updated and personalized to guide them in their decisions: choice of varieties for sowing depending on the characteristics of their plots, sowing density and growing practices, for example. This trend is also catching on in Europe.

## THE MARKET FOR SEEDS IN NEW DEVELOPMENT ZONES

## South America

With average annual growth of 14% over the past 5 years, the South American market represented, in value, 19% of the world market for seeds in 2014 (*Source: Phillips McDougall 2015*). Corn is a widely cultivated crop here, with almost 23 million hectares in 2014, including about 15 million hectares in Brazil.

Brazil is a special case since, in certain regions, there are two corn harvests per year: safra (summer crop) and safrinha (winter crop). The country is also characterized by a very high adoption rate of genetically modified varieties, in particular for the corn, which stood at more than 82% in 2014, which is 12.5 million hectares. Brazil is therefore the second largest world market in terms of GM\* corn acreage (*Source: ISAAA 2015*).

## Asia

With the fourth largest seeds market in the world in value terms, Asia represents almost 7 billion dollars (*Source : Phillips McDougall 2015*).

Characterized by a continuous population increase, the emergence of middle classes and changes in consumption patterns, the Asian market continues to increase regularly: + 8.6% on average per year over the past five years.

The main crops in terms of value in Asia are vegetable, and then rice, cotton and corn.

China is a major producer of cereals, and one of the major players in the world for rice and corn acreage. Its seeds market is growing fast, both in volume and value, as a result of the modernization of its agriculture, progressive concentration of the local players and the involvement of the Chinese authorities in this sector, which is considered to be highly strategic.

In India, where self-sufficiency in food is a major challenge, the seed market is evolving very fast, with an annual growth rate of 8% over the past five years. It is also characterized by a trend towards greater concentration of the numerous local seed companies, and a rate of commercial seed use by farmers gradually improving.

## Africa

By 2050, Africa will contain almost a quarter of the world's population (*Source: United Nations Food and Agriculture Organization / FAO*). In order to satisfy these immense food needs, farmers will require access to efficient varieties, which they don't have today.

The African market, which today represents less than one billion dollars, has a low rate of adoption of commercial and hybrid\* seeds\*. It is therefore a very promising market with considerable development in years to come.

Corn is the main crop grown: in 2014 Africa represented 19% of world grain corn acreage, with almost 34 million hectares (*Source: USDA 2015*). It is mainly white corn for human consumption.

Only South Africa is the exception, where yellow corn intended for animal feed dominates. This innovation-oriented market is particularly promising for field seeds, and corn above all, with around 3 million hectares grown. Genetically modified seeds are already widely used by farmers, with an adoption rate of 86% in 2014 for corn (*Sources: ISAAA and USDA 2015*).

## 1.5.2. POWERFUL LEVERS FOR GROWTH

## 1.5.2.1. THE INCREASE IN FOOD NEEDS

The growth in the world population and the evolution of food habits towards increased consumption of vegetables and meat are leading to a significant increase in the need for agricultural raw materials.

By the year 2050, food production will therefore need to be increased by 70% in order to feed more than 9 billion people and thus meet the needs of the world's growing population (*Source: United Nations Food and Agriculture Organization / FAO*).

## 1.5.2.2. GROWING USE OF COMMERCIAL SEEDS

Farmers and vegetable producers are using commercial seeds more and more systematically. They are more efficient technically than farm seeds, and their use can considerably improve crop yields. And indeed, producing more and better, while utilizing less resources, has more than ever become a major stake in a context characterized by:

- slow erosion of arable land on a world scale, because of urbanization, desertification, and the overall deterioration in soil quality;
- more complex growing conditions, because of the greater need to take environmental factors into account, but also because of climate variations and increasingly limited access to water resources;
- moreover commercial seeds provide the guarantee of production perfectly adapted to new industrial requirements: resistance to

diseases and insects, shorter production cycles, simultaneous maturity and homogeneity in production.

The potential to substitute farm seeds for commercial seeds remains significant in countries where agriculture is in the process of being modernized for certain crops in particular, such as wheat. For example more than 40% of the European wheat market is covered by farm seeds, whereas this rate stands at almost 2/3 in the United States (*Internal source*).

### 1.5.2.3. GENETICALLY MODIFIED ORGANISMS (GMOs)\* CONTINUE TO BE ADOPTED

#### GMOs\*, RISING TO NEW WORLD CHALLENGES

Providing new solutions to facilitate the adaptation of supply to demand, genetically modified seeds can help the profession to rise to new challenges. With a yield per hectare which can be much higher in certain environments than conventional seeds, they provide greater efficiency to agricultural productions while considerably reducing production costs.

By reducing agro-chemical treatment, they are more respectful of the environment, and tomorrow they will also make it possible to manage water resources better.

#### GENETICALLY MODIFIED SEEDS, ACCELERATING GROWTH

Totally this market represents more than 10% of arable land, with strong variation between the different regions. Some countries have fully adopted GMOs\*, such as the United States, a precursor where 92% of corn acreage is GM\*, rising to 94% for soybean and 98% for sugar beet. And the example of Brazil really is striking: GM\* technology for corn was only adopted in 2007 and today its adoption rate already stands at 82%. However other key markets remain to be convinced, as is the case in Europe. With around 143,000 hectares in 2014, GM\* crops remain marginal even though they represent a major stake for the competitiveness of its agriculture and its food sovereignty.

This is also the case for India, where GM\* crops only concern cotton, and for China, which to date represents only 2% of cultivated GM\* acreage in the world. (*Source: ISAAA 2015*).

#### HIGHER VALUE FOR GM\* SEEDS

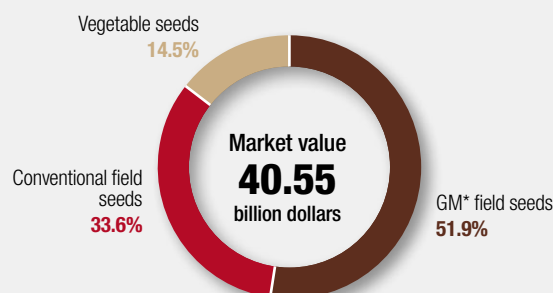
At the same time as their increase in volume, genetically modified seeds have benefited from sustained growth in terms of value. Representing more than 21 billion dollars in 2014 (an average annual growth of almost 15% over the past 5 years) (*Source: Phillips McDougall 2015*), the market for GM\* field seeds today

### A SEEDS MARKET DRIVEN GLOBALLY BY GENETICALLY MODIFIED SEEDS

The technology of genetically modified seeds has become indispensable in several areas of the world, with the market expanding fast in volume.

Whereas vegetable seeds and conventional field seeds have progressed respectively by 6% and 1.3% per year over the past five years, there is no doubt that it is GM\* field seeds that are driving the market: their annual growth was almost 15% over the same period.

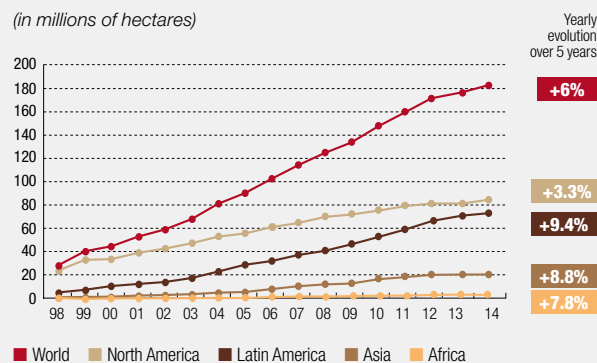
#### WORLD MARKET FOR COMMERCIAL SEEDS IN 2014



Source: Phillips McDougall 2015

#### EVOLUTION OF THE ACREAGE OF GENETICALLY MODIFIED PLANTS

(in millions of hectares)



→ In 2014, GM\* seeds represented 181.5 million hectares cultivated by 18 million farmers in 28 countries.

represents more than half of the world market for commercial seeds in terms of value. This breakthrough is due to the increase in cultivated acreage and the integration of several traits\* stacked in the same variety.

As an indication of how well these technologies have been integrated, genetically modified seeds are sold at a price 50% to 100% above that of conventional seeds, depending on their technical input.

#### NEW TRAITS\* IN THE PIPELINE TO OPTIMIZE GROWING CONDITIONS

Today's GM\* varieties mainly propose three traits\*, which are more and more frequently stacked: resistance to insects (corn borer and corn root worm) and tolerance to herbicides. In years to come new traits\* will be launched, participating in the valorization of the world market: plants more tolerant to drought and varieties that optimize the use of fertilizers.

#### 1.5.2.4. THE DEVELOPMENT OF NON-FOOD NEEDS

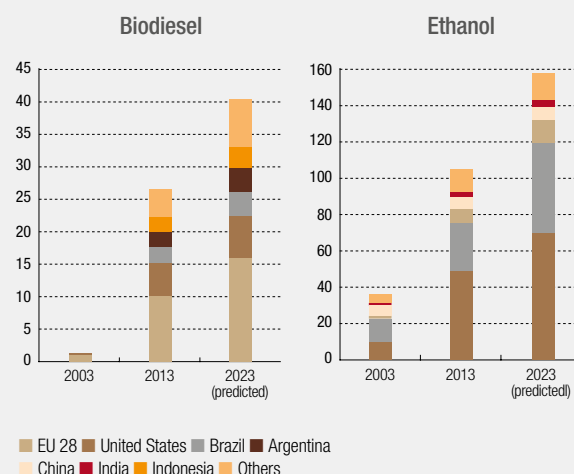
Parallel to the market for food, markets that exploit agricultural production for industrial purposes can strengthen the potential for growth of the seeds market. This especially concerns:

- plant chemistry, also known as "green chemistry", including the market for biodegradable plastics,
- and agro-fuels, particularly ethanol, produced from corn, and representing 38% of corn applications in the United States. However, because of the drop in oil prices and the emergence of shale gas, agro-fuels appear to be less attractive today.

The expansion of these markets, still modest in size, can have a positive influence on the volume of activity in commercial seeds. While Vilmorin & Cie has not yet initiated a significant research program devoted to these applications, it remains attentive to the evolution of these markets. It does sell corn and rapeseed varieties whose yield performances are significantly higher specifically in order to meet the expectations of this market.

#### EVOLUTION OF THE WORLD PRODUCTION OF AGRO-FUELS

(in billions of liters)



Source: FAO-OECD, Agricultural perspectives 2013-2023

#### 1.5.3. STRONG BARRIERS PREVENTING ENTRY INTO THE SEEDS MARKET

Even if market integration varies according to zone and crop, recent years have been marked by movements of concentration, and therefore by a reinforcement of the power of the main players in the marketplace: the top five seeds companies represent almost 60% of the world market for commercial seeds.

Within this particularly concentrated competitive environment, any new protagonist has to benefit from several complementary assets, which all constitute a barrier to the market.

### 1.5.3.1. GENETIC RESOURCES\*, EXPERTISE AND TIME

In order to create high performance seeds, first of all genetic resources\* are required, as diverse as possible; this is fundamental for the continuation of seed production. What is specific about the creation of seeds is that they inevitably start from existing resources.

Mastering each of the stages in the profession is also indispensable: the expertise of seeds producers involves research, cutting edge technologies in terms of plant breeding\*, production, processing and distribution of the seeds, through networks that need to be as close as possible to the markets, to understand and anticipate the needs of producers and farmers better.

And even if all these resources and expertise are combined, it still takes seven to ten years for the seeds producer to come out with a new variety for marketing.

### 1.5.3.2. SIGNIFICANT INVESTMENTS

The level of investment required also makes it difficult for newcomers to penetrate the seeds market. These investments concern the funding of the production cycle and working capital needs, setting up distribution networks and marketing plans, and above all innovation, the key to the creation of value. The seeds market is indeed one of the most demanding sectors in terms of investment in research. During the fiscal year 2014-2015, Vilmorin & Cie spent almost 19% of its sales of seeds on research.

# 1.6. STRATEGY AND PERSPECTIVES

## A strategy of winning market shares

Vilmorin & Cie is above all positioned on the market for agriculture; its aim is to contribute to meeting the world's food needs better. In order to achieve this, Vilmorin & Cie permanently innovates to develop seeds with high added value.

True to its vision of sustainable development and with a specific development model, Vilmorin & Cie relies on its capacity to innovate and on international growth to strengthen its competitive positions sustainably, on a seeds market that is constantly progressing.

### 1.6.1. A SPECIFIC DEVELOPMENT MODEL

In a business sector that is characterized by the strong concentration of its players, and driven by innovation and internationalization, Vilmorin & Cie focuses its development on a specific economic model, with the following advantages:

- a single core business of seed,
- a long-term vision of its development, strengthened by the consistent accompaniment of its reference shareholder, Limagrain, an international agricultural cooperative group that provides close proximity to the agricultural world,
- an organization very close to its markets, structured around 11 Business Units to guarantee excellent market knowledge and a strong capacity to anticipate and react. The organization model is set out on page 14.

Through the solidity of this model, Vilmorin & Cie is in a strong position to develop an ambitious strategy combining a permanent drive for innovation, a policy of targeted, external growth and rising internationalization to accelerate its expansion and sustainably ramp up its world leadership positions.

#### 1.6.1.1. A SINGLE CORE BUSINESS: SEEDS

Active throughout the value chain, from research to distribution, Vilmorin & Cie controls all the stages in the seeds business, proposing high quality seeds, perfectly adapted to its target markets.

The process of developing a seed involves the following stages:

#### ANALYZING NEEDS

The phase of analyzing and anticipating the needs of direct customers – farmers and growers – and indirect targets – distributors and consumers – is fundamental in the creation of seeds. This stage is all the more complex that it has to account for geographical specificities and expectations that can vary considerably for the same crop.

- Vilmorin & Cie relies on operational organization that is close to its markets in order to assess the requirements of its customers and ensure relevant information is passed on to its marketing and research teams.

#### MANAGING GENETIC RESOURCES\*

The development of new seeds is only possible if beforehand there is a collection of plants, called genetic heritage or resources\*, as wide and varied as possible. They have to be collected, enriched, and characterized, and then maintained regularly so as to preserve their quality and ensure they are available for the research teams. Indeed breeders use this plant base to draw their "raw material", which is indispensable for the creation of a new seed.

- Vilmorin & Cie has a collection of more than 10,000 varieties in its genetic heritage. Built up over the past 270 years of its history, it has been enriched through the acquisitions of seed companies, breeding\* programs and research partnerships.



### CREATING NEW SEEDS THROUGH CONVENTIONAL BREEDING\* OR TRANSGENESIS\*

After these phases of needs analysis and access to genetic resources\*, breeding\* can begin, which is the art of crossing two varieties of the same plant species, with distinct properties, in order to create a new plant whose agronomic profile will be superior to that of its parents. This variety improvement work, the key to creating value and the competitiveness of the seed company, can be facilitated by using plant biotechnology\*. These tools can be used to develop new plants faster and more efficiently thanks to more extensive knowledge of their genome\*.

- Vilmorin & Cie develops varieties with a better yield, specific resistances (to diseases, insects, herbicides, etc.) and improved nutritional qualities. In a context where innovation is becoming more and more industrialized, Vilmorin & Cie can benefit from an international network of internal and external skills, including more than 1,800 staff contributing to the research process spread out over more than 100 research centers all over the world, and from numerous partnerships.

### REGISTERING SEEDS

In compliance with regulations in force in targeted countries, before distributing the created variety, it has to be certified and registered, in particular in order to demonstrate its qualities (innovative character\*, homogeneity, stability, etc.) and to ensure its availability.

### PRODUCING SEEDS IN THE FIELDS

Once it has been created and registered the new seed variety is produced in the field. Seed production must provide flexibility and optimal adaptability to market conditions, with high quality at a competitive price. The careful choice of production zones is therefore a vital factor in determining seed quality and the capacity to satisfy demand.

- Vilmorin & Cie entrusts its production to an international network of carefully selected seed multiplication farmers\* who work to very strict specifications.

### OPTIMIZING SEEDS QUALITY IN THE FACTORY

Seed production also involves an industrial phase. During this stage, the seed is first prepared – i.e. sorted, cleaned and dried - then treated (with applications of phytosanitary products used to protect the plant against certain parasites or diseases, or to foster its germination) or pelleted to facilitate sowing. This stage also integrates packaging and storage.

- Vilmorin & Cie makes full use of the strong expertise of its teams, modern industrial equipment, and standardized controls to guarantee the product's high quality.

### DISTRIBUTING SEEDS

Finally the seeds are distributed to markets for growers and international agriculture.

- In order to remain in close contact with its customers, almost all Vilmorin & Cie's subsidiaries sell seeds through distributors, cooperatives and sometimes directly to the end users. These networks are selected according to the specific nature of each geographical zone. Vilmorin & Cie has a portfolio of strong brands, each with specific positioning.

Sales teams represent almost a third of the total headcount in the company.

## IT TAKES 7 TO 10 YEARS ON AVERAGE TO CREATE A SEED

### 1.6.1.2. A LONG-TERM VISION OF ITS DEVELOPMENT

Vilmorin & Cie is driven by a long-term vision of its development, corresponding to that of its reference shareholder Limagrain.

The long-term is the very nature of the profession of seed producers, where long periods are involved. This is also an important feature of the culture of Limagrain, with part of its source in the farmer members of the cooperative, above all concerned to ensure the lasting success of their farms.

Characterized by a culture of consensus between the Board of Directors and the Executive Committee, the cooperative governance of Limagrain means that strategic decisions are made in a lasting context. This constancy in strategic orientations has resulted in a solid history of progression and also enabled Limagrain to encourage the development of Vilmorin & Cie, accompanying its investments regularly and significantly.

## 1.6.2. PERMANENTLY SEEKING INNOVATION

### 1.6.2.1. INNOVATING TO ENSURE TOMORROW'S GROWTH

As the main source of added value, research is at the heart of business development challenges. Its mission is to find new varieties as quickly as possible to meet the needs of the different players in the sector, and must therefore:

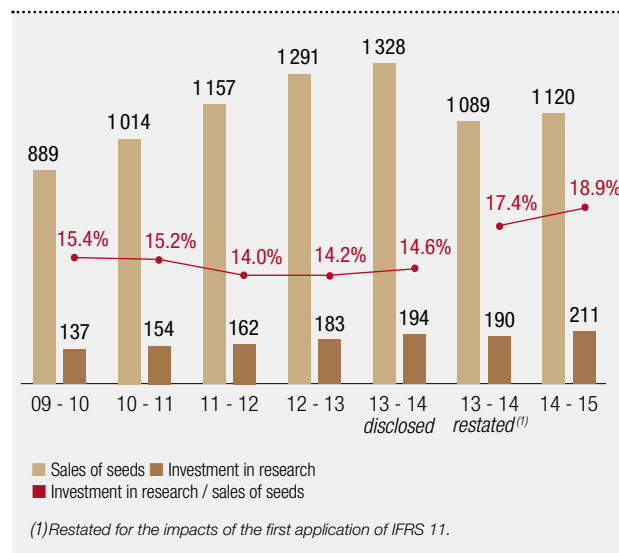
- improve the plant's agronomic qualities (yield, resistance to diseases and insects, drought tolerance, earliness, etc.) for farmers and growers,
- integrate the technical and logistical constraints of industrialists and distributors (standardization of calibration, food product texture, preservation, earliness, appearance, price etc.),
- improve the taste, convenience and nutritional qualities of the products depending on the cultural specificities of consumers, and by anticipating evolutions in taste and consumption practices.

By developing new seeds that are perfectly suited to customer requirements, and by reducing the time it takes to make these new varieties available to them, Vilmorin & Cie's research offers decisive commercial advantages, making it possible, through the creation of seeds with high added value, to win new market shares and maintain organic growth higher than that of the market.

#### KEY INDICATORS 2014-2015

##### A constant and sustained level of investment:

- 18.9% of sales reinvested in research, including about 85% devote to conventional research, and 15% devoted to biotechnology\*
- 280 million Euros invested globally in research (including funding in the form of partnerships)
- More than 211 million Euros invested in research in absolute value, balanced in its spread between Vegetable seeds and Field seeds.



#### Results:

- Almost 300 new varieties launched
- 90% sales from proprietary varieties\* in vegetable seeds, i.e. made from varieties originating in research at Vilmorin & Cie
- 60% sales from proprietary varieties\* in field seeds, a proportion which should continue to increase bearing in mind research investment in GMOs\*

### 1.6.2.2. THE MEANS TO SUCCEED

#### SOLID INTERNAL ORGANIZATION

As a result of the expertise of its research teams, particularly in plant biotechnology\*, and its worldwide locations, Vilmorin & Cie is able to create new varieties with differentiating advantages, and strengthen its competitiveness through innovation.

More than 1,800 staff contribute to the research process – representing 28% of the headcount – spread out over more than 100 research sites throughout the world, working on upstream research and conventional breeding\* in vegetable seeds and field seeds to meet the needs of a great number of markets.

In terms of organization, Vilmorin & Cie's research combines cross-company resources and sites that are as close as possible to its target markets.

Each Business Unit runs its own plant breeding programs, ensuring that customer requirements are taken into account with regard to the product innovation process. Their activity is coordinated by a Divisional Research Department ensuring that technological resources are pooled, and genetic databases are circulated between the Business Units, with faster integration of any work concerning the development of biotechnology\*. It is also responsible for managing major partnerships.

In the Field seeds division, Research Departments have also been set up for each of the strategic crops, and for each of the major areas of biotechnology\*.

The Group's Scientific Affairs focuses on certain strategic projects, science and technology foresight and the pooling of support in expertise. One of the topics under consideration at the moment concerns changes with regard to the emergence of precision farming; thus Vilmorin & Cie is currently working to develop new all-encompassing solutions, in order to enhance genetic innovation and make it available to farmers. They include several areas of expertise: genetics, agronomy, data technologies (for example data sensors) and analysis of data.

#### **VILMORIN & CIE'S RESEARCH FOCUSES**

##### **Permanently enriching genetic resources\***

In order to create new varieties, research is first and foremost dependent on the diversity of plants. Access to genetic resources\* is fundamental for prolonged seed production.

Progress in plant breeding\* is dependent on the capacity to enrich this heritage and is guaranteed by taking full advantage of breeders' know-how, the opening of new research centers internationally and a steadfast policy in terms of external growth and partnerships.

##### **Accelerating the breeding\* process by using plant biotechnology\***

Future progress in plant breeding\* is largely dependent on mastering a wide range of tools, including plant biotechnology\*. These tools are used to describe plants with great precision and predict some of their characteristics, significantly accelerating

the process of plant breeding. The breeder gains precious time by identifying the plants of interest early and more efficiently, according to the breeding\* objectives.

On average two to three years of development are saved, which provides the reassurance of quicker response to the evolution of demand.

Investment in biotechnology\* today represents almost 15% of the research budget. It will also grow in years to come, as the company consolidates its financial profile.

##### **Developing strategic partnerships to enrich upstream research**

Strategic partnerships, permanently pursued and strengthened, provide Vilmorin & Cie with access to new skills and technologies, extending existing genetic bases, and enriching upstream research:

→ Genective (France) - a 50/50 joint venture with the German seed company KWS: through this upstream research agreement initiated during the course of fiscal year 2011-2012, Vilmorin & Cie and KWS have pooled investment in order to develop GMO\* traits\* primarily intended for corn seeds. It concerns the final phase of ongoing development of first generation traits\* (tolerance to herbicides and resistance to insects) and the development of other innovative traits\*.

The first authorizations were obtained in September 2013 in the United States, and in February 2014 in Canada, for a proprietary trait\* of tolerance to the herbicide glyphosate. This transformation event is currently awaiting import authorization in several countries.

Proprietary genetically modified corn seeds integrating these first generation traits\* are expected to be marketed in the coming years on markets which are open to GMOs\*.

→ Arcadia Biosciences (United States) - specialized in the development of technologies and products for agriculture, and listed on the NASDAQ since May 2015. Through agreements it has signed with this company, Vilmorin & Cie has privileged access to the gene optimizing the use of nitrogen for wheat, and holds exclusive world access to a gene for drought tolerance. The combined effect of Arcadia's innovative technologies and Vilmorin & Cie's genetic resources\* will ultimately be used to develop high yield GM\* wheat, providing economic advantages to farmers and contributing to better respect for the environment.

- Keygene (Netherlands) - experts in genomics\* applied mainly to vegetable plants, and in which Vilmorin & Cie has held a stake of 25% since 2001, in partnership with the Dutch seed companies Enza Zaden and Rijk Zwaan, and the Japanese seed company Takii.
- Biogemma (France) - European specialists in field seed plant biotechnology\*, held 55% in partnership with the seed companies Euralis and RAGT and the financial institutes for the French oilseed and protein chain (Sofiprotéol) and cereal chain (Unigrains).
- Australian Grain Technologies (Australia) - Australian leader for breeding\*, developing and distributing novel cereal varieties. Vilmorin & Cie holds a stake of almost 33% in the company's capital stock, with the aim of consolidating its expertise in hybrid\* wheat and intensifying its current research programs (genetic resources\* and technologies).
- Soltis (France) - a 50/50 joint venture between Vilmorin & Cie and Euralis, specialized in sunflower research.

Vilmorin & Cie's researchers also work in association with public and private research institutes: INRA (France), University of Davis (United States), Hebrew University (Israel), CAAS (China), CSIRO (Australia), University of Florida (United States), etc.

Through this research organization, every year Vilmorin & Cie is able to create on average several hundred new varieties and thus achieve a significant share of its sales from products that come out of its own research programs: in 2014-2015 90% of Vegetable seed sales and 60% of Field seed sales thus originated in seed varieties created by Vilmorin & Cie.

## 1.6.3. INTERNATIONALIZATION OF BUSINESS ACTIVITIES

### 1.6.3.1. A TARGETED POLICY OF EXTERNAL GROWTH

#### PRIORITY ORIENTATIONS FOR ACQUISITIONS

In 2014-2015, Vilmorin & Cie pursued its external growth strategy of anticipating market evolutions so that it can respond to major strategic opportunities:

- gain access to genetic resources\* that are differentiating and/or complementary to strategic crops,
- penetrate and cover areas with high potential to provide new outlets and guarantee that the offer is adapted to local demand,
- ensure there is a better spread of risks (climate, industrial, logistics, etc.).

Accordingly, the operations achieved in 2014-2015 concerned Vilmorin & Cie's priority markets, in particular Asia.

#### A PROGRESSIVE INTEGRATION MODEL THAT RESPECTS EXISTING IDENTITIES

Vilmorin & Cie's external growth policy is to gradually integrate companies that are taken over, with the purpose of preserving the identity of the acquired company and capitalizing on the existing assets and know-how of the teams already in place.

Product development, local distribution networks and the brand policy are maintained in most cases, whereas the functions that can generate synergies (upstream research, governance, administration) are pooled.

### 1.6.3.2. INCREASING AND PROGRAMMED INTERNATIONALIZATION

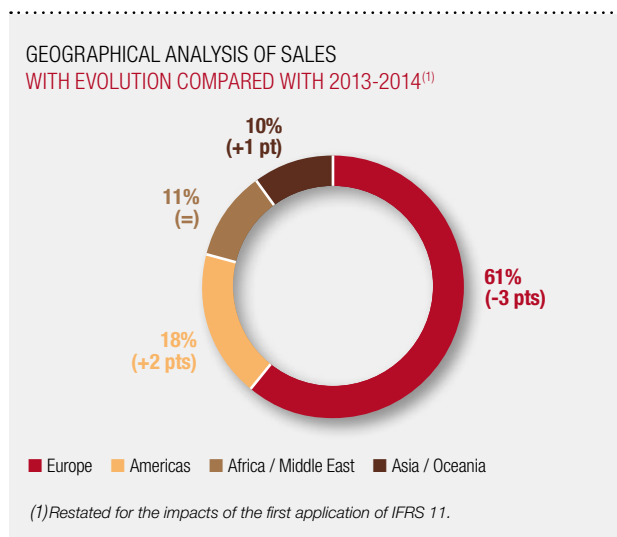
Vilmorin & Cie's internationalization within the world seeds market, is the driving force for its development.

Today, all the stages in the development of a seed have acquired an international dimension: research sites are spread out all over the world; seeds are produced and processed in the two hemispheres, while the products themselves are distributed on the main zones where the seeds are used.

Internationalization of business, based on a strategy of strong segmentation, targeted by zone and by crop, combines organic and external growth, and regularly involves acquisitions, strategic alliances and partnerships.

Building from a solid financial structure, optimized in March 2015 through a public bond issue of 150 million Euros, following the reopening of the inaugural public bond issue of May 2014, Vilmorin & Cie is pursuing its development plan both in vegetable seeds and field seeds.

#### BUSINESS WHICH IS ALREADY DEVELOPED OUTSIDE EUROPE



#### NORTH AMERICA: A MAJOR MARKET

##### An area of consistent growth in vegetable and corn seeds

In the United States, Vilmorin & Cie holds strong positions and is in the top three players that share almost 75% of the market for corn and for vegetable seeds (*Internal source*).

Since it covers the territory efficiently, Vilmorin & Cie holds all the assets it needs to pursue its growth on a market that continues to expand. Indeed, North America is the largest seeds market in the world in value, with growth of 7.5% over the past five years (*Source: Phillips McDougall 2015*).

##### A long-term growth zone for wheat

Average wheat yields today in the United States stand at 3 tonnes per hectare while they stand at almost 6 tonnes per hectare in Europe. Largely dominated by low yield farm seeds, the North American market is lacking in any major innovation, whereas in Europe, seed companies are very active in wheat breeding, proposing varieties that perform better and better.

Nevertheless, faced with the inevitable evolution of the North American market towards high yield seeds, and with the increasing adoption of commercial seeds, Vilmorin & Cie has a historic opportunity to exploit its expertise in this crop and contribute to converting the market.

In this respect, following the evolution of Canadian legislation, which in the coming years, should result in the application of royalties on wheat seeds, Vilmorin & Cie has initiated its presence in wheat in this country. Vilmorin & Cie and the Canadian company Canterra Seeds therefore announced, at the beginning of July 2015, the creation of a joint venture dedicated to research and development of new cereal varieties, and wheat in particular. More details on this information are provided on page 22.

#### ASIA AND SOUTH AMERICA:

##### TWO PRIORITY AREAS FOR INVESTMENT IN THE SHORT TERM

Asia and South America have been defined as two priority areas for development, considering the current size of their markets and their growth potential.

##### Asia: a fast growing market

With the continuous growth in population and the evolution of consumption habits, the Asian market is growing fast: + 8% per year on average for the past five years (*Source: Phillips McDougall 2015*).

Asia represented 9% of Vilmorin & Cie's sales in 2014-2015, achieved mainly in Japan, along with India, China and Thailand. For Vilmorin & Cie, development in this zone is a clear strategic objective, both in vegetable seeds and field seeds, with an approach combining respect for cultural specificities and protection of intellectual property.

In a longer-term perspective, Vilmorin & Cie's ambition is to make 15% of its consolidated sales on this continent. In order to achieve this objective, Vilmorin & Cie will need to extend its present number of sites in order to gain access to local genetic resources\*.

Besides the two target countries initially defined - India and China - Vilmorin & Cie has expanded its presence on the continent: after the acquisition of the Thai company Seed Asia during fiscal year 2013-2014, through which it has set up corn seeds business in Southeast Asia, Vilmorin & Cie acquired the Vietnamese company Tropidicorp in 2014-2015. This transaction means it is present in the most dynamic country in the region for the development of vegetable seeds, and has considerably strengthened its presence in Southeast Asia.

This information is presented in more detail on page 16.

### South America: 3<sup>rd</sup> largest world market for seeds

With average annual growth of 14% over the past 5 years, the South American market represented 19% of the world market for seeds in 2014 (*Source: Phillips McDougall 2015*) and offers very significant potential for development.

Vilmorin & Cie made sales of almost 80 million Euros on this continent in 2014-2015. Historically, South America has provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season seeds. Today Vilmorin & Cie is developing its commercial activity here, with field seeds as a priority, and Brazil being the key country.

Vilmorin & Cie's ambition is to reach a market share of 10% in corn by 2020 in Brazil.

### AFRICA: A MARKET WITH POTENTIAL

Even though the market for seeds in Africa today represents less than one billion dollars (*Sources: Phillips McDougall and ISAAA 2015*), it is assured of considerable development in the long-term, especially because of dynamic population growth. Africa will hold almost one quarter of the world's population by 2050 (*Source: United Nations Food and Agriculture Organization / FAO*).

Already present with vegetable seeds, in particular in North Africa, Vilmorin & Cie set up business at the beginning of 2013 on the market for corn seeds, the most widely grown crop in Africa, by acquiring Link Seed, the fourth largest seed company in South Africa. During the course of fiscal year 2013-2014, Vilmorin & Cie also crossed a major threshold on the continent, by purchasing a minority stake in Seed Co, the top seed company in Africa. At the end of 2014, this stake was increased to 30.5% of Seed Co's capital stock.

This information is presented in more detail on page 21.

## 1.6.4. THREE STRATEGIC PRIORITIES

Vilmorin & Cie's ambition is to accelerate its development according to three strategic priorities, each at its own rhythm:

- maintain leadership in vegetable seeds is an immediate priority;
- the objective of becoming a global player in corn seeds is a medium-term aim;
- internationalization of leadership in wheat is on the long-term horizon.

### 1.6.4.1. VEGETABLE SEEDS: MAINTAIN WORLD LEADERSHIP

Vilmorin & Cie's development on this mature market, where it is No. 2 worldwide, is based on a combination of organic and external growth. This development will be pursued and promoted through its organization in Business Units, with a focus on certain main orientations. Vilmorin & Cie has thus defined a segmentation strategy for its geographical markets and crops, depending on their size and growth potential, to guide its market approach.

#### MAINTAIN ORGANIC GROWTH HIGHER THAN THAT OF THE MARKET

In order to gain market shares and prolong its organic growth, Vilmorin & Cie relies on the virtuous circle of innovation combined with proximity to its markets. Indeed, development of the vegetable seed market, due to evolutions in the world consumption of vegetables, depends primarily on the development of novel seeds. For this reason, mastering biotechnology\*, particularly molecular marking\*, contributes directly to the acceleration of plant breeding and is now a vital tool for breeders. Research investment allocated to this technique will therefore continue to be at a high level in the future, along with investments in research sites that run this work. For example, in fiscal year 2014-2015, Hazera finalized its investments to create a high level research center including greenhouses and laboratories, based in Brurim (Israel).

Moreover, opening new sites increases proximity to highly segmented markets and contributes to the chances of winning business there. For this purpose, and during the course of this past fiscal year, a representation office was opened in South Korea, a high potential market.

At the same time, modernizing and enlarging certain production sites participate directly in the quality of the final product and customer satisfaction. Investments are therefore regularly made at Vilmorin & Cie's different sites spread all over the world: for example, HM.CLAUSE inaugurated a new seed factory in Hyderabad (India) at the beginning of 2015. At the same time, in order to boost control of its procurement of high added value seeds, Vilmorin & Cie is developing its capacity to produce seeds



at its own facilities, with the commissioning, in 2014-2015, of a production farm based in Kenya.

#### **STRENGTHENING POSITIONS BY TARGETED EXTERNAL GROWTH OPERATIONS**

Operations undertaken to consolidate the current geographical set-up, and solidify the key zones and crops that are less prominent in the line-ups (lettuce, sweet corn, water melon, etc.) in the Business Units will continue in the years to come.

Furthermore, Vilmorin & Cie will continue, beyond its solid anchoring in Japan, to strengthen its presence in Asia (Southeast Asia, South Korea, India, etc.), by purchasing stakes, making acquisitions and developing partnerships.

To illustrate this objective, in March 2015, Vilmorin & Cie acquired the Vietnamese company Tropdicorp. Vilmorin & Cie has considerably strengthened its presence in Southeast Asia, by entering the most dynamic country in the region for the development of vegetable seeds. Moreover this acquisition will enable it to enrich and diversify its product portfolio and its germplasm, while benefiting from complementary research programs in India, Thailand, and Japan.

In India there was another strong increase in sales this year, confirming the successful integration of the company Century Seeds acquired in 2012-2013.

As for China, a must for vegetable production, it nevertheless requires a gradual and prudent approach because of the challenges of intellectual property. Vilmorin & Cie's presence and development are the responsibility of breeding\* stations and distribution networks for all the vegetable seed Business Units.

#### **1.6.4.2. CORN SEEDS: BECOME A GLOBAL PLAYER**

As the largest seeds market in the world in terms of value, representing 191 million hectares in 2014 (grain corn and forage corn), corn is quite naturally a strategic crop for Vilmorin & Cie.

In order to become a global player for this crop, Vilmorin & Cie is pursuing the implementation of its strategic plan. This plan is based on the combination between regional Business Units, something very specific to Vilmorin & Cie, and global functions, to ensure growing coordination for certain support functions such as research and strategic marketing.

#### **BECOMING A MAJOR PLAYER ON THE EUROPEAN CORN GRAIN MARKET**

The world market for corn is divided between grain corn (more than 90% of world acreage) and forage corn, essentially a European particularity. Vilmorin & Cie needs both, to consolidate its leadership on the forage corn segment and, in a context where its competitive positions in corn are becoming more and more international, strengthen its presence on the grain corn segment, by bringing out novel products. Research programs have been redeployed to extend the existing line-ups through innovations specifically developed for this segment, particularly for early grain corn, to better meet the needs of farmers (higher yields, resistances to diseases, etc.).

#### **INTERNATIONALIZING BUSINESS BEYOND EUROPEAN AND NORTH AMERICAN POSITIONS**

Historically present on the corn market in Europe and in North America, Vilmorin & Cie can use these solid bases to branch out towards a wider market.

Capitalizing on its expertise in field seeds and on the proven solidity of its development model, in 2010 Vilmorin & Cie fixed a strong ambition: to become a top international player in corn. This objective implies rapid internationalization of its positions in corn on new, fast-growing markets, and to set up business here sustainably:

- South America, with Brazil in particular,
- Asia (India, China and Southeast Asia),
- and Africa.

This internationalization will enable Vilmorin & Cie to aim for a much more significant share of this market for corn: by integrating South America, Asia and Africa, Vilmorin & Cie is now targeting around 85% of the world acreage for corn, as opposed to about 30%, with presence exclusively in Europe and North America.

Furthermore, conquering new frontiers is an opportunity to approach corn with a more comprehensive vision of the crop. It will enable Vilmorin & Cie to enrich its research process, gain access to complementary genetic resources, particularly for tropical corn, and to work in extremely varied climatic environments with different objectives in the use of corn.

The first stages in this ambitious action plan have been to set up Business Units on these different markets in order to form development platforms. Acquisitions and research partnerships have been achieved for several years in order to establish the right

conditions and best advantages for the deployment of these activities. In 2014-2015, Vilmorin & Cie therefore pursued its development in these new zones, while providing greater structure to the organization, particularly through the networking of its genetic resources\* in tropical corn. This information is presented on pages 20/21.

### South America

Historically, South America has provided Vilmorin & Cie with the opportunity to reinforce its capacity to produce counter-season seeds, to extend the period when products are available in the northern hemisphere. As a complement to this strategic advantage, this continent, and particularly Brazil, now represents a key development orientation for field seeds. Corn is a widely grown cereal here and the use of genetically modified varieties is progressing very fast: Brazil has become the second world market in terms of GM\* corn acreage.

Vilmorin & Cie prefers a gradual approach to its development in South America, with the aim of reinforcing its existing organization in Brazil before envisaging its development in neighboring countries.

Vilmorin & Cie's objective in Brazil is ambitious: it is aiming at a 10% market share in corn by 2020, starting from a line-up comprising innovative conventional and genetically modified seeds, combining genetic resources\* and proprietary technologies.

### Asia

In Asia, the largest geographical continent for corn acreage, with 59 million hectares in 2014, Vilmorin & Cie has defined priority zones for action and investments: India, China, and Southeast Asia.

Vilmorin & Cie's long-term growth in these areas means extending its present number of sites through new partnerships and acquisitions. Access to local genetic resources\*, just like in other regions of development, is an essential step. An increase in the field seeds business in Asia will initially require selling high added value conventional corn seeds, and possibly at a later stage, the introduction of GM\* varieties that will better respond to the need to improve yields. To date, only the Philippines and Vietnam have adopted GM\* corn in Asia.

■ In India, Vilmorin & Cie has high strategic ambitions. With a market share of around 7% in field seeds, Vilmorin & Cie's ambition is to continue to gain market shares for the corn segment.

After taking full control of Bisco Bio Sciences in 2013, one of the top Indian players in corn seeds, Vilmorin & Cie has created a facility which has a number of advantage cards to help it

achieve its ambitions in this sub-continent: adapted and shared genetic resources\*, breeding\* centers and local production units, reinforced through an extensive sales network.

■ In China, Vilmorin & Cie has adopted a determined, specific development policy. In this key country, Vilmorin & Cie has to develop business in conditions that guarantee protection of intellectual property and its values, particularly in terms of management and organization model.

Moreover, foreign companies are limited to a minority stake in the capital stock of Chinese seed companies, and so access to genetic resources\* and their conditions of use must be assessed carefully before any investment.

In such a context, direct implantations and partnerships with important local seed companies remain the two privileged options in Vilmorin & Cie's development policy in this zone.

Along these lines, in July 2015, Vilmorin & Cie obtained authorization from the Chinese authorities concerning the creation of a joint venture for the production and distribution of corn seeds with the company Anhui Hengji Seeds.

Vilmorin & Cie also has a network of research sites located according to different types of corn, which means it can breed seeds adapted to local agronomic conditions.

■ As far as Southeast Asia is concerned, this became a new high potential region for Vilmorin & Cie since fiscal year 2013-2014, with the acquisition of the company Seed Asia (Thailand), one of the rare independent local players for hybrid\*, tropical corn. Besides being present in Southeast Asia, through this operation, Vilmorin & Cie has gained access to proprietary genetic resources\* of high quality also suited to other zones, including (India, Brazil, southern China and Africa), and which have enriched its genetic heritage in tropical corn.

### Africa

A new zone for the development of corn, Africa has considerable potential for growth in the long term. 34 million hectares of corn were grown here in 2014, which is around 18% of world acreage. Vilmorin & Cie set up business on this continent in fiscal year 2012-2013, through the acquisition of the fourth largest seed company in South Africa, Link Seed.

In 2013-2014, Vilmorin & Cie purchased a minority participation of 21.4% in Seed Co, the largest seed company in Africa: at the end of 2014, this participation was raised to 30.5% of Seed Co's capital stock.

Seed Co, which owns an extensive base of infrastructures (5 factories and 6 research stations) spread out over the continent, holds leading positions in several countries (Zimbabwe, Zambia,

Malawi, etc.). The company is also developing in other regions in Africa.

Through this collaboration, which will initially take the form of operational partnerships, primarily for research, Vilmorin & Cie is pursuing its progressive integration on the African market.

#### **PURSUING INNOVATION AND SELLING PROPRIETARY GENETICALLY MODIFIED VARIETIES**

With an adoption rate of 31% of world acreage in 2014 (*Source: ISAAA 2015*) the market for genetically modified corn seeds today represents almost 9 billion US dollars (*Source: Phillips McDougall*) and is characterized by more and more complex products, often stacking several traits\* in the same variety.

In this context, Vilmorin & Cie aims to take up position among the few technology providers in the world and is working to develop transgenic corn seed varieties integrating its own technologies:

- so-called first generation: with traits\* for tolerance to herbicides and resistance to insects, intended primarily for American markets (North and South America), as a complement to GM\* traits\*, currently licensed out, and for other potential GM\* markets (Europe and Asia),
- so-called second generation intended for the world market: improving yield, integrating better tolerance to drought or with an improved utilization of nitrogen fertilizers.

This research is being conducted through Genective, a 50/50 joint venture between Vilmorin & Cie and KWS in order to develop GMO\* traits\* for corn.

The first authorizations were obtained in September 2013 in the United States, and in February 2014 in Canada, for a proprietary trait\* of tolerance to the herbicide glyphosate.

At the same time the files have already been registered in various other countries, and this success has enabled Genective to submit this trait for authorization to import into other countries, such as China for example.

The first products could thus be launched commercially over the coming years on markets that are open to GMOs, a little later than the initial estimates, but without calling into question the product performance expected.

They will first concern traits\* of tolerance to herbicides, and then later, traits\* of resistance to insects.

With this perspective, in October 2015, Vilmorin & Cie and KWS announced the signing of additional long-term license

agreements with Syngenta, concerning GMO\* corn traits. These agreements complete and reinforce Vilmorin & Cie's technological platform.<sup>(1)</sup>

#### **1.6.4.3. WHEAT SEEDS: BECOMING THE WORLD REFERENCE FOR THE MOST WIDELY GROWN CROP IN THE WORLD**

##### **A FUNDAMENTAL LEVER: INNOVATION**

Wheat is the most widely grown cereal in the world with almost 225 million hectares in 2014 (*Source: USDA*), and is the staple food for one third of the world's population. In order to satisfy constantly increasing food needs, the world production of wheat needs to increase by 60% before 2050.

Yet wheat is suffering structurally from low yields, and this represents a serious risk for the world food balance. This situation can be explained by a lack in any major innovation in this crop and consequently the really low use of commercial seeds. The seeds sector is thus working to come up with more efficient seeds, guaranteeing a better yield.

Vilmorin & Cie is particularly well positioned to contribute to the conversion of this poorly valorized market into a high yield seeds market, with GM\* seeds which could be introduced as of 2020 on markets that are open to GMOs\*, and then, at a later date, with hybrid\* seeds.

##### **A SOLID BASE TO MAINTAIN: NO. 1 IN EUROPE**

As the leader in Europe, Vilmorin & Cie is empowered by its historical expertise and high-quality genetic resources\* obtained through acquisitions and specialized partnerships.

Today it holds more than 15% of the market in Europe, with market shares exceeding 20% in certain countries. Vilmorin & Cie's ambition is to maintain and strengthen its position as No. 1 in Europe. In particular this involves the creation of varieties that meet farmers' needs even better, and the strengthening of its genetic resources\* on a case-by-case basis.

##### **CONQUERING NEW FRONTIERS**

With this European leadership, Vilmorin & Cie has all the benefits required to stand out as the world reference for this strategic crop. Targeting the main wheat production areas, i.e. the Americas, Australia and Asia, its particularly dynamic conquering strategy is aimed at the constitution of genetic resources\* perfectly adapted to local climatic conditions, access to, and development of, innovative technologies and the setting up of new distribution networks.

(1) Cf. Vilmorin & Cie press release of October 15, 2015.

■ Widely dominated by farm seeds (about 2/3 of the market) with lower yields, the United States represented the first major objective for Vilmorin & Cie. Launched in 2009, its wheat seed development plan for this zone means that it now has an efficient platform to distribute high yield seeds.

Moreover, the recent adjustment of Canadian legislation and its alignment with UPOV '91 (International Union for the Protection of New Varieties of Plants of 1991) should result, in coming years, in the application of royalties on wheat seeds, allowing for direct remuneration of research. This change in the market structure would lead to a strong increase in the value of the Canadian market, placing the country among the top world players for this crop.

It is in this context that at the beginning of July 2015, Vilmorin & Cie and the Canadian seed company Canterra Seeds announced the creation of a joint venture specialized in the development and breeding\* of cereals. Furthermore, Vilmorin & Cie is taking up a minority stake of 30% in Canterra Seeds, bolstering its wheat research in Canada with facilities dedicated to this market.

■ Australia is also an extremely important market for wheat seeds, and already has an efficient royalties collection system. Since 2008 Vilmorin & Cie has benefited from a strategic partnership with the company Australian Grain Technologies (AGT), the Australian leader for the breeding\*, development and distribution of innovative wheat varieties, which holds more than 40% of market shares. It also benefits from existing agreements with the two wheat research leaders in Australia – ACPFG and CSIRO – to develop wheat optimizing the use of nitrogen adapted to local conditions.

■ At the same time Vilmorin & Cie is pursuing its strategy to internationalize its positions on other major markets, and particularly in Asia, which is the largest market in terms of wheat acreage and production, and in South America.

In 2014-2015, Vilmorin & Cie entered the Brazilian wheat market, which offers great potential, through the acquisition of the assets of the company DNA, specialized in the genetic improvement of wheat. The objective is to take up a prominent position on the wheat market in Brazil and other South American countries, by developing wheat varieties with improved qualities and a high potential for production.

## 1.6.5. OBJECTIVES FOR 2015-2016

For 2015-2016, Vilmorin & Cie aims to pursue the dynamic deployment of its development and innovation strategy, in a long-term perspective, while taking into account the notable different market contexts of its two strategic activities.

### 1.6.5.1. VEGETABLE SEEDS

After a particularly dynamic fiscal year 2014-2015 in a favorable market environment, in 2015-2016 Vilmorin & Cie aims to achieve, as in previous years, average growth in sales higher than the estimated trend in growth for the vegetable seeds market.

Pursuing varietal innovation will enable Vilmorin & Cie to ensure regular renewal of its product range and conquer market shares.

Vilmorin & Cie will also stay on the lookout for any external growth opportunities, including targeted operations that strengthen its positions in strategic zones and crops.

### 1.6.5.2. FIELD SEEDS

In a market context that will probably remain difficult, Vilmorin & Cie is approaching 2015-2016 with the ambition of continuing to strengthen its positions in the different territories where it has set up business, considerably broadened in recent years, both for corn seeds (South America, Asia and Africa) and wheat seeds (North and South America).

In particular, this objective will involve pursuing implementation of its strategic plan for Field seeds, which specifically aims to reach an uncontested position as global player in corn seeds.

#### FIELD SEEDS IN EUROPE

In Europe, Vilmorin & Cie's objective is to consolidate its positions, especially through the flow of new products in corn seeds (grain corn and forage corn), while considering the persistent political and economic crisis in Ukraine and in Russia.

At the same time, Vilmorin & Cie will also be initiating reflection on the creation of research and supply chain infrastructures, with the objective of possible implementation upon the return of more favorable market conditions.

#### **CORN SEEDS IN NORTH AMERICA**

In North America, AgReliant<sup>(1)</sup>, the third largest player on the corn market in the United States, aims to consolidate its market shares in a tense market.

Moreover fiscal year 2015-2016 will be devoted to the integration of the company Golden Acres Genetics, acquired in July 2015. AgReliant will also be initiating deployment of its concept of commercial brands of national scope, and will launch its first software developed for precision farming: "Advantage Acre", an innovative program for farmers.

#### **CORN SEEDS IN NEW DEVELOPMENT ZONES**

In 2015-2016 Vilmorin & Cie will reinforce its presence in new development zones (South America, Asia and Africa) with tropical corn, both yellow and white, and also with a portfolio of complementary crops, which will be defined according to markets in order to increase Vilmorin & Cie's visibility there.

Vilmorin & Cie will also be finalizing the implementation of its production and research infrastructures, so that it can operate in the best conditions within these geographical areas, while pursuing deployment of its sales networks.

It will remain on the look-out for any opportunity that might provide access to further genetic resources\* for tropical corn and/or additional market shares.

#### **WHEAT SEEDS IN NORTH AMERICA AND NEW DEVELOPMENT ZONES**

Vilmorin & Cie will continue to establish its global wheat network, during the course of 2015-2016.

In North America, Vilmorin & Cie will continue to structure its wheat seeds business, particularly by reinforcing its partnerships with American universities.

In the short-term, the objective is to develop the distribution of conventional wheat seeds. In Canada, Vilmorin & Cie will initiate its collaboration with Canterra Seeds, through the joint venture established in July 2015 to develop and breed wheat seeds, following evolution of regulations in the country.

Finally, Vilmorin & Cie will intensify its research programs in order to develop, in the long-term, GM\* wheat varieties optimizing nitrogen use efficiency and tolerant to drought.

#### **1.6.5.3. GARDEN PRODUCTS**

In 2015-2016, the objective is to continue to strengthen the two business pillars of France and Poland, with the ambition of exporting Vilmorin & Cie's quality image to new countries.

Operationally, Vilmorin & Cie will once again spearhead efforts alongside its customers to consolidate the quality of its range of products and services in a market that will probably continue to lack impetus. Vilmorin & Cie will also continue to implement action plans to optimize costs and consolidate its market shares.

(1) 50/50 joint venture created in July 2000 with the German seed group KWS.

# 1.7. RISK FACTORS

## 1.7.1. RISK MANAGEMENT ORGANIZATION

Vilmorin & Cie has developed a global risk management program, pursuing the construction and permanent improvement of its organization along two operational lines: first, to deploy the program in the Business Units while broadening the range of risks considered; secondly to ensure there is program continuity through the development of risk management procedures.

The risk management program and its governance are described in the Chairman's report on the functioning of the Board of Directors and internal control (cf. page 75).

During the course of fiscal year 2014-2015, the global risk management organization was significantly reinforced and completed:

### Reinforcement of the coherence of internal procedures

Continuing on from the measures taken during previous fiscal years, the risk management process was perfected over fiscal year 2014-2015, with greater harmonization of the procedures between Vilmorin & Cie and the Business Units providing greater synergy in the implementation of programs designed to reduce risks.

At the same time, systematic reporting to Vilmorin & Cie has been set up for better internal sharing of changes to risk analysis and the detection of emerging risks.

### Improvement of the detection and assessment of risks

Moreover, to go further in this approach, benchmarking initiatives have been taken in order to broaden the range of risks taken into consideration, and to anticipate the evolution of certain risks more efficiently and with faster response. For example, when examining the specific risk of fraudulent false bank transfers, feedback and analyses from real life experiences of other companies helped to consolidate prevention procedures and foil any such attempts. Similarly, by participating in working groups of safety managers from different companies, international risks in particular were better apprehended through the adoption of reference practices.

### Changes to the risk structure

A 12<sup>th</sup> risk domain was created during 2014-2015, as a result of the distinction between the risks "security" and "safety", previously grouped together. Provisions for the reduction of security risks, in particular, were considerably reinforced over this past fiscal year (cf. security risks), which justified the creation of a dedicated domain.

Furthermore, the 12 risk domains are now organized in 3 risk families, in order to improve the coherence of internal reviews and the sharing of analyses with other companies. These families are:

- Operational risks;
- Financial risks;
- Cross-functional risks.

Operational and financial risks are more specifically linked to the nature of Vilmorin & Cie's business, its development projects and its specific organization and governance.

Cross-functional risks are better adapted for any analytical comparison with external partners (other companies and public institutions). They are not specific to Vilmorin & Cie, and may characterize any type of organization, whether public or private.

### Developments in the steering of risk control

During fiscal year 2014-2015 the mapping of gross exposure to risks was extended by adding mapped residual risks, a very useful tool to steer the actions undertaken by the network of risk owners<sup>(1)</sup>. With this new map it is possible to go beyond a risk assessment depending on the variables of gravity / probability, providing an overall view of how risks evolve and are controlled. In this way it is possible to take measures to reduce more randomly controlled risks significantly and focus on them with greater clarity, including them in the crisis management process in some cases.

(1) The risk owner is the expert who is capable of intervening in preventative and curative management for the risk he or she owns.



## 1.7.2. CRISIS MANAGEMENT ORGANIZATION

### Definition of a crisis management doctrine

During the course of fiscal year 2014-2015, a crisis management manual was disseminated within the Group in order to formalize the procedure for crisis management, the organization of crisis units and the method used for critical analysis. The vocation of this manual is to harmonize the practices already adopted in the Business Units and to develop interoperability between the different players.

This doctrine is also more fungible with existing action principles and procedures in public services responsible for civil and international crisis management (local authorities, ministries).

### Better anticipation

In conjunction with referenced public and private players, a vigilance-anticipation function has been developed and demonstrated its efficiency several times during the course of the fiscal year.

During the different alert phases, feedback was shown to be effective, and the operational response in the Business Units and sites to be efficient too.

### Deployment of the approach

The dissemination of the crisis management manual was accompanied by training courses run in the Business Units during 2014-2015. Furthermore, in the coming years operational simulations and training exercises are planned.

A crisis management scheduling process is also planned as of the next fiscal year as a complement to the crisis management manual, in order to permanently improve on how the most critical situations can be anticipated.

## 1.7.3. OPERATIONAL RISKS

### 1.7.3.1. RISKS RELATED TO THE COMPETITION

#### Identification of the risk

A sudden change in the competitive environment or a disruptive innovation coming from a competitor are both risks that need to be envisaged. First of all, since agriculture is a priority focus for many governments, a new player with support from the public authorities from its country could emerge and call into question the balance of the competing forces worldwide. Moreover the introduction by a competitor of a disruptive innovation in terms of scientific research, technology, or more generally in terms of business model might expose Vilmorin & Cie to the loss of a competitive advantage on one of its business segments.

#### Risk management

The spread of Vilmorin & Cie's business, both in terms of business segments and geographical zones, helps to limit these risks.

Furthermore, there is a strategic and competitive intelligence department that analyzes market trends, follows the evolution of the strategy of competitors and detects weak signals.

Vilmorin & Cie's strategy is also based on several complementary orientations:

- A significant investment in research, including upstream research, allowing Vilmorin & Cie to launch several hundreds of new varieties on average every year;
- Collaboration with research institutes with a world-reaching reputation;
- The development of a creative spirit in the group, which the Group's Scientific Affairs Department is responsible for maintaining.

### 1.7.3.2. RISKS RELATED TO THE GEOPOLITICAL ENVIRONMENT

#### Identification of the risk

Vilmorin & Cie has sites in 42 countries and does business in almost 150 countries. The group's employees and activities are liable to be hit, whether directly or indirectly, by a period of economic, political or financial instability affecting the situation of agriculture and farmers (war, revolution, major social conflicts, devaluation, unsecured funding for farmers, etc.).

Moreover, since agriculture is considered to be a strategic business sector in many countries, local authorities may implement restrictive policies for foreign investors: foreign exchange control, restriction of property rights, access to cash, repatriation of profits and the capital invested, or even nationalization of agriculture.

#### Risk management

Vilmorin & Cie cannot affirm that its results would not be affected by an upheaval in the economic, political or regulatory conditions, or by a crisis in certain countries in which it is present.

However, Vilmorin & Cie's international development has created a diversified geographical spread, limiting the concentration of this risk in a given country.

Furthermore, any risks related to countries are also considered when making decisions on investments and the location of industrial, scientific and commercial assets: facility of exchanges, political stability, etc.

### 1.7.3.3. RISKS RELATED TO EXTERNAL GROWTH OPERATIONS

#### Identification of the risk

Vilmorin & Cie's strategy is based on a combination of organic growth and external growth. Working within a seeds industry that is continually growing more concentrated, the risk would be to make an external growth operation that turned out to be inappropriate or, on the contrary, to be incapable of achieving operations that turned out to be the most promising, particularly in a context where potential targets are rare, and where there is strong competition between players with very different scales of financial resources.

#### Risk management

In order to deal with these risks, Vilmorin & Cie has set down a specific process for mergers and acquisitions, from the identification of targets right up to their integration, in which several departments are involved. Each stage in the process is reviewed and validated by Vilmorin & Cie's management bodies. Acquisitions form part of the mid-term strategic plan which is reviewed every year, so that funding needs can also be anticipated, and funding sources identified.

### 1.7.3.4. PRODUCT QUALITY RISKS

#### Identification of the risk

Vilmorin & Cie creates, produces and sells conventional and genetically modified field seeds, and conventional vegetable seeds and garden products. In order to produce its seeds, Vilmorin & Cie makes use of a vast international network of seed multiplication farmers\*.

In order to comply with local regulations Vilmorin & Cie must respect its obligations with regard to its contracts and to customer requirements, in particular with regard to varietal purity. It is therefore exposed to risks of product non-conformities.

Product non-conformities can have serious financial consequences, going far beyond the selling price of the products. These consequences can be amplified bearing in mind the multiplication effect involved in any seed production and the wide dissemination of products intended for the general public, and also the complexity of regulations applying to various aspects (products, environment, etc.)

In cases where there is contamination of seed lots by parasites or bacteria, particularly vegetable, or physical, unintended mixes of conventional and genetically modified field seeds, or by contamination due to pollen flow, Vilmorin & Cie could thus be negatively affected, either in terms of financial results or image.

Furthermore, the group's products are controlled by analytical laboratories, either internally or by external providers, and any errors in the results of analyses could have consequences on the market value of the products, with a negative impact on Vilmorin & Cie's reputation.

## Risk management

Vilmorin & Cie has a quality management system. Its mission is to ensure the conformity of its conventional and GM\* products through a network of correspondents, for its activities of research, production and sales.

The system is based on written guidelines and procedures. Users are accompanied in its deployment, in particular through internal training programs. In order to ensure the system is correctly implemented, the quality reference manual is regularly audited in accordance with an annual schedule.

In order to guarantee the quality and reliability of the products sold, a quality control and traceability organization has been implemented on the research, trials, production, processing and sales processes in order to limit the risks of unsolicited mixes and labeling errors.

Moreover, for the production of its seeds, Vilmorin & Cie is extremely careful to set up contractual relations with its network of seed multiplication farmers\*. They are rigorously selected with a view to medium-, or even long-term partnerships. The specifications accompanying the contract define all the conditions and objectives laid down for production, guaranteeing that Vilmorin & Cie has full control over the quality of its seeds.

As far as GMOs\* are concerned, Vilmorin & Cie has specific analytical controls conducted. These controls are run by accredited laboratories which are regularly tested and validated by the quality management department in order to guarantee the reliability of the results.

Moreover, for responsible management of GMOs\*, Vilmorin & Cie is a member of the ETS<sup>(1)</sup> (Excellence Through Stewardship) network, and applies the quality management system to the full life cycle of the GM\* product: research, production, marketing, sales, crisis management and product end. Vilmorin & Cie was successfully audited by ETS in 2015, concluding a cycle of 3 years.

## 1.7.3.5. RISKS RELATED TO PROCUREMENT

### Identification of the risk

Vilmorin & Cie's activities are highly seasonal, and sensitive to climate risks and supply hazards. Whether the reasons are climate-related, technical, geopolitical, contractual, etc., the consequences of risks related to procurement may have a strong impact on Vilmorin & Cie.

### Risk management

The production plan<sup>(2)</sup> plays a major role in limiting risks related to procurement. As a vital aspect in the appropriate supply of markets and also control over inventory levels, the production plan is set up with regard to different factors: market needs, harvest results, commercial lifespan and keeping quality of each variety, and also production zones. Coordinated by the production managers, this plan is confirmed by the General Management in each company.

Moreover, in terms of climate and weather risks, the varied international locations of production areas and research stations make it possible to share out and limit the risks related to meteorological uncertainty, and ensure regular high-quality seed production. As far as production is concerned, the highly seasonal nature of the business, the specific needs of the different crops and the variations in demand all mean that sites need to be set up all over the world. There are about twenty production basins spread out over all continents, both in the northern and southern hemispheres, to ensure this risk is under control.

## 1.7.3.6. RISKS RELATED TO RESEARCH

### Identification of the risk

In order to develop tomorrow's seeds and ensure its future growth, Vilmorin & Cie permanently invests in Research and Development projects. Today these investments represent almost 19% of its professional sales.

Taking research cycles into account (it takes 7 to 10 years to create a new seed), a particular risk would emanate from a mismatch between the research projects launched and customers' future needs, and an imbalance between the distribution of investments

(1) Reference system set up at the initiative of the international seed industry.

(2) Depending on crops and varieties, the production plan is built up on the basis of sales forecasts for the following year. These forecasts are made with regard to inventories, customer opportunities and market trends. The production plan aims to define the crops and varieties to be produced, the places and quantities for production, depending on climate risks, production sites, earliness, average yields and producers.

granted to different research and development projects. Innovation projects concern those that are directly linked to Vilmorin & Cie's core business, and more prospective projects. In other words, the risk corresponds to a concentration of the R&D project portfolio run by Vilmorin & Cie on insufficiently diversified projects or targeting deadlines that are unevenly distributed in time, with potential consequences for Vilmorin & Cie's competitiveness.

## Risk management

Several measures have been taken to control this risk. Permanent work on scientific, technological and competitive intelligence is carried out to identify emerging trends and breakthroughs that Vilmorin & Cie and its environment will be confronted with tomorrow.

Moreover, in order to secure its investments in research, Vilmorin & Cie devotes specific resources to deploy measures to:

- incubate innovative projects;
- carry out feasibility studies at an early stage in projects.

Projects that show no hope of a satisfactory return on investment can therefore be stopped before mobilizing too much investment.

### 1.7.3.7. IMAGE RISKS

#### Identification of the risk

Through its business activities, Vilmorin & Cie is exposed to public attacks of all kinds and all origins, whether well-founded or not, sincere or otherwise, which might damage its image and reputation.

Such events could have negative effects on Vilmorin & Cie's sales, income, image, attractiveness and development perspectives.

## Risk management

In order to limit this risk, Vilmorin & Cie has taken several measures of prevention:

- The implementation, in 2012, of a Corporate Social Responsibility Approach<sup>(1)</sup> (CSR) in collaboration with its reference shareholder Limagrain, aiming to structure its actions around priority issues - governance and society, human resources, innovation, operational excellence - for which progress objectives have been defined. Among these objectives, in particular, there is the development of dialogue with the Group's main stakeholders (public authorities, media, associations, NGOs, shareholders, suppliers, employees, etc.) as part of its continuous improvement approach. For example, at certain sites of Vilmorin & Cie, this involves presenting the company, a better knowledge of the expectations of the main players involved and concerned by its business, and setting up programs (including partnerships) where this is relevant.
- The progressive dissemination of a Code of Conduct<sup>(2)</sup> and the deployment of trainings to ensure it is correctly understood. This Code sets out the main ethics and fundamental commitments that Vilmorin & Cie and its reference shareholder Limagrain wish to see respected by all their employees in all circumstances, whatever their profession or country.
- Networks of internal communication representatives and CSR coordinators working together within exchange committees devoted to ensuring there is coherence, coordination for the communication CSR activities between the Group and its Business Units.

As a complement to the CSR approach and the dialogue with stakeholders, the Group's Communication and Institutional Affairs department is more specifically in charge of crisis communication. It participates in both preventative and corrective crisis management, in order to limit, as far as possible, the proliferation, range and impact of criticisms and attacks against the Group. The system that has been set up integrates awareness development for the representatives and spokespersons of the Group (dissemination of a crisis communication guidebook), specific web monitoring (social media, websites, blogs, etc.) using a dedicated tool and communication management in times of crisis. These actions are conducted in coordination with Vilmorin & Cie's Risk Management Committee, on the basis in particular of a standard crisis management procedure (cf. Crisis management organization page 45).

<sup>(1)</sup> Vilmorin & Cie's CSR approach is presented in chapter 4: Social, environmental and corporate information, page 96.

<sup>(2)</sup> Detailed information on the Code of Conduct is presented in chapter 4: Social, environmental and corporate information, page 97.

## 1.7.4. FINANCIAL RISKS

### 1.7.4.1. DETERIORATION OF THE COMPONENTS OF THE WORKING CAPITAL NEEDS

#### Identification of the risk

Vilmorin & Cie runs worldwide business that is, in part, sensitive to climate hazards and the evolution of agricultural markets. If there is an unanticipated deterioration of the different components of its working capital needs, the group might see a corrosion of its financial ratios and economic performance.

#### Risk management

The measures implemented to limit the risks related to procurement are described above in § 1.7.3.5. Efficient management of the quantities and quality of seed inventories is therefore a key aspect in the group's strategy.

With regard to its customer portfolio, Vilmorin & Cie is not globally confronted with excessive concentration of its customers that might lead to a sudden drop in business. The risks of failing to recover customer debts are generally moderate. Vilmorin & Cie's subsidiaries provide suitable solutions according to their particular business.

The company has a wide portfolio of business:

#### EVOLUTION OF THE WEIGHT OF THE MAIN CUSTOMERS IN SALES

(as a % of consolidated sales)

	14-15	13-14	12-13
Weight of the top 5 customers	7.0	5.9	5.4
Weight of the top 10 customers	9.8	8.0	7.7

Finally, as far as its relations with suppliers is concerned, Vilmorin & Cie pays careful attention to make sure there is no economic dependence, and manages a significant part of its procurement and purchasing conditions through a dedicated internal organization which coordinates representatives from different Business Units, structured in steering committees for each major category of products and services.

### 1.7.4.2. RISKS REGARDING EXCHANGE RATES, INTEREST RATES AND MARKETS

#### Identification of the risk

As it conducts its business, Vilmorin & Cie is naturally exposed to risks related to exchange rates and to the volatility of interest rates and the prices of certain agricultural raw materials.

#### Risk management

More detailed information, with figures, concerning the exposure of the Group to this risk, is presented in the notes to the consolidated annual statements.

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

For this reason the Corporate Finance Department more particularly manages both for Vilmorin & Cie 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 30, 2015, Vilmorin & Cie's consolidated bank debt mainly involved funding at a fixed rate.

During the course of fiscal year 2013-2014, Vilmorin & Cie made an early redemption of the syndicated bank loan signed in 2010, and set up a new loan of 300 millions Euros with its reference banking partners. The loan is structured in the form of a revolving credit facility with maturity after 5 years, the due date being in May 2019, and involves two extension options, each for 1 year.

On June 30, 2015, this credit facility was not used. As for the previous syndicated loan, it is accompanied with the commitment to respect two consolidated financial ratios (net financial debt/ EBITDA, EBITDA/net financial charges); on June 30, 2015, Vilmorin & Cie complied fully with this commitment.

At the same time, Vilmorin & Cie continued its strategy of bank disintermediation through an unrated inaugural public bond issue for a total of 300 million Euros, maturing in 7 years, completed by a further tap issue of 150 million Euros in March 2015.

As far as the potential impact of the volatility of certain agricultural raw material prices is concerned, it should be emphasized that the network of seed multiplication farmers\* to whom Vilmorin & Cie entrusts the production of its seeds meets very strict specifications,

one of the main points being that the purchasing price of the seed is pre-defined. These specifications comprise fixed or variable prices which are not structurally indexed on the evolution of the prices of agricultural raw materials. Therefore the contractual system set up allows Vilmorin & Cie to preserve considerable economic independence.

Furthermore, Vilmorin & Cie 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.

## 1.7.5. CROSS-FUNCTIONAL RISKS

### 1.7.5.1. LEGAL RISKS

#### ANTI-TRUST RISK

##### Identification of the risk

Vilmorin & Cie does business in a competitive environment where there is growing concentration of players. Legislation aiming to prevent these economic players from restricting or distorting competition on a particular market, impose, in cases of infringement, fines calculated as a percentage of the sales of the group concerned.

##### Risk management

Knowing the rules, and integrating them in codes of conduct, and early enough in reflections, are both essential in preventing such risks.

Vilmorin & Cie is committed to respecting legal and regulatory provisions, both national and international, with regard to laws on competition. The whole network of the group's lawyers is required to supply any information and assistance necessary to make sure that legislation in force is known and applied in the company and all its subsidiaries.

Training, advice and the dissemination of guidelines are some of the actions undertaken to satisfy this objective.

These actions are monitored and are the subject of specific reports (indicators) within the framework of the CSR action plan. Moreover the Code of Conduct includes reminders concerning the rules of business ethics.

#### RISKS RELATED TO INTELLECTUAL PROPERTY

##### Identification of the risk

Vilmorin & Cie's business relies on the exploitation of intellectual property rights, which protect its innovations (patents, proprietary variety protection certificates, etc.), and its products and services (brands, models). The acquisition, management and defense of such rights require particular precautions. These operations could well lead to claims against Vilmorin & Cie. Within the framework of the actions undertaken by Vilmorin & Cie to defend its rights, there can always be uncertainties regarding the assessment of the validity of intellectual property titles and the related rights, which generates a potential risk. Such risks are always present when any intellectual property rights are held and managed, while these rights constitute major strategic assets that bring added value to Vilmorin & Cie, but which can also weaken the company, affecting its results and/or damaging its image and its reputation.

Moreover, Vilmorin & Cie's activity requires access to genetic resources\* in order to develop new varieties adapted to the needs of farmers throughout the world. In this respect, it is exposed to different risks, particularly that of unduly using protected genetic material without the adequate authorizations, but also of not protecting its innovations efficiently.

In addition, regulatory changes such as the Convention on Biological Diversity (CBD), changes in practices in the seed industry which, alongside the traditional intellectual property tool of the Proprietary Variety Protection Certificate (PVPC), is increasingly using patents to protect its innovations, are tending to increase the risk of losing access to the genetic resources\* required for the creation of tomorrow's varieties.

##### Risk management

Vilmorin & Cie has a Coordination Committee composed of experts from the Legal Affairs and Scientific Affairs departments who work very closely on intellectual property issues. Supported by a solid legal framework and a network of expert lawyers on this subject, Vilmorin & Cie uses tools to protect its rights and innovations. Nevertheless, Vilmorin & Cie cannot rule out that third parties might misuse or call into question its intellectual property rights.

One of the clauses in the Code of Conduct<sup>(1)</sup>, disseminated during the course of the past fiscal year, states that each employee in the group must make all efforts to ensure that creations benefit from adequate protection of intellectual property, which is essential for the company's sustainability and development. Accordingly, Vilmorin & Cie develops its own intellectual property, protecting its innovations and creating levers for exchanges with rights held by its competitors.

Moreover, procedures for the collection of biological material have been laid down within Vilmorin & Cie and its subsidiaries in order to increase the traceability and documentation of any material used in breeding\* programs. The employees concerned are trained in these practices.

At the same time, Vilmorin & Cie lobbies public authorities for a breeder's exemption to be included in legislation on patents, so that a plant protected by a patent can nevertheless be used for breeding\* purposes.

In addition, in order to gain easier access to licenses on patents<sup>(2)</sup> that protect plant innovations, Vilmorin & Cie has joined the International Licensing Platform for vegetable plant breeding\*: <http://www.ilp-vegetable.org/>.

## LITIGATION

As they run their business, Vilmorin & Cie and its subsidiaries are sometimes required to find solutions to various kinds of litigation. These situations are immediately examined in detail, with the risks and responsibilities analyzed, resulting in the appropriate course of action to be taken in the subsidiaries, in liaison with Vilmorin & Cie's legal services.

With the exception of litigation for which provisions have already been made, on June 30, 2015, the company had identified no other litigation that might affect its financial situation significantly.

To the knowledge of the company, there is no other governmental, judiciary or arbitration procedure in progress, or threatening to arise, concerning the past twelve months that is liable to have, or indeed has had, any significant effects on the company's financial situation or profitability.

## IMPORTANT CONTRACTS OUTSIDE THE NORMAL COURSE OF BUSINESS

Vilmorin & Cie runs its business activities through a large number of suppliers and a diversified clientele.

Within the framework of its Field seeds business in North America, Vilmorin & Cie has signed agreements for pluriannual licenses to use technologies which enable selling genetically modified seeds.

With the exception of these pluriannual, contractual relations, for which Vilmorin & Cie has alternative solutions, there is no other important contract outside the normal course of business that is liable to have a significant and recurring impact on its financial profile.

## 1.7.5.2. RISKS RELATED TO HUMAN RESOURCES

### Identification of the risk

One of Vilmorin & Cie's challenges lies in its capacity to attract and retain talents in all the countries where the group has sites. Certain professions require specific expertise and long training, particularly for those working in research. Vilmorin & Cie's long-lasting success is related to its performance level in innovation; any difficulty in attracting or retaining skilled staff could have a negative impact on the group's long-term economic performance.

### Risk management

In order to meet these challenges, the following measures have been deployed:

#### → Recruitment

Vilmorin & Cie takes measures (Internet, social networks, etc.) to broaden its visibility and attractiveness as an employer. For example, partnerships have been set up with schools and universities. The process starts at high school, where researchers exchange with pupils and teachers to attract young students to research professions (for example, Accro-Sciences in Auvergne).

(1) Detailed information on the Code of Conduct is presented in chapter 4: Social, environmental and corporate information, page 97.

(2) Detailed information on the PVPC and patents are presented in chapter 4: Social, environmental and corporate information, page 113.



As far as universities and schools are concerned, partnerships have been set up in agricultural institutes of further education in France (for example in Beauvais) and in other countries (for example with the Universities of Florida and Davis in the United States).

There is also a profit-sharing scheme that applies to all the companies worldwide, and also an employee savings scheme for staff working in French companies.

And as part of its corporate responsibility program, Vilmorin & Cie has committed to participating in actions throughout the world: UN Global Compact, Fair Planet program in Ethiopia, organic gardens in schools in Israel, "jardins du cœur" in France.

#### → Loyalty

Induction programs are deployed to help newly recruited staff understand the group's organization, the specific nature of its governance and take on board its values of progress, perseverance and cooperation.

Furthermore, a talent review, run by corporate HR, has been set up between the Business Units to encourage internal mobility within the group, with a specific "Research" review for R&D staff. Similarly, every year future employees are recruited through international business volunteer schemes to carry out missions in subsidiaries in different countries in the world.

### 1.7.5.3. RISKS RELATED TO THE SAFETY OF PERSONS

#### Identification of the risk

Vilmorin & Cie employs almost 6,300 permanent employees in 42 countries, working in various conditions and environments. Through Vilmorin & Cie's business activities, employees are exposed to different risks liable to provoke work accidents, in certain cases resulting in sick leave.

Particular risk factors include:

- risks related to mechanical and electrical equipment;
- risks related to the working environment;
- risks related to exposure to chemical agents;
- risks from industrial accidents;
- risks of road traffic accidents (commuting or business trip accidents).

#### Risk management

On top of the prevention policy deployed several years ago, during fiscal year 2014-2015 Vilmorin & Cie initiated an ambitious policy of safety at work, aiming at a 50% reduction in work accidents over a period of three years. This policy is based on a high level of management involvement and a behavioral approach to the prevention of accidents. It will continue to be deployed up until the end of fiscal year 2015-2016.

*Information on employees and health is presented in chapter 4: Social, environmental and corporate information, page 102.*

### 1.7.5.4. RISKS RELATED TO THE SECURITY OF STAFF AND PROPERTY

#### Identification of the risk

Vilmorin & Cie is exposed to risks of harm to its staff, especially because of its international sites. A significant proportion of its employees, whether they are expatriates, local staff, or on business trips, are exposed to a variety of risks in different countries (acts of terrorism, armed conflicts, riots, criminal activity).

Vilmorin & Cie is also exposed to the risk of malicious attacks on its property (production plant, production inventory, products from its research, etc.). Theft and deliberate damage are the main risks involved in this category.

#### Risk management

Vilmorin & Cie has implemented a monitoring and alert procedure in countries with risks in order to limit staff exposure, for example through accompaniment during business trips. A reference document of risks in different countries has been written and is regularly updated. Finally repatriation solutions have been set up.

This organization has been completed by crisis management procedures dealing with the nature of these risks.

With regard to attacks on property risks, in 2014-2015 Vilmorin & Cie strengthened the protection systems at its sites, with greater dissuasion and better traceability of any malicious acts. Security checks were carried out over the fiscal year in order to highlight vulnerabilities and the implementation of corrective measures.

## 1.7.5.5. RISKS RELATED TO THE INFORMATION SYSTEMS

### Identification of the risk

The information system and IT infrastructures play an ever greater role in the management and development of Vilmorin & Cie. The main risks concern the availability, the integrity and the confidentiality of data. Any failure of the information system, its infrastructures and the network or Data Centers (centers that manage, host and process data), and any loss of data, whether accidental or intentional, could have a negative impact on Vilmorin & Cie's business and its results.

### Risk management

The most sensitive applications and data are hosted in different Data Centers exploited by companies with recognized know-how in this domain. Vilmorin & Cie has opted for a policy to consolidate its IT infrastructures, particularly for its Data Centers and network. As part of this approach, all the sensitive information system is being transferred to a highly secure Data Center (Tier 3+)<sup>(1)</sup>. The global network is exploited by a single provider with a standard level of services, control and security. Furthermore, an administered and monitored protection system is deployed against viruses at all the sites of Vilmorin & Cie and its subsidiaries.

## 1.7.5.6. ENVIRONMENTAL RISKS

### Identification of the risk

In order to conduct its business, Vilmorin & Cie is subject to varied environmental legislation. This legislation, which is constantly evolving and becoming stricter and stricter, concerns the quantitative and qualitative management of water, air, greenhouse gas emissions, soil pollution, the use of natural resources, noise and waste. In cases where the group's environmental responsibility were to be called into question because of an accident or significant pollution, its activities, results and reputation could be negatively affected.

Moreover, the purchasing preferences of distributors and customers, especially in more developed countries, are more and more influenced by environmental issues (particularly greenhouse gas emissions, soil protection and preservation of water resources),

sometimes publicized by NGOs (Non Governmental Organizations). If Vilmorin & Cie fails to anticipate these evolutions correctly, and take measures to optimize and communicate on environmental consequences, its business, results and reputation could be negatively affected.

Vilmorin & Cie cannot guarantee that it will always be perfectly compliant with these multiple regulations, which are complex and constantly evolving. Furthermore, compliance of the group's activities with new regulations or modifications of existing regulation could be costly, and even limit the group's capacity to run or develop its business activities.

### Risk management

In order to ensure its compliance with environmental regulations in force, the group has set up organizations, procedures and tools, and it has also begun fixing objectives to reduce key environmental indicators. These different initiatives and the measures set up during the course of fiscal year 2014-2015 are set out in detail in the CSR report section 4.1.3. Environmental information in compliance with the French Grenelle II law.

The group continually strives to reinforce its social, corporate and environmental commitment and improve on the management of its activities through the life cycle of its products. Actions adopted and achievements in 2014-2015 are described in section 4.1.1. Vilmorin & Cie's approach to social, environmental and corporate issues in compliance with the French Grenelle II law.

No significant provision for risks and charges related to the environment appears in the consolidated balance sheet for June 30, 2015.

## 1.7.5.7. INSURANCE

Vilmorin & Cie has a policy of global cover concerning different operating risks, and makes use of different insurance schemes available on the world market, depending on their availability and local regulations.

Insurance programs are negotiated and managed by Vilmorin & Cie for its subsidiaries with leading international or national insurance companies. These programs concern, in particular, risks of

(1) This type of processing center reaches and even exceeds an availability rate of 99.99% (an aggregate of less than 24 minutes of stoppage per year). Systems do not need to be stopped, even for operations of logistical maintenance or replacement of active equipment.

damage to property and operating losses, civil liability, damage to goods in transit and insurance for the automobile fleet.

For risks of damage to property, operating losses and civil liability, the cover is "all risks except" on the basis of the widest guarantees that exist on the market, combined with deductible that varies according to activity. Compensation limits, fixed on the basis of worst-case scenarios and of capacities proposed by the insurance markets, stand at 200 million Euros per claim for consequential and operating loss, and at 40 million Euros per claim for general public liability and product liability. There is also an annual ceiling for product liability.

Insurance programs for special risks which are potentially significant and require centralized management, such as the responsibility of corporate officers and environmental risks, are negotiated according to capacities available on the markets.

Management of these programs is entrusted to brokers and professional insurers under the supervision of Vilmorin & Cie. These programs were renewed on July 1, 2015 for the duration of one year.

Vilmorin & Cie is gradually standardizing its cover policy and deploying its insurance programs internationally.



THE LEADER IN EUROPE FOR THE SILAGE CORN MARKET, VILMORIN & CIE HAS DEVELOPED SPECIFIC RESEARCH PROGRAMS FOCUSED ON THE ENERGY VALUE OF ITS VARIETIES.

# CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE CODE OF REFERENCE

Vilmorin & Cie uses as its reference the "Corporate governance code of listed corporations" set out jointly by the AFEP<sup>(1)</sup> and the MEDEF<sup>(2)</sup>, in its revised version made public on June 16, 2013. This Code and its application guide, revised in December 2014, can be consulted on the website [www.afep.com/en](http://www.afep.com/en). In cases where certain recommendations in this code and its directives published at a later date, have not been updated, this decision is justified in the Summary Table of recommendations from the AFEP-MEDEF Code not adopted (cf. § 2.6).

## 2.1. THE BOARD OF DIRECTORS

Vilmorin & Cie attaches the greatest importance to the quality of its governance, which is strongly marked by two particular aspects: the fact it is a seed company with the need for a long-term vision, and its reference shareholder, Limagrain, an international agricultural cooperative group. In 1993, when Vilmorin & Cie was first listed on the French stock market, Limagrain made a commitment to encourage its development strategy, respecting the interests of minority shareholders, another fundamental pillar in the company's development.

### 2.1.1. COMPOSITION AND MANDATES OF THE BOARD MEMBERS

On June 30, 2015, Vilmorin & Cie's Board of Directors comprised eight members, including an independent Director. Its Chairman and CEO is Philippe Aymard.

During the course of fiscal year 2014-2015, Mary DUPONT-MADINIER, a citizen of the United States, was appointed external Director for the duration of three years. She is also a Director of Groupe Limagrain Holding SA.

In accordance with the AFEP/MEDEF corporate governance code, which the company uses as its reference, Miriam MAES

is considered to be an independent Director, since she holds no financial, contractual or family relationship with Vilmorin & Cie liable to impair the independence of her judgment. In particular, Miriam MAES has no close family bond with any of the corporate representatives. The compliance of Vilmorin & Cie's analysis with the criteria for the qualification of independence and the prevention of any possible risks of conflict of interest were checked during the course of fiscal year 2014-2015.

For the purpose of their office, all members of the Board can be contacted at the following address:  
c/o Vilmorin & Cie – CS 20001 Saint Beauzire – F-63360 GERZAT.

<sup>(1)</sup> AFEP: French Association of Large Companies  
<sup>(2)</sup> MEDEF: Movement for French Companies





## PHILIPPE AYMARD

- Chairman and CEO
- 55 years old
- Nationality: French

### Terms of office:

- Commencement: 2006
- Renewal: 2014
- Expiry: 2017

### Main activities:

Farmer and Vice Chairman of Limagrain

### Background:

A member of the Limagrain Board since 1995, and Vice Chairman since 2013, Philippe AYMARD is Chairman of the Vegetable seeds division. He plays an important role in agriculture, and participates in the professional bodies representing cereals in the region of Auvergne (France).

## ONGOING MANDATES ON JUNE 30, 2015

- **Chairman of the Board and CEO:**  
Vilmorin SA (France), HM.CLAUSE SA (France)
- **Chairman of the Board of Officers:**  
HM.CLAUSE INC. (United States)
- **Chairman:**  
Vilmorin Participations SAS
- **Member of the Board:**  
Coopérative Agricole Limagrain (France) (Vice-Chairman),  
Groupe Limagrain Holding SA (France), Hazera Seeds Ltd (Israel),  
HM. CLAUSE Inc. (United States), Mikado Kyowa KK (Japan), Selia SA (France),  
VCC Japan (Japan), Vilmorin USA Corp (United States)
- **Joint Manager:**  
Dôme 2000 (France), Aigle & Partners SNC (France)
- **Member of the Board of Management:**  
Limagrain Chile Limitada (Chile)
- **Member of the Supervisory Board:**  
Limagrain Cereales Nederland BV (Netherlands),  
Hazera Seeds BV (Netherlands)

## MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- **Chairman of the Board and CEO:** Dom Vert SA (France) (2011), Oxadis SA (France) (2012)
- **Chairman of the Board:** Maïcentric SCICA (France) (2009), Grains Auvergne Innovation (France) (Representing Limagrain) (Union de Coop) (2010)
- **Chairman of the Board of Management:** Cave Saint VERNY SARL (France) (2011)
- **Chairman of the Supervisory Board:** Eurodur SA (France) (2011)
- **Member of the Board:** Le Groupement Domagri-Maïcentric GIE (France), Limagrain Central Europe SE (France), Limagrain Europe SA (France),  
Limagrain Ibérica (Spain), Limagrain Italia SpA (Italy), Société Meunière du Centre SA (France) (Representing GLH), Ulice SA (France) (Representing LimaClub),  
AgReliant Genetics LLC (United States) (2010), Top Green SAS (France) (2011), Clause SA (France), Vilmorin SA (France), Suttons Seeds (Holding) Ltd (United  
Kingdom) (2012), Harris Moran Seed Company (United States) (2013), DLF France SAS (France) (2014)
- **Member of the Board of Trustees:** Limagrain GmbH (Germany), Limagrain UK (United Kingdom) (2010), Top Green SAS (France) (2011)
- **Joint Manager and Founder:** Vilmorin 1742 SARL (France) (2011)
- **Member of the Board Committee:** Limaclub SAS (France), Limagrain Céréales Ingrédients S.A.S (France) (2010), Selia SAS (France) (2011)
- **Chairman of the Board of Officers:** Suttons Seeds (Holding) Ltd (United Kingdom) (2011)
- **Member of the Management Committee:** Limagrain Cereal Seeds LLC (United States) (2010)
- **Member of the Supervisory Board:** Limagrain Nederland BV (Netherlands), Limagrain Nederland Holding BV (Netherlands) (2010),  
CNOS Garden Sp. Zo.o (Poland) (2012), Nickerson Zwaan BV (Netherlands) (2014)

**JOËL ARNAUD**

- Member of the Board and Member of the Audit and Risk Management Committee
- 56 years old
- Nationality: French

**Terms of office:**

- Commencement: 2006
- Renewal: 2014
- Expiry: 2017

**Main activities:**

Farmer and Vice-Chairman of Limagrain

**Background:**

Joël ARNAUD joined the Limagrain Board in 1990, becoming Vice Chairman in 1992, and is Chairman of the Field seeds division. His national responsibilities in France involve chairing the FNPSMS (National Federation of Corn and Sorghum Seed Producers) and a position on the Board of the AGPM (General Association of Corn Producers).

**ONGOING MANDATES ON JUNE 30, 2015**

- **Chairman and CEO:**  
Limagrain Europe SA
- **Chairman of the Board:**  
Limagrain Brasil SA (Brazil)
- **Member of the Board:**  
Bisco Bio Sciences Private Ltd (India),  
Coopérative Agricole Limagrain (France) (Vice-Chairman),  
Groupe Limagrain Holding SA (France),  
Limagrain Tohum Islah Ve Uretim Sanayi Ticaret As (Turkey),  
Link Seed Proprietary Limited (South Africa),  
Selia SA (France), Vilmorin USA Corp. (United States)
- **Member of the Supervisory Board:**  
Limagrain Cereales Nederland BV (Netherlands)
- **Member of the Board of Management:**  
Limagrain Chile Limitada (Chile) (Representing Groupe Limagrain Holding)
- **Member of the Management Committee:**  
AgReliant Genetics LLC (United States)

**MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)**

- **Chairman and CEO:** Limagrain Central Europe SE (France) (2014)
- **Vice Chairman and Member of the Board:** Valgrain SCA (France) (Representing Limagrain) (2010), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain) (2011)
- **Chairman of the Board:** Brasmilho SA (Brazil) (2013), Limagrain Italia Spa (Italy), Limagrain Ibérica (Spain), Valgrain SCA (France) (2014)
- **Chairman of the Board of Trustees:** Limagrain A/S (Denmark), Limagrain Belgium NV (Belgium), Limagrain GmbH (Germany), Limagrain UK Ltd (United Kingdom) (2013)
- **Member of the Board:** Maïcentre SCICA (France) (2009), Jacquet SA (France), Le Groupement Domagri-Maïcentre GIE (France), Soltis SA (France) (Representing LVH), Ulice SA (France), Unisigma GIE (France) (2010), Ets Tardifs & Fils SA (France) (Representing Limagrain), Gemstar SA (France), Syndicats des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain), Vilmorin Luxembourg SA (Luxembourg) (2011), Genective SA (France), Limagrain Guerra Do Brasil (Brazil), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain) (2012), Limagrain UK Ltd (United Kingdom), Limagrain A/S (Denmark) (2012 - 2014)
- **Member of the Supervisory Board:** Limagrain Nederland Holding BV (Netherlands) (2012)
- **Member of the Board Committee:** Limagrain Céréales Ingrédients SAS (France) (2010), Limaclub SAS (France), Soltis SAS (France) (Representing Limagrain Europe) (2011)
- **Member of the Management Committee:** Limagrain Cereal Seeds LLC (United States) (2011)
- **Chairman of the Supervisory Board:** Limagrain Nederland BV (Netherlands) (2014)





## DANIEL CHÉRON

- Member of the Board and Member of the Audit and Risk Management Committee
- 64 years old
- Nationality: French

### Terms of office:

- Commencement: 2006
- Renewal: 2014
- Expiry: 2017

### Main activities:

Limagrain CEO

### Background:

A graduate in economics, Daniel CHÉRON joined Limagrain in 1976. After holding several different operational positions of responsibility in the subsidiaries, both in the Vegetable and Field seeds divisions, he became Deputy Corporate CEO in 1996, and then Corporate CEO in 2006.

## ONGOING MANDATES ON JUNE 30, 2015

### ■ CEO:

Coopérative Agricole Limagrain (France), Agence Momagri SAS (France), Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France)

### ■ Member of the Board:

Genoplante Valor SAS (France), Momagri (Non-profit-making association) (France), Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France)

### ■ Member of the Strategic Committee:

Biogemma SAS (France)

### ■ Member of the Board Committee:

Mouvement pour une Organisation Mondiale de l'Agriculture SAS (France)

### ■ Treasurer:

Momagri (Non-profit-making association) (France)

## MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- **CEO:** Selia SAS (France) (2011)
- **CEO Delegate:** Selia SAS (France) (2012), Groupe Limagrain Holding SA (France) (2014)
- **Chairman Delegate:** Céréales Vallée (France) (Competitiveness Cluster - Non-profit-making association) (2012)
- **Member of the Board:** Cylonie Ré (Luxembourg), Gemstar SA (France) (2011), Genective SA (France) (2012)



### MARY DUPONT-MADINIER

- External member of the Board
- 60 years old
- Nationality:  
Franco-American

#### Terms of office:

- Commencement: 2014
- Expiry: 2017

### ONGOING MANDATES ON JUNE 30, 2015

- Independent Director of IPSOS SA

#### Main activity:

Partner in a transition management consultancy

#### Background:

Mary DUPONT-MADINIER has more than 30 years of experience in top management in functions of business development international trade and operations in the United States, in France and in the United Kingdom (Thales, Cable & Wireless, EDS).

She is a specialist in transformation and change program management. Today she is a Partner of VALTUS, experts in transition management. Mary DUPONT-MADINIER is also a Director of the American Chamber of Commerce in France (AmCham).



## JEAN-YVES FOUCAULT

- Member of the Board and Member of the Audit and Risk Management Committee
- 60 years old
- Nationality: French

### Terms of office:

- Commencement: 2006
- Renewal: 2013
- Expiry: 2016

### Main activities:

Farmer and Chairman/CEO of Limagrain

### Background:

After beginning his professional career in consultancy and agricultural training, Jean-Yves FOUCAULT started and developed his own farm. He joined the Limagrain Board in 2000, and became Chairman of the Group in December 2011. He is also a member of the board of a local Crédit Agricole bank, and participates in several professional agricultural organizations and associations.

## ONGOING MANDATES ON JUNE 30, 2015

- **Chairman of the Board:**  
Coopérative Agricole Limagrain (France)
- **Chairman and CEO:**  
Groupe Limagrain Holding SA (France)
- **Chairman of the Board Committee:**  
GLH Participations SAS (France)
- **Member of the Board:**  
Jacquet Brossard SA (France), Momagri (France) (Non-profit-making association), Sélia SA (France), Tardif Tivagrain SA (France) (Representing Coopérative Limagrain), Vilmorin Jardin SA (France)
- **Member of the Board Committee:**  
Limagrain Céréales Ingrédients SAS (France)
- **Member of the Board of Management:**  
Limagrain Chile Limitada (Chile) (Representing Coopérative Limagrain)
- **Chairman and member of the Strategic Committee:**  
Biogemma SAS (France)
- **Member of the Supervisory Board:**  
Limagrain Cereales Nederland BV (Netherlands)

## MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- **Chairman and CEO:** Jacquet SA (France), Moulin de Verdonnet SA (France), Pain Jacquet SA (France), Ulice SA (France) (2010), Limagrain Meunerie SA (France) (2011), Genective (France), Sélia SA (France) (2012)
- **Chairman:** Céréales Vallée (Competitiveness cluster - Non-profit-making association) (2012)
- **Chairman of the Board:** Jacquet Belgium SA (France) (Representing Jacquet SA Limagrain) (2010), Etablissement Tardif & Fils SA (France) (2011)
- **Chairman of the Board Committee:** Crêperie Lebreton SAS (France), Jacquet Panification SAS (France), Limagrain Céréales Ingrédients SAS (France), Société de Viennoiserie Fine SAS (France) (2010), Holding Meunerie SAS (France), Limaclub SAS (France), Sélia SAS (France), Etablissement Tardif & Fils SA (France) (2011), Grain Auvergne Innovation (France) (Representing Limagrain) (2012)
- **Chairman of the Board of Management:** La Gerbe d'Or SARL (France) (2011)
- **Member of the Board:** Maïcentre SCICA (France) (2009), Le Groupement Domagri - Maïcentre GIE (France), Milcamps SA (France) (Representing Jacquet SA) (Belgium) (2010), Coopérative Agricole Limagrain (France), Dom Vert SA (France) (Representing Coopérative Limagrain), Groupe Limagrain Holding SA (France), Société Coopérative Agricole de la Vallée du Rhône Valgrain (France) (Representing Coopérative Limagrain), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (France) (Representing Coopérative Limagrain) (2011), Association Blé Farine Pain de Qualité (France) (Representing Coopérative Agricole Limagrain), Limagrain Europe SA (France), Pain Jacquet SA (France), Ulice SA (France) (2012), Jacquet Belgium SA (Belgium), Suttons Seeds (Holding) Ltd (United Kingdom) (2014)
- **Member of the Board Committee:** Société de Viennoiserie Fine SAS (SDVF) (France) (2010), Limaclub SAS (France) (2011), Crêperie Lebreton SAS (France), Jacquet Brossard Distribution SAS (France), Jacquet Panification SAS (France) (2014)
- **Manager / Joint Manager:** La Gerbe d'Or SARL (France) (2010), Fournil des Vergnes SARL (France), Vertdom SCI (France), Vertimmo SCI (France) (2011), De la Graine au Pain SARL (France), Magasins Généraux du Centre SARL (France) (2012)



### FRANÇOIS HEYRAUD

- Member of the Board and Member of the Consultative Committee for Shareholders
- 58 years old
- Nationality: French

#### Mandat :

- Commencement: 2000
- Renewal: 2014
- Expiry: 2017

#### Main activity:

Farmer

#### Background:

François HEYRAUD has been a member of the Limagrain Board since 1984, and has held several mandates within the different divisions of the Group. Today, François HEYRAUD is chairman of the Bakery Products division of Limagrain.

### ONGOING MANDATES ON JUNE 30, 2015

#### ■ Chairman and CEO:

Jacquet Brossard SA (France), Savane Brossard SA (France)

#### ■ Member of the Board:

Coopérative Agricole Limagrain (France), DLF France SAS (France), GLH Do Brasil Servicos De Consultoria E Participações Ltda (Brazil), Groupe Limagrain Holding SA (France), Milcamps SA (Belgium) (Representing Jacquet Brossard), Selia SA (France), Vilmorin Jardin SA (France)

#### ■ Member of the Board Committee:

Limagrain Céréales Ingrédients SAS (France)

#### ■ Member of the Board of Management:

Limagrain Chile Limitada (Chile) (Representing Selia)

### MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

■ **Chairman and CEO:** Oxadis SA (France) (2010), Pain Jacquet SA (France) (2011), Saveurs de France SA (France) (2013)

■ **Chairman of the Board:** Jacquet Belgium SA (Belgium) (2014)

■ **Chairman of the Supervisory Board:** CH Van den Berg BV (Netherlands), Cnos Garden Sp.oz.o. (Poland) (2010)

■ **Member of the Board:** Maïcentric SCICA (France) (2009), Clause Italia SPA (Italy), Clause SA (France), Clause Spain SA (Spain), Harris Moran Seed Company (United States), Société Meunière du Centre (France) (Representing GLH), Top Green SAS (France) (Representing Vilmorin & Cie), Vilmorin Ibérica SA (Spain), Vilmorin Inc. (United States), Vilmorin Italia SRL (Italy), Vilmorin SA (France) (2010), Ulice SA (France) (Representing Limaclub) (2011), Suttons Seeds (Holding) Ltd (United Kingdom) (2014)

■ **Member of the Board Committee:** Jacquet Panification SAS (France), Limaclub SAS (France), Selia SAS (France) (2011)

■ **Member of the Supervisory Board:** Nickerson Zwaan BV (Netherlands) (2010), CNOS Garden Sp. Zo.o (Poland) (2012), CH Van den Berg BV (Netherlands) (2013)

■ **Member of the Board of Management:** Vilmorin 1742 SARL (France) (2010), La Gerbe d'or SARL (France) (2011)



### MIRIAM MAES

- Independent member of the Board and Chairman of the Audit and Risk Management Committee
- 59 years old
- Nationality: Dutch

#### Terms of office:

- Commencement: 2013
- Expiry: 2016

### ONGOING MANDATES ON JUNE 30, 2015

- **Chairman of the Board:**  
Elia (Belgium), Sabien Technology Group Plc (United Kingdom)
- **Member of the Board of Directors:**  
Assystem (France), Naturex (France)

#### Main activity:

Company manager

#### Background:

Miriam MAES graduated with a diploma in business administration at the Nijenrode Business Universiteit (Netherlands), and has worked for more than thirty years for multinationals (Unilever, ICI, Texas Utilities and EDF). In 2007, she became General Manager of Foresee, Climate Change Consulting Company, specialized in advising companies on strategy and policy with regard to energy and climate change. Between 2010 and 2012, Miriam MAES was Delivery Advisor to the UK Government Department of Energy and Climate Change (DECC); in 2012 she was invited to become Senior Fellow on the Climate and Energy Program of the German Marshall Fund of the United States, a transatlantic policy think-tank\*.



### PASCAL VIGUIÈRE

- Member of the Board and Member of the Audit and Risk Management Committee
- 51 years old
- Nationality: French

#### Terms of office:

- Commencement: 2007
- Renewal: 2013
- Expiry: 2016

#### Main activities:

Farmer and Vice Chairman of Limagrain

#### Background:

Pascal VIGUIÈRE became a Limagrain Board member in 1999, and has exercised several mandates in the Group's different divisions. Today he is a Board Member of the Field seeds division and as such monitors the activities of Limagrain Cereal Seeds and AgReliant.

### ONGOING MANDATES ON JUNE 30, 2015

#### ■ Chairman of the Board of Directors:

Link Seed Proprietary Limited (South Africa)

#### ■ Member of the Board:

Bisco Bio Sciences Private Ltd (India), Coopérative Agricole Limagrain (France) (Vice Chairman), Groupe Limagrain Holding SA (France), Limagrain Brasil SA (Brazil), Limagrain Europe SA (France), Selia SA (France), Société Coopérative Agricole de la Vallée du Rhône Valgrain (France) (Representing Coopérative Limagrain), Soltis SAS (France) (Representing Limagrain Europe), Unisigma GIE (France)

#### ■ Member of the Board of Management:

Limagrain Chile Limitada (Chile)

#### ■ Member of the Management Committee:

Limagrain Cereal Seeds LLC (United States)

### MANDATES EXERCISED OVER THE PAST FIVE YEARS AND EXPIRED (END OF MANDATE)

- **Chairman and CEO:** Ulice SA (France) (2011)
- **Chairman of the Board:** Limagrain Céréales Ingrédients SAS (France) (2010)
- **Chairman of the Board Committee:** Limagrain Céréales Ingrédients SAS (France) (2011)
- **Member of the Board:** Limagrain Central Europe SE (France), Limagrain Europe SA (France), Limagrain Ibérica (Spain), Limagrain Italia Spa (Italy) (2010-2014), Moulin de Verdonnet SA (France), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et Val d'Allier (France) (Representing Limagrain) (2010), Pain Jacquet SA (France), Savane Brossard SA (France), Saveurs de France Brossard (France), Brossard SA (France), Jacquet SA (France) (2011), Grain Auvergne Innovation (France) (Union Coop.) (Representing Coopérative Limagrain), Syndicat des Producteurs de Semences de Maïs et de Sorgho des Limagnes et du Val d'Allier (France) (Representing Coopérative Limagrain) (2012), Limagrain Meunerie SA (France) (Representing Limagrain) (2013), Jacquet Belgium (Belgium), Limagrain Central Europe SE (France) (2014)
- **Member of the Supervisory Board:** Limagrain Nederland Holding BV (Netherlands) (2010), Limagrain Nederland BV (Netherlands) (2010-2013), Limagrain Nederland BV (Netherlands) (2014)
- **Member of the Board Committee:** Société de Viennoiserie Fine SAS (SDVF) (France) (2010), Crêperie Lebreton SAS (France), Jacquet Panification SAS (France), Limaclub SAS (France), Selia SAS (France) (2011)
- **Member of the Board of Trustees:** Limagrain GmbH (Germany), Limagrain UK Ltd (United Kingdom) (2010-2013), Limagrain A/S (Denmark), Limagrain Belgium NV (Belgium) (2013)
- **Member of the Board of Management:** La Gerbe d'Or SARL (France) (2011)

## 2.1.2. TRAINING AND EVALUATION OF THE MEMBERS OF THE BOARD

Apart from individual, customized training followed regularly by Vilmorin & Cie's Board members, the Board also devotes a week to an annual seminar during which several topics are examined in direct relation to the group's development strategy; during this seminar the members of the Board regularly assess their performance, and also how the Board of Directors operates. During the course of fiscal year 2014-2015, exchanges focused in particular on the mid-term plan of each activity, the international development strategy, and financial and social indicators.

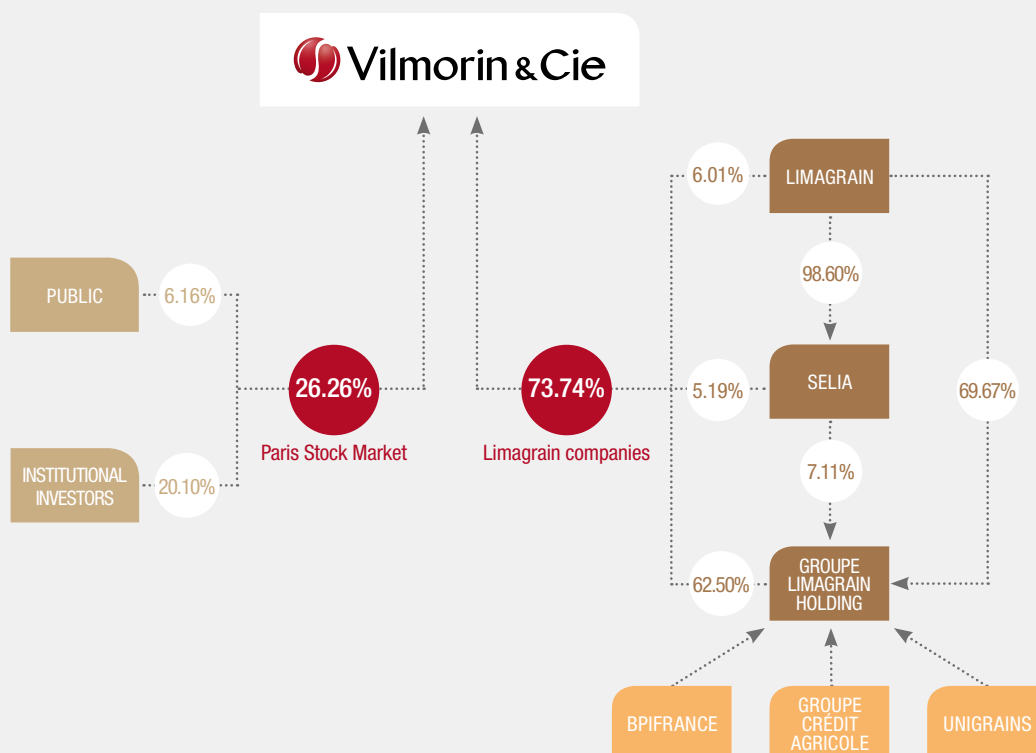
## 2.1.3. PRESENTATION OF LIMAGRAIN AND THE SHAREHOLDING STRUCTURE

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

As the reference shareholder for the company, Limagrain has always encouraged Vilmorin & Cie's development by providing regular and consistent investment support.

Limagrain, an international agricultural cooperative Group founded and managed by French farmers, is specialized in seeds and cereal products, with the mission of moving agriculture forward to meet food challenges. It guarantees Vilmorin & Cie's long-term growth strategy.

### SHAREHOLDING STRUCTURE AT 30 JUNE 2015





Limagrain is structured around a holding company, Groupe Limagrain Holding (GLH), a joint stock company in which the Société Coopérative Limagrain is the majority shareholder, with almost 2000 farmers working under contract.

Reflecting its culture of open-mindedness and an unprecedented approach to its governance, in 2010 Groupe Limagrain opened up its capital stock and the governance of its holding GLH to the Strategic Investment Fund (SIF), now part of Bpifrance, in order to contribute to its development. With the same objective, the Crédit Agricole bank was invited to hold a stake in the capital stock of GLH in June 2013.

Limagrain held 73.74% of Vilmorin & Cie's capital stock on June 30, 2015<sup>(1)</sup>. Limagrain is willing to consider lowering this rate depending on market opportunities, and with the objective of encouraging the development of Vilmorin & Cie.

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

With majority representation on the Board of Vilmorin & Cie, Limagrain is careful, through different decision-making processes required for its organization, management and governance, not to exert abusive control on strategic orientations and their operational applications.

### 2.1.4. HOW THE BOARD OF DIRECTORS OPERATES

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

During fiscal year 2014-2015, the Board of Directors for Vilmorin & Cie met six times; the attendance rate for the Board of Directors was 89,29%.

Vilmorin & Cie's Directors are always given responsibilities on the Board or equivalent bodies in its main subsidiaries.

The work of the Board of Directors is structured through its missions of evocation, orientation and monitoring. It thus defines the strategic orientations, checks the coherence of policies implemented, and ensures that the main risks are properly identified and controlled.

The main topics discussed during the past fiscal year dealt with:

- analysis and approval of the orientations presented by the Executive Committee for the mid-term plan,
- confirmation of the strategy and the orientations of the Vegetable and Field seeds divisions both in terms of international development and research investments,
- implementation of the group development plan, and the financial operations,
- the development of partnerships, particularly in upstream technologies with the operational implementation of Genective,
- closing of the corporate and consolidated financial statements for the first semester and fiscal year of 2014-2015,
- approval of the budget for fiscal year 2015-2016.

(1) With the exception of shares that benefit from the provisions laid down in the by-laws for double voting rights (registered and held for more than four years), Groupe Limagrain does not benefit from any special rights.

## 2.2. SPECIALIZED COMMITTEES

The Board of Directors consolidates its work through two specialized committees: the Audit and Risk Management Committee and the Strategic Committee.

### 2.2.1. THE AUDIT AND RISK MANAGEMENT COMMITTEE

#### COMPOSITION

At the beginning of 2010, the Board of Directors of Vilmorin & Cie set up an Audit and Risk Management Committee today chaired by Miriam MAES, its independent Director, and under the exclusive and collective responsibility of the members of the Board. Joël ARNAUD, Daniel CHÉRON, Jean-Yves FOUCAULT and Pascal VIGUIER are also members of this Committee.

#### MISSIONS AND MAIN ACHIEVEMENTS IN FISCAL YEAR 2014-2015

The Audit and Risk Management Committee has rules of procedure in order to stipulate its organization and functioning as a complement to the provisions in Vilmorin & Cie's by-laws and to the decisions of its Board of Directors.

The Audit and Risk Management Committee is responsible in particular for:

- controlling the process of preparing financial information,
- ensuring the efficiency of all internal control and risk management,
- monitoring legal control of the financial statements by the statutory and external auditors,
- proposing the designation of its Statutory Auditors, their remuneration, ensuring their independence and safeguarding that their missions are carried out correctly.

During fiscal year 2014-2015, its work mainly concerned a review of the financial statements for the first semester and for the year, worldwide organization for the group's insurance policy, provisions for crisis communication management, and the evolution of external audits in view of the European audit market reform.

The Audit and Risk Management Committee met four times during fiscal year 2014-2015, with an attendance rate of 85%.

### 2.2.2. THE STRATEGIC COMMITTEE

#### COMPOSITION

Set up in 2010, the Strategic Committee is composed of five Board members and is currently chaired by Jean-Yves FOUCAULT.

#### MISSIONS AND MAIN ACHIEVEMENTS IN FISCAL YEAR 2014-2015

The mission of the Strategic Committee is to:

- review strategic orientation, the prospective analysis of markets and the competitive environment,
- propose the designation of new Board members.

During the course of fiscal year 2014-2015, its works mainly focused on the presentation of the mid-term plan, development files and the competitive environment.

The Strategic Committee met twice during fiscal year 2014-2015, with an attendance rate close to 100%.

Since the amount paid out for attendance fees to the Board of Directors is negligible, and because of the specific organization of its General Management, closely linked to its reference shareholder, Vilmorin & Cie does not currently formally and directly have a Remunerations Committee.

## 2.3. MANAGEMENT BODIES

### 2.3.1. THE GENERAL MANAGEMENT

Vilmorin & Cie's General Management is the responsibility of the Chairman of the Board, Philippe AYMARD. The Board of Directors has approved the combination of the functions of Chairman and CEO.

The Chairman is assisted in his mission by Emmanuel ROUGIER, CEO Delegate, specifically in charge of operational functions. With more than 30 years experience in the group's main activities, Emmanuel ROUGIER, 62 years old, has held operational functions in particular as Divisional VP and VP for Strategy and Development.

### 2.3.2. THE EXECUTIVE COMMITTEE

Vilmorin & Cie's Executive Committee, led by Emmanuel ROUGIER, also comprises:

- Damien BOURGAREL, VP for the Vegetable seeds division,
- Bruno CARETTE, VP for the Field seeds division,
- Daniel JACQUEMOND, Chief Financial Officer,
- Jean-Christophe JUILLIARD, VP for Strategy and Development and in charge of certain holding support functions and the Garden products business.

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

- to propose strategic orientations to the Board and then to ensure their implementations,
- 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 & Cie,
- to establish projects to close the half-year and annual consolidated and corporate accounts.



*From the left to the right: Bruno CARETTE, Jean-Christophe JUILLIARD, Emmanuel ROUGIER, Damien BOURGAREL, Daniel JACQUEMOND*

## 2.4. AGREEMENTS

### with corporate officers and interests of the management bodies

#### 2.4.1. STOCK OPTIONS, STOCK PURCHASING, VOTING RIGHTS, AGREEMENTS WITH CORPORATE OFFICERS

The members of the Board of Directors are each required to hold at least three nominatively registered Vilmorin & Cie shares. No operation or agreement has been agreed by the company with its corporate officers. No loan or guarantee has been granted or signed in their favor by the group's banks.

#### 2.4.2. COMPENSATION RECEIVED BY EXECUTIVE CORPORATE OFFICERS AND DIRECTORS

##### 2.4.2.1. COMPENSATION AND BENEFITS OF ANY NATURE RECEIVED BY THE EXECUTIVE CORPORATE OFFICERS

Mr. Philippe AYMARD, Chairman and CEO, exercises his mandate without any compensation, both for his function of Chairman and of CEO.

As part of the organization of the Limagrain general management functions, Vilmorin & Cie's CEO delegate has a permanent contract of employment with Groupe Limagrain Holding. This contract defines the different components of compensation, provisions regarding the non-competition clause and the terms for terminating the contract.

Concerning the components of compensation:

- The fixed salary is reviewed annually.
- The variable part is defined each fiscal year exclusively in relation to the group's financial performance, expressed "per thousand" of Vilmorin & Cie's consolidated net income.

This quota calculation of the income is reviewed at the beginning of each fiscal year and is thus applied as such at the end of the fiscal year, once the consolidated financial statements have been definitively approved.

The total amount is not capped.

The total compensation paid for fiscal year 2014-2015 to Mr. Emmanuel ROUGIER, for his function as CEO delegate, came to 338,100 Euros.

Contractual severance payments made in the case of termination of the contract by the employer correspond to two years of total compensation, fixed and variable.

The calculation of this sum, which constitutes the ceiling, takes into account the annual gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the past three closed fiscal years of variable compensation.

It is specified that only termination of the contract of employment by the company can generate this severance payment.

At the end of fiscal year 2014-2015, the potential impact of the termination of the mandate of Vilmorin & Cie's CEO delegate can be assessed at 0.7 million Euros.

As compensation for a non-competition obligation, the CEO Delegate can benefit from an allowance corresponding to one year's gross fixed salary, excluding any benefits in kind, to which is added a complementary payment corresponding to the annual average of the variable compensation for the previous three fiscal years closed.

This compensatory allowance cannot be combined with any allowances or benefits due or liable to be due as a result of the termination or change of function. At the end of fiscal year 2014-2015, this allowance can be evaluated at 0.3 million Euros.

Finally, it is specified that the CEO delegate does not receive any compensation for his corporate mandate, since all compensation is exclusively related to his contract of employment.

##### 2.4.2.2. COMPENSATION AND BENEFITS OF ANY NATURE RECEIVED BY DIRECTORS (NON-EXECUTIVE CORPORATE OFFICERS)

The Directors from Groupe Limagrain exercise their mandate without charge and do not receive any fees; moreover they do not receive any corporate compensation with a direct or indirect legal link to Vilmorin & Cie, in compliance with the normal practices of Groupe Limagrain.

Following the resolution approved by the Annual General Meeting held on December 10, 2014, the Board of Directors has decided to allocate all the attendance fees (30,000 Euros) to Miriam MAES, the independent Director.

It will propose to the Annual General Meeting deliberating on the financial statements closed on June 30, 2015 to fix the attendance fees for fiscal year 2014-2015 at 45,000 Euros in order to cover the compensation of Miriam MAES and Mary DUPONT-MADINIER, independent and external Directors.

Compensation for corporate officers who have a work contract comprises a fixed salary that is reviewed every year, and a variable part defined in relation to the financial performance of each fiscal year, and expressed "per thousand" of the consolidated net income. The formulation of this rule is reviewed at the beginning of each fiscal year and is thus applied as such once the consolidated financial statements have been approved. Thus for Daniel CHÉRON, member of the Board and also a salaried member of Limagrain, the reference shareholder of Vilmorin & Cie, it should be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin & Cie in 2014-2015 amounted to 173,000 Euros, including a variable part of 49,200 Euros. The total commitments concerning end of career allowances for Daniel CHÉRON on June 30, 2015 came to 565,700 Euros.

### 2.4.2.3. SUMMARIZED STATEMENTS OF COMPENSATION

Vilmorin & Cie applies the recommendation of the AFEP-MEDEF Code concerning consultation of the shareholders on the individual compensation of executive corporate officers.

The different components of compensation of the executive corporate representatives due or allocated for fiscal year 2014-2015, and which will be submitted to the advisory opinion of the Shareholders during the Annual General Meeting of December 11, 2015, are shown in the following tables, completed in reference to the appendix of the AFEP-MEDEF Corporate governance Code.

**TABLE 1**  
**SUMMARIZED STATEMENT OF COMPENSATION PAYABLE, STOCK OPTIONS AND SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE OFFICER**

In thousands of Euros	06.30.14	06.30.15
<b>Emmanuel ROUGIER, CEO DELEGATE</b>		
Compensation due for the fiscal year (set out in Table 2)	346.4	338.1
Value of the stock options allocated during the fiscal year (set out in Table 4)	n/a	n/a
Value of the performance shares allocated during the fiscal year (set out in Table 6)	n/a	n/a
<b>Total</b>	<b>346.4</b>	<b>338.1</b>

n/a = non applicable

These provisions do not concern Philippe AYMARD, who exercises his mandate without any compensation for his functions as Chairman and CEO.

**TABLE 2**  
**SUMMARY OF COMPENSATION FOR EACH EXECUTIVE CORPORATE OFFICER**

In thousands of Euros	06.30.14		06.30.15	
<b>Emmanuel ROUGIER, CEO DELEGATE</b>	<b>Total due</b>	<b>Total paid</b>	<b>Total due</b>	<b>Total paid</b>
Fixed compensation	235.9	235.9	245.6	245.6
Variable compensation	107.0	107.0	88.3	88.3
Exceptional compensation	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	3.5	3.5	4.2	4.2
<b>Total</b>	<b>346.4</b>	<b>346.4</b>	<b>338.1</b>	<b>338.1</b>

These provisions do not concern Philippe AYMARD, who exercises his mandate without any compensation.

**TABLE 3**  
**ATTENDANCE FEES AND OTHER COMPENSATION RECEIVED**  
**BY NON-EXECUTIVE CORPORATE OFFICERS**

In thousands of Euros	06.30.14	06.30.15
<b>Miriam MAES, INDEPENDENT DIRECTOR</b>	<b>Amounts paid out</b>	<b>Amounts paid out</b>
Attendance fees	-(1)	30.0
Other compensation	-(1)	-
<b>Total</b>	<b>-(1)</b>	<b>30.0</b>
<b>Daniel CHÉRON, DIRECTOR</b>	<b>Amounts paid out</b>	<b>Amounts paid out</b>
Attendance fees	-	-
Other compensation	175.0	173.0
<b>Total</b>	<b>175.0</b>	<b>173.0</b>

(1) On June 30, 2014, 22,000 Euros were paid out, in the form of attendance fees, to Mr. Didier MIRATON, independent Director until December 11, 2013.

These provisions do not concern Mary DUPONT-MADINIER, external Director as of December 2014, whose compensation by attendance fees will be submitted for the approval of the Annual General Meeting of December 11, 2015, nor the other Directors, who exercise their mandates without any compensation.

It should be noted that the attendance fees paid out to Miriam MAES are equally allocated on the one hand for her mandate as Director, including her participation in Committees, and on the other hand as Chairwoman of the Audit and Risk Management Committee.

With regard to the other compensation paid to Daniel CHÉRON, the composition is set out in detail in paragraph 2.4.2.2.

**TABLE 4**  
**SUBSCRIPTION OR PURCHASE OPTIONS**  
**FOR SHARES ALLOCATED TO EACH**  
**CORPORATE OFFICER BY THE ISSUER AND**  
**BY ANY COMPANY IN THE GROUP DURING**  
**THE FISCAL YEAR**

**TABLE 5**  
**SUBSCRIPTION AND PURCHASE OPTIONS FOR**  
**SHARES EXERCISED BY EACH EXECUTIVE**  
**CORPORATE OFFICER DURING THE FISCAL**  
**YEAR**

**TABLE 6**  
**FREE SHARES ALLOCATED TO EACH**  
**CORPORATE OFFICER BY THE ISSUER AND BY**  
**ANY COMPANY DURING THE FISCAL YEAR**

**TABLE 7**  
**FREE SHARES ALLOCATED THAT BECAME**  
**AVAILABLE FOR EACH CORPORATE OFFICER**  
**DURING THE FISCAL YEAR**

**TABLE 8**  
**HISTORY OF THE ALLOCATION**  
**OF SUBSCRIPTION OR PURCHASE OPTIONS**  
**FOR SHARES**

**TABLE 9**  
**SUBSCRIPTION OR PURCHASE OPTIONS**  
**FOR SHARES ALLOCATED TO THE TEN TOP**  
**EMPLOYEES WHO ARE NOT CORPORATE**  
**OFFICERS, AND OPTIONS EXERCISED BY EACH**  
**OF THESE EMPLOYEES**

TABLE 10  
HISTORY OF THE ALLOCATION OF FREE SHARES

Information required by the appendix to the AFEP-MEDEF governance Code (tables 4 through 10) concerning the allocation of subscription or purchase options and the allocation of free shares are not applicable to Vilmorin & Cie's corporate officers.

TABLE 11

Executive corporate officers	Contract of employment		Supplementary pension scheme		Allowances or benefits due or liable to be due because of the termination or change of function		Allowances with regard to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Philippe AYMARD</b> <b>Chairman and CEO</b> Commencement of term of office: 2006 Expiry of term of office: 2017		X		X		X		X
<b>Emmanuel ROUGIER</b> <b>CEO Delegate</b> Commencement of term of office: 2011 Expiry of term of office: 2017	X			X	X		X	

### 2.4.3. REMUNERATION OF MEMBERS OF THE MANAGEMENT BODIES

In 2014-2015, the sum of remunerations and benefits in kind made to members of the Executive Committee came to 1.9 million Euros. Moreover, the total amount funded to retirement benefits of members of the Executive Committee came to 1.1 million Euros on June 30, 2015.

■ no member of the Board or the management has received an official public penalty or sanction pronounced by the statutory or regulatory authorities (including designated professional bodies) over the past five years,

■ no member of the Board or the management has been prevented by a court of justice from acting as a member of an administrative, management or supervisory corporate body, or from intervening in a management or executive capacity over the past five years,

### 2.4.4. CONFLICTS OF INTEREST

To the knowledge of the company:

■ no member of the Board or the management has been convicted of fraud over the past five years,

■ no member of the Board or the management has been subject to bankruptcy, has gone into receivership or liquidation as a member of an administrative, management or supervisory body,

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



## 2.5. VOTING RIGHTS

Vilmorin & Cie's by-laws stipulate that for the purpose of General Meetings, and excepting restrictions resulting from laws and decrees in force, each member present at the General Meeting has as many votes as the shares he possesses or represents, without limitation.

Nevertheless, a double voting right that is granted compared to other shares, in view of the percentage of corporate capital that they represent, is attributed to all the fully paid shares for which a nominal registration can be justified for at least four years in the name of the same shareholder.

This right is also granted as from their issue in the event of capital increases by incorporating reserves, profits or issue premiums, to new, free nominative shares allotted to a shareholder and corresponding to old shares for which he benefits from this right.

The French law 2014-384 of March 29, 2014 that aims to recapture the real economy (called "the Florange Law"), setting up double voting rights in listed companies, does not concern listed companies whose by-laws already contain provisions for double voting rights, even if these rights are on condition of having held the shares for longer than two years. This law is therefore not applicable to Vilmorin & Cie.

An analysis of the voting rights on June 30, 2015 is set out in Part 6, Vilmorin & Cie and its shareholders, section 6.2.1.2. (page 206).

## 2.6. SUMMARY TABLE

### of the recommendations of the AFEP-MEDEF Code that are not adopted

Vilmorin & Cie's Board of Directors has decided to adopt the AFEP-MEDEF corporate governance Code as its reference. It has gradually implemented this Code in recent years, while adapting it to specific aspects of Vilmorin & Cie in liaison with its reference shareholder, Limagrain.

Accordingly, the Board of Directors has fixed the objective of implementing all the recommendations formulated by this Code, while adapting it to specific cases, owing to the particular structure

and organization of the governance of its reference shareholder.

As a result, and in accordance with the suggestions of the AFEP-MEDEF governance Code, and in application of the rule "Comply or Explain" laid down in article L.225-37 of the French Commercial Code and article 25.1 of the AFEP-MEDEF Code, the current points of divergence or the points that require further explanations are as follows:

Recommendations of the AFEP-MEDEF Code	Practices of Vilmorin & Cie and justifications
<b>EMPLOYEE REPRESENTATION</b>	
§ 7.1 "one or more directors should be appointed at the shareholders' meeting from the employee shareholders as soon as the shareholdings held by the employees of this group exceed 3% of the corporate capital"	No Director represents the group's employees, as the total shareholdings they hold in Vilmorin & Cie's corporate capital is not significant, being significantly below the 3% threshold mentioned in the Code.
<b>INDEPENDENT DIRECTORS</b>	
§ 9.2 "In controlled companies, independent directors should account for at least a third" § 16.1 "The proportion of independent directors on the audit committee should be at least equal to two-thirds"	In December 2007, Vilmorin & Cie opened its Board of Directors to an independent Director. Taking into account specifically the company's shareholding structure and dimension, and also the specific shareholding structure of its reference shareholder, Limagrain, Vilmorin & Cie's Board of Directors has not until now considered inviting other independent Directors as appropriate. Consequently the recommendations of the AFEP-MEDEF Code of governance concerning the minimum proportion of independent Directors being present on the Board and its specialized committees are not applied.
<b>EVALUATION OF THE BOARD OF DIRECTORS</b>	
§ 10.3 "The shareholders should be informed each year in the annual report of the evaluations carried out and, if applicable, of any steps taken as a result"	Vilmorin & Cie's Board of Directors regularly evaluates its operating mode, the organization of its work and its composition. However, this evaluation has not yet been formally conducted with the assistance of external consultants.
<b>THE COMMITTEE IN CHARGE OF APPOINTMENTS AND THE COMMITTEE IN CHARGE OF COMPENSATION</b>	
§ 17 and 18	Vilmorin & Cie's Board of Directors has not formally established a selection or appointments committee, nor a compensation committee, as it considers that the subjects can be dealt with directly in a plenary board meeting, bearing in mind the governance mode its reference shareholder applies on these subjects. With regard to fixing the compensation of the corporate representatives, Vilmorin & Cie is compliant with the recommendations of the Code.
<b>DURATION OF DIRECTORS' TERMS OF OFFICE</b>	
§ 14 "Terms should be staggered so as to avoid replacement of the entire body and to favor a smooth replacement of directors"	Vilmorin & Cie's Board of Directors and its reference shareholder support this objective; however the renewal of the Directors' mandates in recent years has been such that it was not possible to implement it. Currently five mandates expire at the same date.

## 2.7. CHAIRMAN'S REPORT

### on the functioning of the Board of Directors and internal control

Under the responsibility of the Board of Directors, it is the role of the General Management to define and implement adequate and efficient internal control procedures. In application of article 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,
- procedures for internal control and risk management implemented by the company,
- and where relevant, the limitations that the Board of Directors applies to the powers granted to the Chairman and the CEO delegate.

#### 2.7.1. CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

Vilmorin & Cie 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 & Cie, check that the policies adopted are coherent, and ensure that the main risks have been identified and adequately dealt with.

In order to attain these objectives, the Directors of Vilmorin & Cie always 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 comprised eight members.

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

The Board adopted all 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.

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

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

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

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

With regard to the other sections of the AFEP-MEDEF Code of corporate governance, the Board of Directors has fixed the objective of gradually implementing all the recommendations formulated to date by this Code, while respecting the specific nature of Vilmorin & Cie. For this purpose, a Strategic Committee was established during fiscal year 2010-2011; a mixed gender Board of Directors was instigated in fiscal year 2013-2014 by the successive appointment of two female Directors.

During the course of the fiscal year 2014-2015 your Board of Directors met six times, following a work schedule that is established on an annual basis. The attendance rate of its members was 89%.

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

Your Board of Directors closed the corporate accounts and the consolidated accounts of Vilmorin & Cie and the associated reports during its meeting of October 2<sup>nd</sup>, 2015.

## 2.7.2. PROCEDURES FOR INTERNAL CONTROL AND RISK MANAGEMENT SET UP BY THE COMPANY

### 2.7.2.1. GENERAL PROVISIONS FOR INTERNAL CONTROL

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

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

As with any control system, it cannot provide absolute guarantee that these risks are totally eliminated and can only provide reasonable assurance with regard to the successful achievement of its objectives.

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

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

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

During the course of fiscal year 2014-2015, audits were conducted in direct association with the group’s global risks mapped, and included reviews of internal control. These missions resulted in follow-up on recommendations.

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

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

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

### 2.7.2.2. DEVELOPMENT OF A RISK MANAGEMENT SYSTEM

#### GENERAL PRINCIPLES FOR THE MANAGEMENT OF RISKS

During fiscal year 2008-2009, Vilmorin & Cie set up a risk management committee, now based on:

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

Since October 2012, global risk management became the direct responsibility of the Corporate Finance Department.

Vilmorin & Cie has now entered a more operational phase of risk management, with the progressive adoption of twelve risk domains. These include all the identified risks, i.e. those that might occur in the company and therefore need dealing with.

These twelve risk domains are:

- safety,
- security of people and property,
- intellectual property (IP),

- quality (including GMO\* issues),
- the environment,
- the information systems security policy (ISSP),
- legal risks,
- human resource related risks,
- financial risks,
- scientific risks,
- communication,
- strategy.

#### IDENTIFICATION OF THE MAIN RISKS

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

The risk mapping process is based on a formal methodology that can be used to define a shared language, and assessment criteria harmonized between the sectors of activity, leading to the creation of a sheet for each risk, using a single model with the same parameters whatever the sector of activity. The objective is to facilitate the assessment and comparison of risks, to highlight areas for progress and mobilize teams on a certain number of action plans. The risks mapped are regularly passed on to the Audit and Risk Management Committee.

This mapping is currently undergoing detailed review by all those involved in the system, namely:

- those responsible for each risk domain: these people participate in the extended Risk Management Committee,
- the risk owners: each risk sheet has an owner responsible for analyzing and tracking it with a view to recommending preventive measures, and where possible eliminating the risk,
- the CFOs of each Business Unit or the Quality Managers who are responsible for implementing the system in each structure,
- the risk managers, those who work in the field and are confronted in situ with the ever-present possibility of a risk occurring.

The different risk domains are progressively being integrated into the reference document.

As mentioned above, this risk mapping was naturally used to establish the internal audit program; this program is successively audited by the Executive Committee and then the Audit and Risk Management Committee. Summaries of the program are periodically presented to these two committees.

## 2.7.3. A CONTINUOUS PROGRESS APPROACH

### THE REFERENCE DOCUMENT

Preventive measures appearing in the risk sheets are converted into rules to be respected on all the group's sites throughout the world; these rules are standards and procedures grouped according to each risk domain in a Group risk management reference document.

### AUDITS

In order to check that all the standards defined above are applied efficiently, audit campaigns have been conducted per risk domain and site: these involve either field audits or self-assessments. Summarized audit reports analyze any non-conformities, measure gaps and include proposals for improvement.

### REPORTING

The audit results are examined in conjunction with the operational managers in order to analyze the causes of the non-conformities and, wherever possible, to adopt measures to eliminate them, or at least improve the situation. Furthermore, feedback from these experiences, together with the audit results, are used to develop and improve preventive measures, thus reducing risk criticality\* and the number of non-conformities, and ultimately raising the standards.

Other rules (standards and procedures) will be progressively added to enrich the reference document. Accordingly, this approach can be seen as a tool for permanent progress and continuous improvement.

## 2.7.4. PROCEDURES CONCERNING THE PRODUCTION OF FINANCIAL AND ACCOUNTING INFORMATION

Vilmorin & Cie's consolidated financial statements are set out in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union on June 30, 2015.

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

### 2.7.4.1. FINANCIAL ORGANIZATION

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

#### THE MID-TERM PLAN

A mid-term plan is the working reference that describes the main strategic orientations, and is set out in each Business Unit in conjunction with the Management of its division. Every year it is updated and confirmed by the Board of Directors and the Executive Committee at the level of Vilmorin & Cie, and consolidated in accordance with a formal process.

#### THE SHORT-TERM FINANCIAL BUDGET

A short-term financial budget with detailed operations is set out every year by each Business Unit during the first semester. This is also confirmed by Vilmorin & Cie 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 commercial 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. Detailed, non-audited quarterly financial statements complete this organization.

#### THE HALF-YEARLY AND ANNUAL FINANCIAL STATEMENTS

Preparation of the half-yearly and annual 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 & Cie.

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, and by Vilmorin & Cie's Board of Directors and Executive Committee.

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

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

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

### 2.7.4.2. CONTROL

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

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

The Corporate Finance Department co-ordinates closely with the Statutory Auditors and other external auditors, who work with the



subsidiaries and the Consolidation Department according to a schedule prepared together.

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

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

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

#### 2.7.4.3. ASSESSMENT OF INTERNAL CONTROL

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

The questionnaires were used in the subsidiaries in the form of self-assessment. As for the holding companies, they were interviewed directly by the Statutory Auditors or internal auditors.

For fiscal year 2014-2015, no major anomaly has been highlighted.

### 2.7.5. LIMITS TO THE POWERS GRANTED TO THE CEO AND THE CEO DELEGATE

The General Management of Vilmorin & Cie is the responsibility of the Chairman of the Board of Directors. During the course of fiscal year 2014-2015 he was assisted by a CEO Delegate, Emmanuel ROUGIER.

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

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

### 2.7.6. COMPENSATIONS AND BENEFITS IN KIND PAID TO CORPORATE OFFICERS

As in previous fiscal years, bearing in mind the presence of independent, external Directors on the Board, it is proposed to the Annual General Meeting deliberating on the financial statements closed on June 30, 2015 to set the attendance fees for fiscal year 2014-2015 at 45,000 Euros.

The remuneration of corporate representatives that have a work contract 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 benefit of a company car.

### 2.7.7. PARTICIPATION OF THE SHAREHOLDERS IN GENERAL MEETINGS

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

### 2.7.8. INFORMATION LIABLE TO HAVE AN IMPACT IN THE CASE OF A TAKE-OVER BID

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

This full report was discussed and approved by the Board of Directors at their meeting held on October 2, 2015.



APACHE WHEAT HAS BEEN AMONG THE TOP MILLING  
WHEAT VARIETIES IN FRANCE SINCE 2001.

# MANAGEMENT REPORT

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REPORT OF THE BOARD OF DIRECTORS TO THE JOINT ANNUAL MEETING  
(ORDINARY AND EXTRAORDINARY) OF DECEMBER 11, 2015

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# REPORT OF THE BOARD OF DIRECTORS to the Joint Annual Meeting (Ordinary and Extraordinary) of December 11, 2015

To the shareholders,

The present Joint Annual Meeting (Ordinary and Extraordinary) was convened in accordance with the law and the by-laws of your company:

- to submit for your approval the annual financial statements for the fiscal year closing on June 30, 2015,
- to delegate to your Board of Directors the necessary powers to proceed with the purchase of your company's own shares and the issue of securities through a public issue with or without pre-emptive rights, according to the best possible market conditions,
- and to proceed with the adaptation of certain provisions in the by-laws concerning participation in General Meetings.

Notice to attend has been sent to all of you in accordance with the by-laws, 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 have been set out in accordance with French regulations.

Within the framework of its development strategy, over fiscal year 2014-2015 Vilmorin & Cie pursued its policy of external growth internationally, and furthered its partnerships in research and the development of new technologies.

Vilmorin & Cie's sales reached 62.3 million Euros in 2014-2015 as opposed to 56.5 million Euros the previous fiscal year.

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

These services are invoiced as corporate allocations according to real expenditure and shared out proportionately between the subsidiaries of Vilmorin & Cie according to keys based on objective economic criteria.

Total operating charges came to 84.5 millions Euros, an increase of 10.6 million Euros compared with 2013-2014.

The operating income showed a loss of 6.9 million Euros, an increase of 4.9 million Euros in relation to the previous fiscal year.

The financial result showed a net income of 15.7 million Euros compared to 33 million Euros in 2013-2014.

This figure takes into account the dividends received from the subsidiaries, with the total amount this year standing at 40.1 million Euros, compared with 43.3 million Euros for the previous fiscal year.

It also includes net provisions on shares of 10.7 million Euros and a net currency exchange gain of 9.2 million Euros.

Finally, this financial result also includes 17 million Euros of net interest charges as opposed to 9.8 million Euros the previous fiscal year.

The extraordinary result showed a net charge of 6 million Euros, as opposed to 0.6 million Euros in 2013-2014.

Income tax takes into account the impact of the fiscal integration system adopted by the group on July 1, 2000. This fiscal group comprises Vilmorin & Cie, Vilmorin SA, HM.CLAUSE SA, Vilmorin Jardin SA and, since fiscal year 2012-2013, Limagrain Europe SA and Limagrain Central Europe SE; for fiscal year 2014-2015 a net income of 17.2 million Euros was recorded, including tax relief for research of 2.9 million Euros.

As a result of the above-mentioned considerations the net corporate income came to 14.6 million Euros on June 30, 2015.

The capital stock stood at 317,717,005.50 Euros on June 30, 2015 corresponding to 20,833,902 shares each with a nominal value of 15.25 Euros. During fiscal year Vilmorin & Cie increased the capital stock through the incorporation of shares allotted at the rate of one new share for ten old shares held.

On June 30, 2015 loans and financial debts showed a gross value of 837.2 million Euros.

Net of cash and investment securities, and also current accounts granted to subsidiaries as part of the group's cash flow management system, financial debts stood at 268.2 millions Euros.

We remind our shareholders that during the previous fiscal year Vilmorin & Cie set up a syndicated credit for an initial sum of 300 million Euros, structured in the form of a revolving credit facility with maturity after five years, the due date being in May 2019, and involving two extension options, each for one year; a first option was exercised in May 2015.

On June 30, 2015, this credit facility was not used.

It is accompanied with the commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial charges); on June 30, 2015, Vilmorin & Cie completed fully with this commitment.

At the same time, during the fiscal year Vilmorin & Cie reinforced its strategy of bank disintermediation through an unrated inaugural bond issue for a total of 150 million Euros, by reopening the inaugural maturing in May 2021; as a result of this operation, the total amount for this bond issue stands at 450 million Euros, with a coupon of 2.375%. These bonds are admitted for trading on the regulated market of Euronext Paris.

Finally, it should be noted that on July 1, 2015, Vilmorin & Cie redeemed a total of 149.5 million Euros, of convertible bonds (OCEANE) issued in June 2008.

## CONSOLIDATED FINANCIAL STATEMENTS

### ACCOUNTING STANDARDS, PRINCIPLES AND METHODS

At the close of fiscal year 2014-2015, Vilmorin & Cie's consolidated financial statements were set out in accordance with the IFRS (International Financial Reporting Standards) reference as adopted by the European Union on June 30, 2015.

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

The accounting principles and methods used to prepare the consolidated financial statements for the year ended on June 30, 2015 are identical to those used to prepare the consolidated financial statements for the year ended on June 30, 2014, with the exception of the changes in the accounting principle induced by the first application of the following standards: IFRS 10 ("Consolidated Financial Statements"), IFRS 11 ("Joint Arrangements") and IFRS 12 ("Disclosure of interests in other entities"). In its accounts, Vilmorin & Cie records for its main partnership using the equity method, whereas beforehand it recorded them using the proportional integration method.

No other change in accounting method or estimate was applied by Vilmorin & Cie during fiscal year 2014-2015 that might have an impact on the consolidated annual statements of Vilmorin & Cie.

### COMPARABILITY OF DATA

The impacts of changes due to the first application of IFRS 11 are integrated and presented in the form of data restated for fiscal year 2013-2014.

As a complement, the evolution of the data for fiscal year 2014-2015 is analyzed with current data and on a like-for-like basis, in comparison with the restated data.

Like-for-like data concern the data restated for the impact of changes to scope and currency fluctuation; accordingly the financial data for fiscal year 2014-2015 take into account:

- the impact of currency translation, by applying the average rates of fiscal year 2014-2015 to the income statement of fiscal year 2013-2014,

- the main changes in consolidation scope coming from the acquisition of Tropdicorp (Vietnam. Vegetable seeds) finalized in March 2015 and the disposal of the company Suttons (United Kingdom. Garden products) finalized during the first semester of fiscal year 2014-2015. Moreover we remind our shareholders that this fiscal year Seed Co (Zimbabwe. Field seeds) integrated the consolidation scope using the equity method, following the purchase of a complementary stake by Vilmorin & Cie during the first semester of 2014-2015.

### ACTIVITY AND RESULTS FOR THE FISCAL YEAR

Consolidated sales for fiscal year 2014-2015, and corresponding to revenue from ordinary activities, stood at 1,269.4 million Euros, up 0.7% with current data.

Restated on a like-for-like basis (currency translations and changes in scope), sales progressed by 1% compared with the previous fiscal year.

Restated for inventory write-off and depreciation, gross margin on cost of sales stood at 47.5%, slightly down by 0.2 percentage point compared with 2013-2014.

Net operating charges stood at 503.1 million Euros, as opposed to 472.1 million Euros on June 30, 2014.

Respecting its strategic orientations, in 2014-2015 Vilmorin & Cie continued to intensify its research programs both in conventional plant breeding and biotechnology\*. Total research investment stood at 211.1 million Euros as opposed to 190 million Euros in 2013-2014 and now, after application of IFRS 11, represents 18.9% of sales of seeds intended for professional markets.

Thus the consolidated operating income stood at 100.2 million Euros, down 29.5 million Euros compared with the previous year, showing an operating margin of 7.9%.



The share of profits from associated companies came to 29.4 million Euros, in particular taking into account AgReliant and Seed Co.

The financial result showed a net charge of 39.2 million Euros as opposed to 38.1 million Euros in 2013-2014, and this fiscal year integrated currency exchange losses of 3 million Euros compared with losses of 17.2 million Euros on June 30, 2014.

Cost of funding came to 27.2 million Euros compared to 19.6 million Euros for the previous fiscal year.

The net charge of income taxes came to 14.5 million Euros as opposed to 27.2 million Euros in 2013-2014.

Finally the total net income came to 75.9 million Euros, significantly lower (12.4 million Euros), compared with the previous fiscal year; the group share ("attributable to the controlling company") came to 72.9 million Euros.

In comparison with the previous fiscal year, the balance sheet structure on June 30, 2015 remained solid, but was once again marked by an increase of the gearing ratio, essentially due to the external growth operations achieved during the course of the fiscal year, and also the increase in working capital needs for the Field seeds business.

Net of cash and bank in hand (373.4 million Euros), total book indebtedness on June 30, 2015 came to 660.2 million Euros as opposed to 515 million Euros on June 30, 2014. The proportion of non-current indebtedness came to 708.8 million Euros.

The group's share of equity ("attributable to the controlling company") came to 1,158.4 million Euros while that of minority interests ("attributable to non-controlling minorities") came to 113.6 million Euros.

#### VEGETABLE SEEDS

Sales for the Vegetable seeds division for the year ending June 30, 2015 came to 614.6 million Euros, up 9.3% with current data compared with the previous fiscal year. Restated on a like-for-like basis they rose by 6.3%.

In a market environment that was once again favorable, Vilmorin & Cie thus achieved another fiscal year with sustained business growth. All the Business Units performed well, with significant progress in key areas, the main achievement being in the Americas, and in major strategic crops (tomato and melon in particular).

Overall, the Vegetable seeds division posted an operating margin of 15.6% with a net contribution to the consolidated income of 63.9 million Euros compared with 58.3 million Euros for 2013-2014.

#### FIELD SEEDS

Sales for the year for the Field seeds division on June 30, 2015 came to 595.3 million Euros, down 3.5% compared with fiscal year 2013-2014; on a like-for-like basis the decrease was 3.3%.

This evolution occurred in a more difficult market context, marked this year by a drop in cultivated acreage in corn in the main geographical areas covered by Vilmorin & Cie (Europe and the United States), and a drop in cereal and oilseed crop prices over the past few months.

■ In Europe, Vilmorin & Cie recorded a like-for-like decrease in sales of 4%, (540.5 million Euros).

Throughout the full fiscal year, business was hit hard by a tense market environment, characterized by a drop in cultivated acreage for corn and sunflower in most countries, and by the political and economic crisis in Ukraine and Russia.

In this context, there was a considerable drop in sales of corn seeds, with a strong regression in Ukraine and Russia. Nevertheless, Vilmorin & Cie managed to hold up its prices well, and win market shares in Western Europe

Sunflower sales volumes fell sharply, particularly in Russia and certain countries in Central Europe. Nevertheless, in a market that has been contracting considerably, Vilmorin & Cie has managed to strengthen its positions in certain zones (France, Spain, etc.), while maintaining globally stable selling prices.

Vilmorin & Cie also continued to show the greatest vigilance with regard to the management of financial risks (customer solvency, management of foreign currency).

Finally, it is important to note that royalties for cereal seeds are growing, enabling Vilmorin & Cie to confirm its position as No. 1 in Europe for wheat seeds.

■ In its other development zones (South America, Asia and Africa), Vilmorin & Cie achieved sales of almost 52.7 million Euros in 2014-2015, up by 4.2% on a like-for-like basis compared with 2013-2014, in spite of strong competition from other crops, especially soybean. With this highly satisfactory growth, even if it is below the objectives set initially, Vilmorin & Cie is pursuing its investments, progressively deploying its corn seeds business internationally.



■ With regard to the corn and soybean business in North America, sales (which are no longer consolidated) came to 261.2 million Euros (and were down by 3.9% on a like-for-like basis, in a market characterized by a considerable drop in cultivated acreage of corn. Nevertheless the stability in volumes marketed demonstrates a fine performance in AgReliant's product supply. As the third largest player on the North American market for corn seeds, the company has thus managed to consolidate its market shares. Prices were affected this fiscal year by the drop in the prices of agricultural raw materials, even though this drop was in part compensated by the reduction in procurement costs. At the same time, there was an increase in the sales of soybean seeds, reflecting the increase in cultivated acreage for this crop.

Consequently, the Field seeds division recorded an operating margin of 3.5%, a considerable drop, with a contribution of 20.7 million Euros to the consolidated income, significantly lower compared with the previous fiscal year.

## GARDEN PRODUCTS AND HOLDINGS

Sales for the Garden products and Holdings activity came to 59.5 million Euros on June 30, 2015. The operating contribution of these activities showed a total loss of 16.5 million Euros, mainly due to costs in the holding structures; they made a negative contribution to the consolidated net income of 8.7 million Euros.

Vilmorin & Cie's activity in fiscal year 2014-2015 once again 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 sensitivity to the whims of the weather, and the importance of the high-tech products and processes used. All the main risks involved in these activities, and the potential financial risks, are specifically analyzed in the Chairman's report with regard to the functioning of the Board of Directors and internal control, and in the notes appended to the consolidated financial statements.

## INVESTMENTS AND REAL ESTATE POLICY

Each fiscal year, as part of its budgetary procedures and mid-term plan, Vilmorin & Cie approves investments shared out between the Business Units. For fiscal year 2014-2015, tangible investments came to 45.5 million Euros. For the investments managed, and depending on each case and each Business Unit concerned, funding is set up through a bank loan or by internal resources. More generally, Vilmorin & Cie's investment policy gives priority to assets directly linked to the business; consequently the company does not own much real estate which is not directly linked to operations. Finally it should be emphasized that Vilmorin & Cie has not adopted a pluri-annual investment program of a significant sum in proportion to investments made in recent fiscal years.

## INFORMATION ON PAYMENT TERMS

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

In Euros. Accounts payable	Debts not yet due	Debts due for between 1 and 30 days	Debts due for between 31 and 60 days	Debts due for between 61 and 90 days	Debts due for more than 90 days	Total
On June 30, 2014	14,030,080	79,274	56,064	2,508	118,732	14,286,658
On June 30, 2015	18,603,079	-	1,896,411	1,327,478	480,678	22,307,646

## SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION

Article 225 of the French Grenelle II law and its implementing decree of April 24, 2012 have generated new obligations with regard to Vilmorin & Cie's disclosure and verification of social, environmental and corporate information. This information is presented by your Board of Directors in a separate report.

## EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTS

At the beginning of July 2015, Vilmorin & Cie and the Canadian company Canterra Seeds (Winnipeg, Province of Manitoba) announced the creation of a joint venture, Limagrain Cereals Research Canada, specialized in the development and breeding\* of cereals, and located in Saskatoon (Province of Saskatchewan, Canada).

Held 70% by Vilmorin & Cie and 30% by Canterra Seeds, the new joint venture will ultimately bring significant added value to western Canadian agriculture, by developing new varieties of cereals, with a specific focus on wheat, using the most advanced technologies currently available.

Beyond this joint venture, Vilmorin & Cie is taking up a minority stake of 30% in Canterra Seeds, through a capital stock increase. In this way, the two companies are bolstering their partnership in order to develop the distribution of cereal seeds in western Canada.

In September 2015, Vilmorin & Cie obtained all the necessary authorizations from the Chinese authorities for the creation of a joint venture for the production and distribution of corn seeds, for which it has signed an agreement with the Chinese company Anhui Hengji Seeds; Vilmorin & Cie holds 45% of the capital of this new structure.

## OUTLOOK FOR THE FUTURE

Fiscal year 2014-2015 was characterized by a globally unstable market environment, mainly due to the price volatility of agricultural raw materials. Nevertheless, in spite of this context, Vilmorin & Cie demonstrated its potential for development and confirmed its strategic orientations, particularly in terms of investment in research and innovation and global development on the professional markets of agriculture and vegetable production.

Fiscal year 2015-2016 should confirm Vilmorin & Cie's potential for organic growth in market conditions now offering better visibility; moreover, Vilmorin & Cie will continue to increase its measured investment in research and development, in particular in upstream technologies.

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

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

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

## ACQUISITIONS AND SALES OF SHARES

During the course of fiscal year 2014-2015 Vilmorin & Cie divested the British company Suttons through a "management buy out" operation.

It also took full control of the company Limagrain Brasil by purchasing all the residual minority interests and consolidated its minority stake in the African company Seed Co.

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

## SHAREHOLDERS

Further to the capital stock increase through the incorporation of reserves for the purpose of allocating free shares in January 2015, Vilmorin & Cie's capital stock now stands at 317,717,005.50 Euros and comprises 20,833,902 shares, each with a nominal unit value of 15.25 Euros.

On June 30, 2015, the majority of the capital stock, 62.5%, was held by Groupe Limagrain Holding, 6.01% by the company Coopérative Agricole Limagrain and 5.19% by Selia, all three of these companies belonging to Limagrain.

Vilmorin & Cie's by-laws grant double voting rights to any shares held nominatively for a period of more than four years. On June 30, 2015, 15,088,160 shares benefitted from this right. Groupe Limagrain Holding, Coopérative Agricole Limagrain and Selia were the main shareholders concerned, giving Limagrain voting rights control of 84.6%.

On June 30, 2015, Vilmorin & Cie held 8,120 treasury shares corresponding to less than 0.1% of its capital stock.

In compliance with the provisions of article L.225-102 of the French Commercial Code, we inform you that on June 30, 2015 no employee held a stake in the capital stock.

## APPROPRIATION OF THE PROFITS

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

■ Net profits on June 30, 2015	14,580,442.33 Euros
■ Application to legal reserve	729,022.12 Euros
■ Profits available on June 30, 2015	13,851,420.21 Euros
■ Brought forward	152,777.47 Euros
■ Deduction from the issue premiums	18,705,028.46 Euros
■ Dividends to distribute	32,709,226.14 Euros

The net dividend is set at 1.57 Euro per share. As a proportion to the net profits for the group, the sums distributed amount to 44.8%.

The total amount of dividends do not take into account any possible treasury shares held for control on the date the dividends are paid. Any dividends corresponding to these shares will be carried forward.

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

	2011-2012	2012-2013	2013-2014
Number of shares	17,218,101	18,939,911	18,939,911
Nominal	€15.25	€15.25	€15.25
Net dividend per share	€1.65	€1.65	€1.65

## EXPENSES THAT ARE NOT TAX DEDUCTIBLE

In compliance with the provisions of article 223 quater of the French Tax Code, we ask you to approve the expenses and charges concerned by article 39-4 of the same code, which came to a total of 107,245 Euros.

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

## TABLE OF RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

In compliance with the provisions of article R.225-102 of the French Commercial Code, the following table shows the results of our company over the past five years.

In thousands of Euros	10-11	11-12	12-13	13-14	14-15
<b>Stock at the end of the fiscal year</b>					
Capital stock	262,576	262,576	288,833	288,833	317,717
Number of ordinary shares	17,218,101	17,218,101	18,939,911	18,939,911	20,833,902
<b>Operations and results</b>					
Total sales before tax	37,801	40,795	50,308	56,476	62,250
Profit before tax, profit sharing, amortization, depreciation and provisions	65,818	24,430	29,594	29,205	10,059
Income taxes	-4,011	-11,119	-12,630	-13,926	-17,214
Profit-sharing for the year	-	-	-	-	-
Profit after tax, profit-sharing, amortization, depreciation and provisions	63,395	35,190	22,300	39,372	14,581
Profits distributed	25,827	28,410	31,246	31,251	32,709
<b>Profit per share (in Euros)</b>					
Profit after tax and profit-sharing, but before amortization, depreciation and provisions	4.05	2.06	2.23	2.81	1.31
Profit after tax, profit-sharing, amortization, depreciation and provisions	3.68	2.04	1.17	2.07	0.70
Dividend per share	1.50	1.65	1.65	1.65	1.57
<b>Headcount</b>					
Average staff <sup>(1)</sup>	105	133	183	209	236
Total payroll	6,726	8,602	10,725	12,701	13,906
Benefits paid out for the fiscal year	3,386	4,518	6,381	6,790	7,707

(1) Number of people

## INFORMATION TO THE WORKS COUNCIL

We inform you that, in compliance with the provisions of article L.2323-8 of the French Labor Code, the results of your company have been sent to, and presented to, the Works Council before the Annual General Meeting.

## REGULATORY AGREEMENTS

We inform you that new agreements subject to the procedure for regulatory agreements governed by article L.225-38 of the French Commercial Code were presented to the Board of Directors during the course of the fiscal year from July 1, 2014 to June 30, 2015. They concern transactions with Selia. The Statutory Auditors have been informed of these agreements, and present them in their special report.

## CORPORATE MANAGEMENT SYSTEM

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

On June 30, 2015, the Board of Directors was composed of the following members:

- Chairman: Philippe AYMARD
- Members of the Board of Directors:
  - Joël ARNAUD
  - Daniel CHÉRON
  - Mary DUPONT-MADINIER, external Director
  - Jean-Yves FOUCAULT
  - François HEYRAUD
  - Miriam MAES, independent Director
  - Pascal VIGUIER.

During the course of fiscal year 2014-2015, Philippe AYMARD was assisted in his mission by a CEO delegate, Emmanuel ROUGIER.

During fiscal year 2014-2015, your Board of Directors met six times. Vilmorin & Cie's Board Members remain committed to their responsibilities in the Boards or other equivalent bodies of governance in the main subsidiaries.

With reference to the recommendations of the AFEP-MEDEF report of October 2003 and the recommendation of the European Commission of February 15, 2005, the Board of Directors was enlarged in December 2007 to integrate an independent Director. Your Board of Directors has decided to maintain its corporate governance code as its reference, adapting it to specific cases to define its own practices, owing to the particular structure and organization of the governance of its reference shareholder.

In 2010 the Board of Directors formally set up an Audit and Risk Management Committee chaired by its independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the Statutory Auditors and other external auditors. With regard to the other sections of the AFEP-MEDEF corporate governance code, the Board of Directors is gradually implementing the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin & Cie. For this purpose, a Strategic Committee was established during fiscal year 2010-2011.

Moreover mixed gender of the Board of Directors was applied as of 2013-2014 by the successive appointment of two female Directors.

## COMPENSATION AND BENEFITS OF ANY NATURE PAID TO CORPORATE OFFICERS

With the exception of the independent Director and the external Director, the Chairman and all the other Directors exercise their mandate without any compensation.

It is proposed to the Annual General Meeting deliberating on the annual financial statements closed on June 30, 2015 to fix the directors' fees for fiscal year 2014 2015 at 45,000 Euros.

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

Daniel CHÉRON, Director, is also a salaried member of the staff of Limagrain, the reference shareholder of Vilmorin & Cie, and we thus declare that the proportion of gross compensation paid for the function he held specifically for Vilmorin & Cie in 2014-2015 was 173,000 Euros, including a variable sum of 49,200 Euros. Total commitments concerning end of career benefits for Daniel CHÉRON on June 30, 2015 came to 565,700 Euros.

Emmanuel ROUGIER, CEO Delegate, received compensation for this function involving a fixed part, and also a variable part defined in relation to the group's financial performance each fiscal year, expressed "per thousand" of Vilmorin & Cie's net consolidated income. This quota calculation is reformulated at the beginning of each fiscal year and is then applied at the end of the fiscal year after final approval of the consolidated financial statements. The sum is not capped.

For fiscal year 2014-2015, this compensation came to a total of 338,100 Euros, including a variable sum of 88,300 Euros. Total commitments concerning end of career benefits for Emmanuel ROUGIER on June 30, 2015 came to 324,800 Euros.

## CONTROL BODIES

Vilmorin & Cie's Statutory Auditors are KPMG Audit, Département de KPMG SA, and Visas 4 Commissariat.

## TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties, mainly with Limagrain, are described in note 32 in the notes to the consolidated financial statements on June 30, 2015, and they were pursued during this fiscal year on the same basis as in fiscal 2013-2014.

## 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 10, 2014, we carried out the following operations over the fiscal year:

■ Number of shares purchased	124,003
■ Average purchasing price	80.06 Euros
■ Number of shares sold	118,054
■ Average selling price	79.54 Euros

On June 30, 2015, our company held 8,120 treasury shares, corresponding to less than 0.1% of the capital stock, at a purchasing value of 606 thousand Euros, which is an average unit price of 74.68 Euros.

On August 31, 2015, our company held 9,963 treasury shares, corresponding to less than 0.1% of the capital stock.

In order to encourage the liquidity of transactions and a regular quotation for our share value, your Board of Directors proposes that once again you grant authorization, for a maximum duration of 18 months, to buy or sell the company's treasury shares in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, in order to:

- ensure 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 (authority governing French markets),
- hand over shares when an investor exercises his or her rights with regard to securities that provide access by whatever means, immediately or when due, to company shares,

- maintain or hand over shares for purposes of exchange or payment within the context of external growth operations, in compliance with recognized market practices and regulations in force,
- apply any other measures that might be authorized or recognized by law or by the Autorité des marchés financiers, 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 110 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at 1 million shares representing a maximum potential commitment of 110 million Euros.

## AUTHORIZATION TO MAKE A PUBLIC ISSUE

During the Joint Annual General and Extraordinary Meeting of December 10, 2014, a number of resolutions were passed authorizing the Board, if appropriate, to issue bonds or other assimilated debt securities, and also to increase the capital stock by issuing shares, various securities and/or stock purchase warrants with or without pre-emptive rights.

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

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

## ISSUE OF BONDS OR OTHER ASSIMILATED DEBT SECURITIES

We request that you grant full powers to your Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 400 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.



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

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

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

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

### **CAPITAL STOCK INCREASE THROUGH THE ISSUE OF SHARES, VARIOUS SECURITIES AND/OR STOCK PURCHASE WARRANTS WITH OR WITHOUT PRE-EMPTIVE RIGHTS**

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

- each share issue for the company will bear a maximum nominal value of 300 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 provides access to the capital stock, cannot be greater than 300 million Euros,

or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies,

- in the event of the cancellation of the stock purchase rights, the Board of Directors may grant shareholders, for the duration and according to the conditions that it will fix, a priority duration to subscribe for securities without creating negotiable and transferable rights,
- the issue price for warrants issued alone must, for each share to be created, be such that the sum of this price and the exercise price of each warrant is at least equal to the weighted average of the rate of former shares recorded over the previous three trading sessions before the price is fixed, in certain cases reduced by a maximum discount of 5%.

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

### **ISSUE OF SHARES AND OTHER SECURITIES PROVIDING ACCESS IMMEDIATELY AND/OR WHEN DUE TO THE CAPITAL STOCK BY PRIVATE PLACEMENT UNDER ARTICLE L. 411-2, II OF THE FRENCH MONETARY AND FINANCIAL CODE**

We also request that full powers be granted to the Board of Directors to proceed, at its discretion, in one or several operations, with the issue of ordinary shares or securities providing access immediately and/or when due to the company's capital stock as governed by articles L. 228-91 et seq. of the French Commercial Code, without preemptive subscription rights, by private placement under article L. 411-2, II of the French Monetary and Financial Code. Such issues are subject, in particular, to the following modalities and conditions:

- the maximum nominal amount for the capital stock increases that may be effected immediately, or when due, is 20% of the capital stock on the day of the decision by the Board of Directors. The amount will be included in the total ceiling provided for in the thirteenth resolution or, where relevant, in the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock.

In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.

- the price for the subscription of shares and/or securities issued will be determined in compliance with the provisions of articles L.225-136 and R.225-119 of the French Commercial Code.

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

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

#### **CAPITAL STOCK INCREASE RESERVED FOR EMPLOYEES**

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

This is the subject of the fourteenth resolution 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 and our group, on this particular occasion your Board of Directors will not be making any voting recommendations, and each shareholder will freely assess its relevance.

#### **PARTICIPATION IN GENERAL MEETINGS**

We inform you that the French decree of December 8, 2014, whose provisions entered into force on January 1, 2015, modified the rules concerning the date and conditions for establishing the list of shareholders entitled to participate in the General Meetings of public limited companies ("societies anonymes").

As a consequence, the time limit required for registration of shares in the company's books has been shortened from three to two working days before the General Meeting at midnight, Paris time. Any transfer of ownership of securities occurring during this time limit of two working days will not be taken into account.

Since the by-laws of the company, already derogating from the principle of the French Commercial Code, currently stipulates a time limit of three days, we therefore propose to partially modify article 30 ("Attendance and Representation at Meetings") by replacing this time limit of three days by that mentioned above (second working day before the General Meeting).

#### **GENERAL PROVISIONS**

The rules adopted to establish these documents respect legislation in force, and take into account the provisions resulting from the IFRS accounting and evaluation principles for consolidated financial statements as they were adopted by the European Union on June 30, 2015.

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

With the exception of the fourteenth resolution, 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 10, 2014 TO THE BOARD OF DIRECTORS WITH REGARD TO CAPITAL STOCK INCREASES

Object of the delegation	Period of validity	Maximum nominal amount	Date and application by the Board of Directors
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights <b>maintained</b>	24 months	300 million Euros	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, with preemptive rights <b>cancelled</b>	24 months	300 million Euros	Not applied
Approval to use delegations of authority as consented above within the context of a takeover bid or exchanges that concern the securities issued	12 months	-	Not applied
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 capital stock by private placement as regulated by article L.411-2,1 of the French Monetary and Financial Code	26 months	-	20% of the capital stock on the date of the decision by the Board of Directors
Delegation of authority with a view to increasing the capital stock through the incorporation of premiums, reserves, profits or in the form of free allotment to shareholders	26 months	90 million Euros	The Board of Directors, convened on December 10, 2014 decided to allot 1 new share for 10 shares held, thus creating 1,893,991 shares corresponding to a capital increase of 28,883,362.75 Euros
Global ceiling for all the authorizations above	-	500 million Euros	Not applied





# 4

ARKÉOS WHEAT IS THE REFERENCE FOR BISCUIT  
WHEAT IN FRANCE

## SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION

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## 4.1. REPORT OF THE BOARD OF DIRECTORS concerning social, environmental and corporate information

### 4.1.1. VILMORIN & CIE'S APPROACH TO SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION

#### 4.1.1.1. THE APPROACH

Vilmorin & Cie's strategy remains true to its responsible and long-term vision of its development. In 2012, Vilmorin & Cie initiated an approach to Corporate Social Responsibility (CSR), in conjunction with its reference shareholder, Limagrain.

In order to obtain a structured approach to CSR, the agri-food version of the international standard ISO 26000 was adopted. This decision provides the Group with the means to convey its commitments to responsible development, to strengthen its capacity to identify risks and opportunities, to prioritize its actions, and even more, to meet the expectations of its stakeholders better.

Faced with the challenges of food security and the responsible management of resources, Vilmorin & Cie has structured its approach to CSR around a number of priority objectives.

The process is one of logical co-construction with those working on this subject in the Business Units concerned and the Group's CSR department. On June 30, 2015, the Business Units in Vilmorin & Cie which had initiated the process were Vilmorin Jardin and Limagrain Europe, along with the structure Limagrain China; three other Business Units in the Group have also joined the program. The Business Unit Hazera will join the program in the fall of 2015 with the aim of promoting continuous improvement.

A working group that is representative of all the company's business lines has been established in each participating Business Unit, in order to correspond as closely as possible to the Business Unit's constraints, encourage the active involvement of the teams in the CSR approach, and to stimulate collective intelligence. The working group presents its work to its Executive Committee for validation on two occasions in the process. At halfway stage, the work carried out is also submitted to the managers of the entity so they can understand the topic, associate middle management and provide operational guidelines for the proposed actions.

The methodology is based on an extensive CSR diagnosis of the Business Units. This diagnosis includes internal and external interviews, CSR benchmarks, visits to sites, a documentary study and a diagram of the business cycle. The results of this diagnosis are used to identify the priority objectives in each Business Unit.

These objectives are then the subject of collective reflection involving operational employees from the Business Units. On this basis, a matrix is designed to assess the importance of objectives for the stakeholders and the Group's performance to deal with these objectives.

Since the launch of the approach, 172 interviews have been conducted, 95 internal and 77 external (clients, suppliers, journalists, recruitment agencies, schools and universities, institutional organizations, social representatives, etc.). The interviews were conducted by two external consultancies specialized in CSR accompaniment. The second stage sets out the CSR positioning, which is grounded in the elaboration of the CSR vision and the Business Unit's areas of commitment. After that, the action plan and the dashboard are implemented and then deployed.

This method provides the Business Units with the possibility of adjusting the approach to their own specificities in terms of organization, region and challenges. Only the Group action plan is reviewed as necessary, at the end of the diagnosis of each Business Unit, in the interests of continuous improvement. Moreover, in order to achieve greater coherence, each Business Unit includes key objectives defined by the Group in its action plans, even if they do not appear in the priorities fixed in their initial plan. This is particularly the case for the topics "Health and Safety" and "Structuring Business Ethics" to take account of how responsibility (principle of accountability) is exercised by Vilmorin & Cie and to demonstrate its transparency with regard to its stakeholders.

Vilmorin & Cie's CSR approach, conducted in close cooperation with Limagrain, thus includes the specific aspects of the Group's different business lines and activities. It adapts to the constraints of the different markets. It unites teams around a common, structuring project, raises interest and gives meaningful direction.

Moreover structured and standardized extra-financial reporting with a glossary of indicators shared by all the Group has been implemented to steer the approach and emphasize the progress achieved. It targets key indicators and explains their importance with regard to Vilmorin & Cie's activities.

At the same time, and in order to reinforce its CSR commitment, since December 2013 Limagrain has adhered to the principles of Global Compact.

#### 4.1.1.2. OPERATIONAL ORGANIZATION

CSR is managed through a continuous progress approach deployed at the level of Limagrain, Vilmorin & Cie's reference shareholder. Dedicated organization has been established for this purpose; CSR assignments are thus coordinated by Limagrain's Public Affairs and CSR cluster. It comprises three people who have been supported, for the past two years, by the expertise of a CSR committee made up of CSR correspondents from different subsidiaries and business lines.

Initiated in 2012, this cross-cutting approach has gradually been integrated further into each department. For example the Risk Management department has taken charge of the Health and Security file. Similarly, the Human Resources and Legal Affairs teams also participate actively in reporting extra-financial data and have a role to play in the implementation of measures for the CSR program, such as the deployment of the Code of Conduct. A permanent representative of the Legal Affairs department also joined the CSR committee during the last fiscal year, adding to the expertise already present: Human Resources, Risk Management, Quality/Safety/Environment, etc.

At the same time the network of voluntary CSR correspondents from each Business Unit has regularly expanded. This past fiscal year was marked by the arrival of a CSR coordinator from HM.CLAUSE and another from Vilmorin SA.

#### 4.1.1.3. THE CODE OF CONDUCT

The Code of Conduct structures the ethical principles and fundamental commitments that Vilmorin & Cie and its reference shareholder Limagrain wish to see respected by all their employees, in all circumstances, for all business lines and in all countries.

This Code of Conduct comprises:

- Five principles to guide all the Group's employees, by providing useful ethical references for the exercise of their profession in order to cope with the risks linked to the image and reputation of the company, the company's assets, conflicts of interest, non-disclosed financial information and intellectual property rights;
- Seven commitments with regard to internal and external stakeholders covering the respect of shareholders, employees, preservation of the environment, loyal behavior with regard to competitors, customer/user and consumer satisfaction, balance and long-term approach to relations with suppliers and partners, responsible conduct towards countries and regions where the Group has locations;
- A handbook which formulates the questions which all employees

should be asking to assess their level of compliance with the Code, and makes it easier to understand and implement the Code of Conduct.

The Code of Conduct was officially launched on March 30, 2015 with all the Business Units through the HR Network, an internal network linking all the Group's Human Resources managers. It is currently available in five languages: French, English, Spanish, Portuguese and Chinese. Eventually it will be translated into the language of each region in the world where Vilmorin & Cie has locations, in order to develop internal awareness as widely as possible.

In order to facilitate the adoption and use by everybody of the Code of Conduct, when it was disseminated it was accompanied by an extensive communication kit including a 30-minute dedicated e-learning module available in four languages (French, English, Spanish and Portuguese) and sent out to all employees through the Group Intranet.

The e-learning program is presented as a game. Each user is placed in situations and must resolve cases of business ethics in order to acquire the reflex of questioning himself. Employees must strive to act with common sense and judgment; throughout the program they meet virtual and interactive colleagues, evoking together all the ethical questions involved in the exercise of their profession.

The deployment process will be progressive. After consultation with employee representative bodies and checking the national practices and legislation in force on this topic, each Business Unit will adapt its schedule with support from its Human Resources and Legal Affairs departments and from its managers, while respecting the objectives fixed by the Group.

The objective is to ensure that 100% of the Group's managers are trained in business ethics by the end of 2016 and that 80% of employees should be made aware by the end of 2017. On June 30, 2015, 100% of the top executives had received training on the Code of Conduct through real-work situations involving operational scenarios, and 103 employees from Vilmorin & Cie had completed the e-learning module and the quiz to check the level of knowledge.

At the same time, since February 2015, four times per year, a Code of Conduct Operating Committee has been working on real operational scenarios to assess the risks and come up with answers to present to all the employees.

Judging ethical actions and avoiding mistakes are concerns that form part of the quest for excellence. For Vilmorin & Cie, which is present in several countries with sometimes very different cultures and legislation, marking its identity with clear benchmarks is a pre-condition for consolidating its reputation and its legitimacy.



#### 4.1.1.4. EMPLOYEE AWARENESS AND INVOLVEMENT IN THE APPROACH

Several types of measure are now in place today to provide employees with the means necessary to adopt CSR subjects, and a wide transmission of the commitments of Vilmorin & Cie.

Whatever the continent, all new executives attend an awareness and information session on CSR and its current program as part of their induction program. 83 people followed this CSR initiation session in 2014-2015, an increase of 30% compared with previous fiscal year, 47% women and 53% men, mainly from France (55%), the United States (8%), Israel and Ukraine (both 5%), and Russia and Japan (both 4%).

In the Business Units, all the employees that participate in the working groups to deploy the method ISO 26000 follow awareness sessions on CSR and sustainable development run by CSR consultancies specialized in accompaniment.

Starting in January 2015, a half-day CSR training module has been run as part of the induction programs for managers from Vilmorin & Cie's support services.

### 4.1.2. SOCIAL INFORMATION

Vilmorin & Cie's development depends on the commitment and expertise of its employees. Human resources management must accompany the development of all talents, anticipate changes, and strengthen existing teams, encourage intra-group mobility while also enabling the expression of diversity, and ensuring cohesion and agility within the organization.

These major guiding principles of human resources management are defined by the Executive Committee. They integrate the proposals and work of human resources managers in the main structures, grouped within the Corporate Human Resources Committee. Each operational company then applies all of these guidelines, while respecting their particular legal and cultural context, as well as Vilmorin & Cie's values, which are: progress, perseverance and cooperation.

During the course of fiscal year 2014-2015, the Human Resources teams focused their efforts on the development and promotion of the Group's employer brand with students, schools, external partners and employees.

Beyond efforts deployed to communicate more efficiently with external communities, the aim of this approach above all is to develop a meaningful Group spirit for employees. Whatever their activity, the structure to which they belong, their profession, position, all employees must feel part of a community of men and women, all committed to the Group's development.

#### 4.1.2.1. A COMMITTED EMPLOYMENT POLICY

##### HEADCOUNT

With a permanent headcount of more than 6,200, up 2.77% like-for-like compared with the previous fiscal year, Vilmorin & Cie enjoys a wealth of 58 different nationalities.

In 2014-2015, the average age of employees at Vilmorin & Cie was 42. The age pyramid is balanced and shows that all age groups are represented, illustrating the stability of the organization model.

##### EVOLUTION OF THE PERMANENT HEADCOUNT:

##### KEY FIGURES

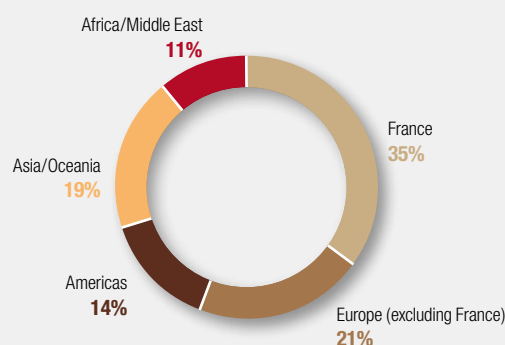
(Number of employees)

	2013-2014 Disclosed	2013-2014 Restated <sup>(1)</sup>	2014-2015
<b>DIVISION</b>			
> Vegetable seeds	3,148	3,148	<b>3,403</b>
> Field seeds	2,764	2,302	<b>2,317</b>
> Garden products	435	435	<b>305</b>
> Holding	215	215	<b>244</b>
<b>GEOGRAPHICAL AREA</b>			
> France	2,022	2,005	<b>2,040</b>
> Non-France	4,540	4,095	<b>4,229</b>
<b>GENDER</b>			
> Men	4,233	3,866	<b>3,972</b>
> Women	2,329	2,234	<b>2,297</b>
<b>CATEGORY</b>			
> Managers <sup>(2)</sup>	1,800	1,781	<b>1,819</b>
> Non-managers	4,762	4,319	<b>4,450</b>
<b>Total</b>	<b>6,562</b>	<b>6,100</b>	<b>6,269</b>

(1) Restatement for the impacts of the first application of IFRS 11.

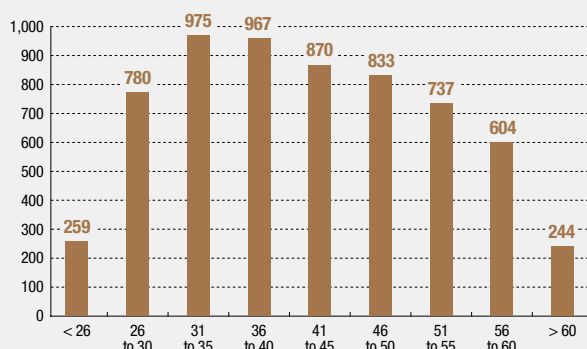
(2) In 2014-2015, managers represented 29.02% of Vilmorin & Cie's permanent headcount. According to the definition adopted by Vilmorin & Cie, a manager is a supervisor or expert with further education of 5 years or the equivalent acquired by experience.

#### GEOGRAPHICAL DISTRIBUTION OF THE PERMANENT HEADCOUNT 2014-2015



#### AGE PYRAMID

(in number of persons)



#### COMPENSATION POLICY

Vilmorin & Cie is concerned to develop a fair and motivating compensation system for all its employees, which is seen as attractive and competitive.

#### Compensation

In 2014-2015, the total amount of gross compensation paid by Vilmorin & Cie stood at 258 million Euros, an increase of 6.8% compared with fiscal year 2013-2014, mainly due to changes in scope and headcount. This compensation also includes benefits packages, as well as profit-sharing, and an attractive system for employee savings.

#### Benefits

Fiscal year 2014-2015 was mainly devoted to promoting the tools the Group makes available to its Business Units: profit-sharing, Group Savings Plan, Collective Pensions Savings Plan (PERCO), Health and Welfare, particularly through the organization of several informative meetings set up for employees.

#### → Profit-sharing

Originally set up in France, profit-sharing is extended to non-French companies and offered at all employee levels.

The Group's profit-sharing agreement thus involves all of Vilmorin & Cie's subsidiaries, including those that have recently joined the scope, and for which Vilmorin & Cie holds more than 50% of their capital stock. It is composed of a company proportion calculated on the basis of the subsidiary's performance and a Group proportion. The calculation is mainly based on the operating result, which is considered to be the best indicator of performance of activities.

In 2014-2015, almost 2.32 % of the payroll was dedicated to this program.

#### EVOLUTION OF COLLECTIVE PROFIT-SHARING

(in thousands of Euros)

	Profit-sharing
2013-2014 disclosed	8,179
2013-2014 restated <sup>(1)</sup>	8,103
<b>2014-2015</b>	<b>8,051</b>

(1) Restatement for the impacts of the first application of IFRS 11

#### → Employee savings

A Group Savings Plan (GSP), the operating costs of which are fully borne by Vilmorin & Cie, is available to French employees. It is made up of three funds – two of which are exclusively reserved for them – that involve investment profiles that combine security and performance, with the common goal of offering a return higher than that of the market. Among these funds is a solidarity fund, labeled socially responsible by specialized reference organizations (Finansol and CIES). This fund is partly invested in solidarity-based

companies that act in the areas of social and vocational integration (ADIE, Initiative France, Groupe La Varappe), mobility (Wimoov) and access to accommodation (SNL-Prologues, Foncière Habitat & Humanisme).

A Collective Pensions Savings Plan (PERCO), involving an employer's contribution to accompany employees in their efforts to save for retirement, was implemented in 2011-2012. In France, the entry rights and management fees for this plan, which is interesting from a tax standpoint, are also covered by Vilmorin & Cie.

### Internationalization of the Group Health and Welfare plan

The social protection of its employees is a major objective for Vilmorin & Cie. It plays a high-profile role in attracting and retaining employees, and must also facilitate mobility between the Business Units.

Vilmorin & Cie aims to cover all its employees in Health and Welfare within 3 years.

In 2014-2015, an audit was carried out in all non-French companies in order to assess the level of cover in each company. This enquiry was not conducted in France since all employees already have good quality cover.

Results of the audit show that 67% of non-French employees have Health cover and 72% Welfare cover. The study also set a target for standards in each country.

Consequently, at the end of the 3 coming fiscal years, each employee at Vilmorin & Cie will benefit from:

- A Health program at the level of market standards,
- A Welfare program proposing at least 1 year's compensation in the event of death.

The objective is to benefit from homogeneous cover in each country and for all employees, whatever Business Unit they belong to.

### ATTRACTING AND RETAINING TALENTS

The Human Resources teams working in the Business Units and at corporate level have defined and elaborated the Group's employer brand, with the objectives of attracting and retaining talents. This brand communication has led to the formulation of "7 good reasons" for working for the Group:

- Reason No. 1 - "Working in a committed and responsible company"
- Reason No. 2 - "Experiencing a human adventure that is enriching and unique"
- Reason No. 3 - "Combining international ambitions with local development"
- Reason No. 4 - "Evolving in diverse professions and cultures"
- Reason No. 5 - "Associating progress and performance in a cooperative approach"
- Reason No. 6 - "Innovating for modern, visionary and responsible agriculture"
- Reason No. 7 - "Taking action to meet food challenges"

### Staff Movements

577 employees were hired by Vilmorin & Cie during the course of fiscal year 2014-2015, which represents 9.2% of the global permanent headcount, which is less than in fiscal year 2013-2014. 34.5% of the employees recruited were managers.

Among the recruitments, 16% involved young people under the age of 26.

In order to accompany Vilmorin & Cie's internationalization, the recruitment policy has been gradually intensifying at international level.

In the areas where Vilmorin & Cie is located, it has sought to promote local recruitment, and with this goal in mind, it has formed partnerships with higher education. These are led by the main subsidiaries in the countries where they are located.

The Group's Corporate Human Resources department targets certain international and French universities and schools in order to work more closely with them, particularly through active participation in different pedagogical programs. Among partner schools, there is the University of Florida in the United States for exchanges with France, and the Higher Institute of Agriculture of Lille which builds links with countries in Eastern Europe.

At the same time 545 employees left Vilmorin & Cie during fiscal year 2014-2015, representing a turnover of 8.9%, slightly lower than in 2013-2014.

Number of employees	2013-2014 disclosed	2013-2014 restated <sup>(1)</sup>	2014-2015
> Retired	61	54	58
> Resigned	253	226	269
> Discharged (individual and collective)	164	156	162
> Others	75	73	56
<b>Total</b>	<b>553</b>	<b>509</b>	<b>545</b>

(1) Restatement for the impacts of the first application of IFRS 11

## Mobility

Mobility requests are identified during annual appraisal campaigns. Vilmorin & Cie is convinced that mobility is a powerful lever to develop open-mindedness, boldness and adaptability.

As a result of Vilmorin & Cie's increasing international dimension, international mobility is of major importance.

Therefore, to encourage mobility, conditions for expatriation take into account the specific needs of expatriates and include, in particular, measures to encourage integration and the return of colleagues to their home country.

The different measures of accompaniment include intercultural and language training for the employee and his or her family, payment of removal expenses, schooling for the children, return trips and rent, tax assistance, a commitment to reintegrate the employee in the sending country at the end of the expatriation period, and a mobility bonus.

Work was undertaken during the course of the fiscal year to update the mobility policy. The new version will be available during fiscal year 2015-2016.

In 2014-2015, 186 Vilmorin & Cie employees experienced mobility; the company had a total of 72 expatriates, stable compared to fiscal year 2013-2014, and 12 VIE (International Business Volunteers).

In order to complete business opportunities abroad and allow a greater number of employees to enjoy this experience, short foreign assignments (of less than six months) are also proposed.

## Organization and quality of life at work

On account of the different geographical locations of Vilmorin & Cie, the effective working times in its subsidiaries can vary, depending on the country.

In France, teleworking is continuing to develop. Agreements have been set up in several of the Group's companies, allowing employees to do their jobs – if compatible with their function – outside the premises of their employer, and using information and communication technologies. Teleworking can contribute to creating a good balance between private life and professional life. Teleworking is now an integral part of the provisions implemented through the Professional Equality agreement signed in October 2012 at Group level.

### 4.1.2.2. ENCOURAGING SOCIAL DIALOGUE AND INTERNAL COMMUNICATION

#### AGREEMENTS THE ORGANIZATION OF SOCIAL DIALOGUE AND REPORT ON COLLECTIVE

Vilmorin & Cie encourages constructive Social Dialogue with its social partners and gives priority to collective negotiation in implementation processes. Several group agreements were signed in France in 2014-2015 with the objective of having a common policy between the Business Units.

#### In Europe

##### → The European Works Council (EWC)

The European Works Council (EWC), representing the different companies in the Group, meets twice per year with the objective of providing information to the employees and establishing constructive dialogue with the employee representatives of the European companies. It deals with economic, financial and social questions which are of global interest, going beyond the context of a particular country.

It comprises 29 employee representatives for nine European countries.

In 2014-2015, negotiations resulted in an update of the Agreement of the European Works Council, providing extra prerogatives:

- A new definition of consultation with more involvement from employee representatives in the decision-making process on certain subjects, particularly employment.

- The creation of a Select Committee dedicated to the implementation of this consultation.
- The possibility of organizing exchange meetings between the representatives.

### National level

Moreover, nineteen of the countries where the Group is present have staff representation bodies of different types (works council, employee forums, staff representatives).

### → Collective agreements

27 collective agreements were negotiated and 22 signed in the different companies, over the course of 2014-2015. They mainly concerned salaries, employee profit-sharing and working conditions. They complete and strengthen the deployment of the social contract within the Group.

For example, the collective agreements mainly deal with:

- In France: salaries, working conditions, profit-sharing, seasonal workers,
- In the Netherlands: salaries, pensions and employability,
- In Ukraine: working conditions,
- In Israel: salaries and pensions,
- In Japan: working times.

### 4.1.2.3. HEALTH AND SAFETY: EVERYBODY'S BUSINESS

#### THE SAFETY AT WORK POLICY

Vilmorin & Cie is convinced that there can be no sustainable successful performance without safety. On top of the prevention policy deployed for a number of years, Vilmorin & Cie therefore launched a safety at work policy during fiscal year 2014-2015. Based on strong involvement from the management, its objective is to act both on organizational and behavioral shortcomings, the main causes of accidents, in order to prevent them efficiently. Beyond the fact everyone is responsible for their own safety and that of their colleagues, strong involvement from the management chain is also expected.

During the course of fiscal year 2014-2015, 29 of Vilmorin & Cie's top executives and four Business Unit executive committees were trained to run managerial safety visits in their facilities, and were able to gauge the efficiency of this approach. Above all it aims to prevent exposure to professional risks; but it also serves to strengthen the managerial model which Vilmorin & Cie promotes,

marked by interest in, and consideration for, all the persons working for and with Vilmorin & Cie, whether they are employees, temporary workers, trainees, subcontractors or visitors.

A Security Committee manages this policy, which is relayed by a Security coordinator.

The Business Units are also responsible for running this policy internally, involving closely all heads of departments and safety experts, passing on information through internal communication, stimulating managerial involvement and motivating all levels of line management, training all the employees, assessing risks and defining the norms and standards that reduce them, following the indicators used to steer the Safety policy, analyze accidents whatever their severity and to draw all conclusions from each failure in this matter.

In 2014-2015, the lost-time workplace accident rate was 13.2, and the severity rate 0.22 (for a population representing 88% of the total headcount).

The objectives of the safety policy are ambitious: to divide the frequency rate of lost-time accidents by two by 2020.

### Occupational diseases

In order to fight against the risks of occupational diseases, in a certain number of countries Vilmorin & Cie requires that when its employees are recruited, they should have a medical examination. In France, employees who are exposed to particular risks such as noise, shift work, handling heavy loads, exposure to dangerous chemical products, etc. have a compulsory annual medical. Other employees also have a medical every 2 years. The aim of the medical examination is to insure that employees are apt for their job health-wise.

In fiscal year 2014-2015, 9 employees were recognized as suffering from an occupational disease in France.

Furthermore, "training on gestures and postures" is provided in certain companies to employees whose job involves lifting and carrying heavy loads.

### Report on agreements signed with union organizations or staff representatives on the issue of workplace health and safety

During fiscal year 2014-2015, two company agreements concerned health, safety and working conditions.

Training hours devoted to health and safety represent 17.8% of total training hours organized at Vilmorin & Cie.

#### ABSENTEEISM

Absenteeism is defined as being all the working days where staff are absent for reasons other than paid holidays, time in lieu, training courses, and union representation.

In 2014-2015, the global absenteeism rate was 3.94%, slightly higher than in 2013-2014. It was 3.6% for managers and 4.08% for non-managers.

#### 4.1.2.4. THE PROFESSIONAL DEVELOPMENT OF EMPLOYEES

The employability of the staff members at Vilmorin & Cie is a strong component of the Group's HR policy.

#### APPRAISALS THROUGHOUT ONE'S CAREER

In 2014-2015, the group's HR teams structured the provisions for career interviews, the formats of which are now included in the HR information systems under the name "B-SMART":

■ The annual appraisal (the campaign runs every year from June to September; the interview is conducted by the manager). The interview consists in assessing the activities achieved and skills mobilized over the past year. It is also an opportunity to assess the employee's training needs and wishes, and to review his or her professional evolution.

This annual appraisal was updated both in its form (more intuitive and user-friendly format) and its contents for executive managers at Group level, and for all the employees in certain Business Units. With regard to the assessment campaign for executive managers, the objective fixed this year for the managers was to finish all the appraisals on time.

The new forms allow employees to fill in a self-assessment; this self-assessment can be compared to the manager's assessment, a comparative exercise which is an interesting basis for discussion, giving the manager the opportunity to express feedback.

Furthermore, on top of job-related, management and leadership skills, the employee's capacity to participate in collaborative projects beyond the frontiers of his or her position is also assessed. This capacity is particularly important for Vilmorin & Cie's performance, with its highly specific organization model of remaining close to its markets.

Training in the form of e-learning, webinars and information on the group Intranet have been deployed to allow those involved to prepare their appraisals in the best possible conditions. The information provided allows Human Resources to build up the training plan, to implement development plans and to prepare career committees to review promising employees and decide on promotions, mobility opportunities and accompaniments. During fiscal year 2014-2015, 71.8% of the appraisals were conducted.

■ Bi-annual professional interviews: these interviews are initiated by Human Resources every 2 years. They are conducted by the manager, and are an opportunity to analyze perspectives for professional evolution in terms of qualification and employment. From a practical point of view, these interviews are run alongside annual appraisals, but are considered separately.

■ Career interviews: as of 2015, these interviews are organized every 6 years before the age of 45, then every 5 years after the age of 45. They are initiated and run by Human Resources, and prepared with the manager. Their objective is to prepare a summary of the employee's professional career: during this interview, it will be checked that the employee has indeed benefitted from his or her bi-annual professional interview, and from training, professional certification, certified recognition of experience or professional promotion. Starting at 45 years of age, this interview is conducted every 5 years in compliance with the Group's Generation Contract signed in fiscal year 2013-2014. It is set up to establish a positive projection on the second half of the employee's career.

■ Interviews to prepare the end of a career (as of the age of 57): these interviews are part of the Group's Generation Contract and are organized and run by Human Resources; they are set up to prepare the final career period, to initiate the procedures necessary to prepare pension files and to organize succession plans. In 2014-2015, more than 30 interviews to prepare the end of career were organized.

■ Return-to-work interviews after a long absence (maternity or adoption leave, childcare leave, etc.): they are initiated by Human Resources. They are set up for successful transitions before and after these absences, prepare the return to work, keep in contact, and avoid any breakdown in the relationship.



## CAREER PATHS

On top of these provisions, Vilmorin & Cie's Human Resources teams worked over the year, in close cooperation with the Information Systems Department to set up a pilot on career pathways, initially focused on "Information Systems" professions.

Starting from an analysis of the skills required for each type of post in "Information Systems", career gateways – both vertical and lateral – were elaborated for positions requiring similar skills.

These gateways were recorded in summary documents so that the employees could see possible evolutions, with the means to develop new skills – through reading programs, temporary assignments, cross-functional projects or training.

The objective is to help employees to plan ahead, providing them with tools, with the support of their line manager and HR manager, to build up a career path with guidelines. Of course there is no question of making any promotion promises, but to make sure all the stakeholders, especially the employee, can play a role in his or her employability and professional development.

The process is managed by the Human Resources department. The line manager approaches the subject with his or her N-1 during the annual appraisal or at any time during the year. Any employee who is interested in this approach can ask for an interview, which will be formalized in a "Career Development Plan". This plan is used to schedule skills development actions which both parties are committed to respecting.

All employees working in "Information Systems" were informed of the implementation of this project, and training modules for managers were built and programmed. The objective of the training for managers is first, for them to understand and adopt the career path tool to help employees to use it, but also to develop a new management approach, centered on the development of employees, to help them to prepare and experience the career path interview. All the managers from the Information Systems department will be trained during the course of the coming fiscal year and also HR personnel specialized in development.

A pilot has been set up for this approach. The Group's HR department will therefore pursue its project to map all the professions and related skills in order to extend the approach and provide visibility to the possible gateways between professions.

## TRAINING

Skills development generally requires training.

EVOLUTION OF TOTAL NUMBER  
OF TRAINING HOURS

	Training hours
2013-2014 disclosed	60,062
2013-2014 restated <sup>(1)</sup>	57,572
<b>2014-2015</b>	<b>82,434</b>

(1) Restatement for the impacts of the first application of IFRS 11

In 2014-2015, 82,434 hours of formation were run in 63 of the Group's companies, to 4,308 employees, representing 68.7% of Vilmorin & Cie's permanent headcount.

During the course of the fiscal year, Vilmorin & Cie devoted 2.85 million Euros on training for its employees, a considerable increase in relation to the previous fiscal year.

BREAKDOWN OF THE TOTAL  
NUMBER OF HOURS OF TRAINING

	2014-2015
Total number of hours of training	82,434
<b>GENDER</b>	
> Men (%)	60
> Women (%)	40
<b>CATEGORY</b>	
> Managers (%)	35.1
> Non-managers (%)	64.9

Training mainly involves adaptation to the workstation, the evolution or consolidation of the function held, developing knowledge of corporate activities, and for managers, dealing with change and management.

#### LIMAGRAIN ACADEMY: A CENTER FOR SHARING KNOWLEDGE

Limagrain Academy was founded in 2013, with the aim of developing and preparing the communities of the Group, in order to acquire the skills, aptitudes and capacities necessary for working successfully, in coherence with the Group's fundamentals. Limagrain Academy is not a substitute for the training activities and specific development in each Business Unit. The complementarity of the training programs in the Business Units and those organized by the Group will help to prepare the company and its employees for tomorrow's challenges.

With this in mind, Limagrain Academy's aim is to exploit the full wealth of knowledge that the Group possesses and to create learning opportunities for the employees from the different Business Units, countries and cultures, while encouraging the feeling of belonging to the Group, especially through the use of collective learning methods.

Limagrain Academy training will be organized throughout the world so that as many employees in the Group can benefit from it. It will make use of motivating new learning techniques, in the form of games or virtual tools, such as the "Business, Strategy & Finance Game" in which the participants with no real experience in finance learn to take decisions using financial tools. In 2014-2015 sessions were organized in different Vilmorin & Cie subsidiaries (in the Netherlands, bringing together employees from four different Business Units and from five different countries; in China, with employees from five Business Units and four countries, and in the United States, bringing together participants from several different companies in the country).

#### INDUCTION PROGRAMS

Further induction programs were run over the course of the fiscal year, concerning a total of 551 employees.

In order to facilitate the integration of new managers from all over the world, group induction programs have been run since fiscal year 2010-2011. Intended for managers who recently joined the group, they are run for confirmed employees in their position and with up to 5 years of seniority in the company, with further

education of 5 years, or with equivalent experience. They involve a meeting with members from the Executive Committee and the Board of Directors, exchanges with employees who have benefitted from mobility opportunities, and visits to sites with meetings with members of the Limagrain cooperative.

The objective is to facilitate the integration of new managers in the Group, in terms of how they understand its activities and its strategy, and familiarity with the resources available in each Business Unit (human resources development policy, communication tools, etc.).

During the course of this fiscal year, 72 employees followed this program.

Of these 72 employees, 58% came from the following countries: Chile, Netherlands, Israel, United States, China, India, Thailand, Germany, Italy, Ukraine, Belgium, Brazil and Morocco.

Furthermore, a program to follow young talents (a career nursery) was set up several years ago. And with regard to employees who have joined the Group through an internship or an international business volunteer program, it initially involves close and precise monitoring of their evolution with the perspective of possible recruitment.

To extend this approach, at the beginning of 2014 a mentoring program was set up, intended for the Group's younger employees. They are now accompanied for 1 year by a mentor from a different Business Unit and function. The objective of this program is to pool experiences that can be beneficial to young employees, and indeed to the whole Group, by encouraging creativity, value sharing and communication between organizations. This program is also available for employees over 57, and in such cases is intended to make good use of their experience.

Through mentoring, the Corporate Human Resources department is developing a new way of transferring best practices, meeting the needs of young employees and encouraging links between generations.

Other induction tools, in this case intended for all staff, are being developed. One in particular is a game where the players go on virtual journeys through the Group. The game has been tested by the Group's HR and Communication teams, with unanimous approval for a launch during the course of fiscal year 2015-2016.

For the 50<sup>th</sup> anniversary of its reference shareholder, Limagrain, several events were organized throughout the year, in order to strengthen the link between the employees and the farmer members of the Limagrain cooperative, and encourage moments of proximity and exchanges. During the course of the year the following communities met up in Vichy (France):

- around 300 researchers in January 2015,
- about one hundred members of the sales and marketing teams in June 2015,
- 240 executive managers in June 2015,
- and also different departments that held meetings in Auvergne this year (HR, Legal Affairs, Finance, QSE, Purchasing, etc.).

All these initiatives contribute to bringing Vilmorin & Cie's communities together for a shared project, that of developing the Group.

#### 4.1.2.5. COMMITTING TO DIVERSITY

*"The Group is committed to treating its employees fairly and with an open mind, respecting their dignity and their physical and moral integrity. The Group's employees are therefore recruited without discrimination in terms of gender, age, origin, religion, sexual orientation, physical appearance, health condition, handicap, trade union membership or political opinions."*

This commitment on respecting persons and their private life is an extract from the Code of Conduct.

The Code of Conduct is part of the scope of several international texts of which the Group shares the principles, in particular the core conventions of the International Labor Organization concerning combating child labor and forced labor, health and safety of workers, combating discrimination, freedom of association, the right to organize and the right to collective bargaining. Similarly, collective agreements were negotiated in favor of gender equality and intergenerational balance. Other measures have been taken towards employing and integrating the disabled.

##### MEASURES TAKEN TO SUPPORT GENDER EQUALITY

Professional equality represents a primary focus in human resources management in the company. In this context, an agreement was signed in 2012-2013, which was also in response to a new legal obligation in France. Resulting from constructive dialogue with social partners, this agreement, which involves French companies, concerns objectives and measures in favor of equality between women and men throughout their professional careers.

Recruitment, professional promotion, compensation, balance between professional and personal life: these four areas for action have been adopted, with concrete commitments and measures to promote diversity and professional equality.

These objectives and measures are accompanied by indicators calculated in each subsidiary, and then consolidated and tracked at Group level.

##### BREAKDOWN BY GENDER OF THE GROUP'S EXECUTIVES

2014-2015	Total	Men (%)	Women (%)
Top Executives	39	87	13
Executive Managers	206	80	20
<b>Group's global headcount</b>	<b>6,269</b>	<b>63</b>	<b>37</b>

##### MEASURES TAKEN TO SUPPORT INTERGENERATIONAL BALANCE

38.6% of Vilmorin & Cie employees are over 45 years old. In order to guarantee better employability for employees in the second half of their career, and taking into account the fact that careers are getting longer, Vilmorin & Cie has for several years had in place a specific agreement regarding employees working in the group's French companies. The object is to accompany all employees more actively in the second half of their professional lives, and encourage the transmission of their know-how and experience to the following generation as they approach retirement.

The rate of keeping "seniors" in their jobs has been at more than 95% since 2012, for an objective of 90%. Also, tutoring has become a general practice to ensure that skills are transmitted when "junior" employees are hired or move into a new position.

The agreement, which is in place in France, has, at Vilmorin & Cie's initiative, also been communicated to non-French subsidiaries with the aim of encouraging them to adopt a certain number of these measures.

This agreement, renegotiated in 2012-2013, was extended in 2014, by a generation contract.

#### MEASURES TAKEN TOWARDS EMPLOYING AND INTEGRATING DISABLED PERSONS

Different measures have been taken to encourage the employment and integration of disabled workers in order to advance our low rate of disabled workers (2.52%) in the French scope. To this end, during fiscal year 2012-2013, a partnership was formed in France with ESAT (centers providing care through employment), enabling disabled persons to work in a protected environment. In this program, disabled persons receive regular temporary assignments to assist Vilmorin & Cie's support services in several operational and administrative functions. At HM.CLAUSE in Spain, a partnership was launched in 2014 around an induction program for the disabled or those with social difficulties. Furthermore, the Group is envisaging the production of digital communication tools accessible to those with impaired vision. Commitments were made during the mandatory annual negotiations of 2015 in the support services of Vilmorin & Cie to launch a disability policy.

### 4.1.3. ENVIRONMENTAL INFORMATION

Due to the nature of its activities, environmental concerns are of central importance to Vilmorin & Cie. The company is constantly developing new varieties to meet the needs of farmers and growers all around the world. Accounting for environmental issues is an integral part of the work done by breeders.

In the interests of protecting its environment, Vilmorin & Cie has fully integrated environmental risk prevention into its risk management policies, and has applied coherent standards to all of its sites worldwide.

This commitment also involves the control (measurement, optimization, innovation) of the use of natural resources, and paying particular attention to improvement of how waste is quantified and used.

#### 4.1.3.1. OVERALL ENVIRONMENTAL POLICY

Most of the products created and developed by Vilmorin & Cie originate in the natural world. As a priority, they are ultimately intended to be used for nutritional purposes or for amateur

gardening activities. This means that they cannot and must not cause serious and repeated damage to the environment. Thus, Vilmorin & Cie has adopted a determined, responsible policy, particularly in relation to the following:

- strict compliance with regulations relating to biotechnologies\* and genetically modified organisms\*,
- the implementation of dedicated resources for environmental risk monitoring and prevention (technical and regulatory checks, alert and crisis management procedures, certifications, internal communications based on an inter-company network, etc.),
- control and treatment of effluents and restrictions on industrial pollutants.

#### ORGANIZING THE COMPANY IN A WAY THAT ADDRESSES ENVIRONMENTAL CONCERNS

Vilmorin & Cie ensures it complies with local, EEC and international regulations in relation to the environment on all of its industrial sites, both in France and all other countries.

In February 2012, ISO 26000 diagnoses were conducted on a scope that represents 45% of Vilmorin & Cie's 2014-2015 sales. The drop of 5% compared with 2013-2014 is due to the drop in sales of the Business Unit Limagrain Europe, and in spite of the integration of the structure Limagrain China into Vilmorin & Cie. The objective is to reach 57% by the end of fiscal year 2015-2016, as a result of the integration of the Business Unit Hazera into the process.

Moreover, twenty-four companies, representing 71% of Vilmorin & Cie's sales, have set up a Quality Management System, a rise of 9% which demonstrates the Group's firm intention to move forward in terms of operational excellence. Five companies representing 12% of Vilmorin & Cie's sales are certified ISO 9001 for quality.

Five companies, representing 31% of Vilmorin & Cie's sales, have set up an Environmental Management System. For example, the Hazera site in Israel, which represents 3.2% of Vilmorin & Cie's sales is certified ISO 14001 and Vilmorin in El Salvador has APA certification for the management of water and waste.

### STEPS TO TRAIN AND INFORM EMPLOYEES ABOUT ENVIRONMENTAL PROTECTION

Several companies within the Group regularly organize training sessions to increase awareness of environmental issues among employees.

At Vilmorin SA in June 2015, on the site of La Costière (France), 54 employees were trained in the advantages of integrated pest management during a dedicated seminar entitled “Learn and Protect”. An awareness program on flooding risks was delivered on the site of La Ménitré (France) in partnership with the local authorities through a study on the dangers of the dykes of Le Val d’Authion based on simulations of different flooding scenarios around the breach of La Chapelle-sur-Loire. Initial projects are being run to adapt to climate change and minimize risks, for example securing the chemical storage area, storing basic seeds above one and a half meters, and the protection of wells. At the same time, a safety/environment dashboard is sent out to the managers at the site, and displayed on notice boards to further operational excellence.

At HM.CLAUSE, in France, production technicians follow a yearly environmental awareness program that goes beyond the mandatory training for Certiphyto. Substantial work is also carried out by the teams in partnership with the French National Federation of Seed Multiplication Farmers (FNAMS) and the French Seed Association for seed companies and plant breeders (UFS) to continuously improve production tools and advice. In the United States, employees are regularly trained on environmental risks, particularly those related to the use of pesticides and on saving energy. This training is delivered by local safety coordinators and specialized external consultants. More globally, the Business Unit HM.CLAUSE very regularly provides information and awareness training to its employees on environmental issues through its internal magazines. During this past fiscal year the follow topics were broached: climate change, dust, waste management, energy savings in the office, etc.

At Mikado Kyowa Seed in Japan, sessions on permanent and collective progress are run at the industrial site. Their aim is to improve on the practice of eco-gestures, hygiene and safety in particular. Each session involves about ten people, and they are organized twice per year. Seed Asia in Thailand organizes the same type of event once per year. During these sessions, the involvement and the empowerment of the operators represents an opportunity to increase their skills level and their respect for the environment, to develop their awareness and enrich their tasks by involving them in the upkeep of their working equipment.

Mikado Kyowa Seed is also working with the Franco-Japanese Chamber of Commerce on the definition of a continuity of operations plan if an earthquake occurs, using operational scenarios as a base.

Finally, for the first year Vilmorin Jardin disseminated a brochure on Corporate Social Responsibility to all its employees.

### PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

Given the group’s activities, Vilmorin & Cie has not identified any environmental risks and did not therefore register any provisions or guarantees for environmental risks for fiscal year 2014-2015.

#### 4.1.3.2. POLLUTION AND WASTE MANAGEMENT

Most production sites are owned by Vilmorin & Cie and are subject to constant monitoring and upkeep.

### MEASURES TO PREVENT, REDUCE OR REMEDY ANY DISCHARGES INTO THE AIR, WATER OR SOIL THAT HAVE AN IMPACT ON THE ENVIRONMENT

Vilmorin & Cie develops numerous protected seeds. Seed protection is vital in the fight against diseases and the protection of crops, particularly in their early stages. It means input\* can be used more sparingly, and by targeting needs, more efficiently.

This technique minimizes environmental impacts. Protected seeds have very limited contact with the soil. The risk of dispersion in the environment is therefore reduced – particularly the risk towards non-targeted insects, including pollinators such as bees. And any reduction in the number of tractor passes in the field means a better carbon footprint.

■ **Air:** Dust generated during seed processing is the main source of any possible pollution. To limit such releases into the air, some of Vilmorin & Cie’s companies have deployed means to prevent this environmental risk and have installed systems to filter and capture this dust of plant origin, particularly HM.CLAUSE at several of its sites in the United States.

■ **Water:** Research activities are organized to limit as much as possible any discharge into water. The Group’s Risk Management manual stipulates that rainwater and wastewater (used for manufacturing, sanitation or to extinguish fires) must be collected and transported separately. It also states that before

any discharges are made, water that could be polluted must be analyzed and treated as necessary. Moreover, to prevent this risk of water pollution, Vilmorin SA has invested in process water treatment equipment and a thermal weeder to limit the use of chemical products. Finally, the most recent research centers 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.

First of all, Vilmorin & Cie recommends the adoption of biocontrol\* methods (*cf. Note on Methodology*) in greenhouses in order to reduce the level of treatments required. Secondly, Vilmorin & Cie develops seed varieties that are resistant to insects and viruses, have fewer needs for fertilizer for growing, and require fewer chemical products. Finally, by pelleting commercial seeds, agrochemical treatments can be minimized throughout the life of each plant.

#### MEASURES TO PREVENT, RECYCLE AND ELIMINATE WASTE

The quantity of waste generated by Vilmorin & Cie is estimated to be 12,929 tonnes in 2014-2015 including 1,513 tonnes of dangerous waste and 11,416 tonnes of non-dangerous waste. 60% of this waste is reused, recycled, composted or valorized.

As far as possible, plant waste is used as compost or animal feed. With regard to other forms of waste (packing materials, paper, cardboard, plastics), they are selectively sorted in most cases.

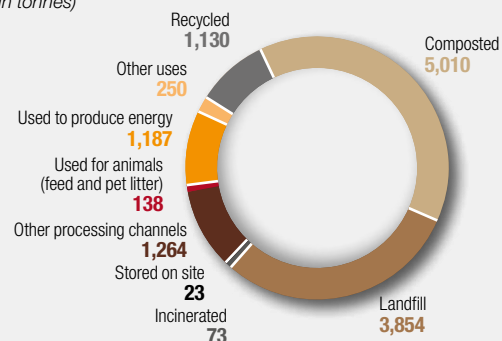
As an illustration, at its site of Les Alleuds in France, Limagrain Europe has created a storage platform for green waste in order to facilitate its re-use, and has installed selective sorting bins on its sites at Longue and Les Alleuds.

During the past fiscal year, Vilmorin in Spain purchased a paper shredder to produce particles as packing material for parcels from waste.

On several of Vilmorin & Cie's sites, this sorting is accompanied by specific communication (sorting instructions, notices in display areas, etc.). At certain sites such as Limagrain Europe and Vilmorin SA in France, monthly monitoring is used to track the evolution of the tonnage of ultimate waste and the quantity of re-usable waste.

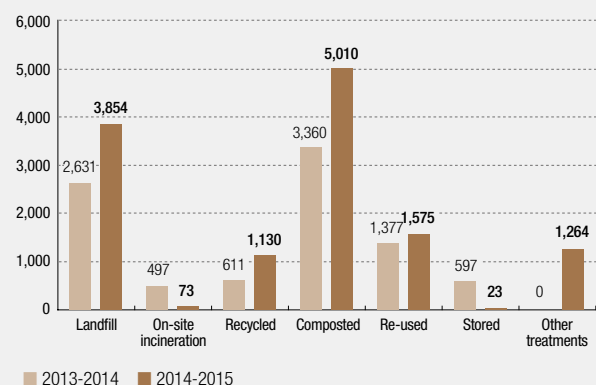
#### ANALYSIS OF WASTE BY TREATMENT METHOD - 2014-2015

(in tonnes)



#### EVOLUTIONS OF WASTE TREATMENT

(in tonnes)



#### ACCOUNTING FOR NOISE POLLUTION AND ANY OTHER FORM OF BUSINESS-SPECIFIC POLLUTION

Most of Vilmorin & Cie's sites do not present particularly high noise levels and in any case are not located in urban areas. Nonetheless, noise levels are regularly monitored at the sites. Vilmorin & Cie recommends to all of its subsidiaries that where noise levels exceed 85 decibels, they should adjust their machinery to ensure a reduction and make it mandatory for individuals to wear protective equipment.

For example, during fiscal year 2014-2015, Vilmorin SA closely examined the noise level in its choice of ventilators for the construction of its new greenhouse in France.

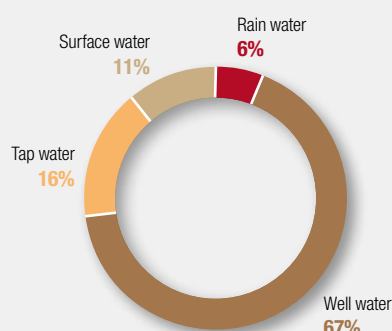


## 4.1.3.3. SUSTAINABLE USE OF RESOURCES

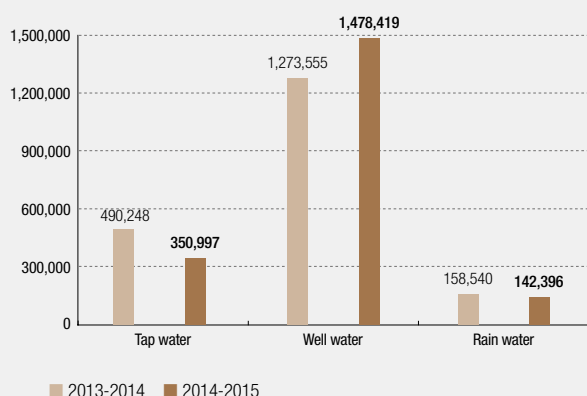
## WATER CONSUMPTION

Vilmorin & Cie's consumption of water is estimated at 2,211,602 m<sup>3</sup> in 2014-2015, an increase of 16% compared with the previous fiscal year, mainly due to more reliable reporting and the integration for the first time of rain water, with a total volume of 142,396 m<sup>3</sup> and surface water of 239,790 m<sup>3</sup>.

ANALYSIS OF WATER CONSUMPTION  
BY TYPE - 2014-2015



EVOLUTION OF WATER CONSUMPTION  
IN M<sup>3</sup> BY TYPE



Water is primarily used for domestic purposes (sanitation) and to irrigate the greenhouses. Given the specific nature of their activities, the group's companies use water from the urban distribution network, but also well water and rainwater, in order to reduce consumption levels.

Drip irrigation systems are widely deployed throughout the group. They are used to transport the water directly to the plant's root system. It is the most economical technique used for water today. Drip irrigation also facilitates fertilizer input directly to the plant. Therefore this technique also limits the consumption of input\* to a strict minimum.

Furthermore, most companies have set up specific, more economical irrigation systems in order to control and limit quantities of water used:

- soilless crops,
- open field mulching,
- a layer of sand for greenhouse crops to avoid evaporation.

For example, throughout the past fiscal year, and in several different countries, HM.CLAUSE developed drip irrigation systems with leak detectors. In Mexico these investments aim to reduce, for example, water consumption by 30% per hectare.

Vilmorin SA optimized its water consumption through specific investment such as high-pressure cleaners to clean equipment more efficiently, and spray booms to reduce the volume of water used in irrigation.

Vilmorin & Cie is committed to developing varieties that help reduce the impact of agricultural production on the environment and facilitate a reduction in water consumption levels, as in the case of corn for which varieties are developed with improved tolerance of drought.

Vilmorin & Cie also pays great attention to the needs of producers, farmers and growers. Besides the products themselves, the group provides them with agronomic expertise and tailor-made accompaniment to get the best value from all the genetic potential of the seed.

For example, Limagrain Europe has created a decision support tool for use by producers, "LG Vision Irrigation" which can be accessed free online. Its objective is to allow producers to manage their water input precisely, depending on the soil water storage capacity and the needs of the crops. The number of simulations made using this tool can be followed per calendar year. With 3,084 simulations in 2014, the increase was 58% compared with 2013, the year the tool was launched.

## CONSUMPTION OF RAW MATERIALS

Dependence on raw materials is limited by the very nature of the business. Vilmorin & Cie, as a seed producer, is primarily involved in creating renewable raw materials.

Nonetheless, where technology is available (oxygen and water barrier properties primarily used to guarantee seed quality), the Group's companies strive to optimize their packaging, in particular by reducing the thickness of protective films and by using recycled, biodegradable or renewable materials.

For example, Limagrain Europe is a partner of ADIVALOR (Farmers, Distributors and Industrialists for the Recycling of agricultural waste). The aim of this partnership is to establish a network for the collection and recycling of seed bags sold on the market, especially paper bags. At the same time as this project, work will be done in fiscal year 2015-2016 to redefine significant raw materials in use in Limagrain Europe's business.

At Bisco Bio Sciences in India, careful attention is paid to the consumption of fossil resources in the process, particularly by avoiding the use of LPG when corncobs are dried.

## ENERGY CONSUMPTION

Vilmorin & Cie's global energy consumption in fiscal year 2014-2015 was 196,567,154 kWh, including 146,897,847 kWh of fixed energy sources (including biomass), electricity and heating, cooling and steam. The increase of 43.5% compared with the previous year (*cf. Note on Methodology*) is due to the fact that this fiscal year, for the first time, figures were collated from mobile sources from vehicles, and energy used to produce cooling and steam.

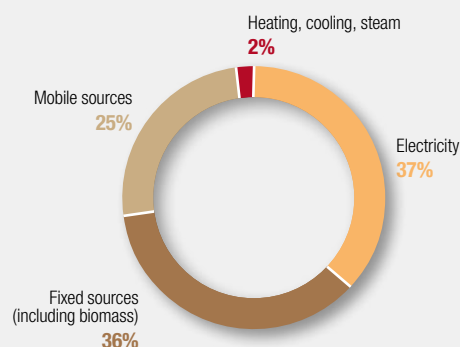
Vilmorin & Cie's companies regularly invest in measures to optimize their energy efficiency. In particular, several of them consider energy performance and energy economy criteria when replacing or purchasing equipment for use in greenhouses (lighting, heating, etc.).

As an illustration, the new field seed production factory built for Limagrain Brazil in Goianésia was fully designed to optimize energy consumption throughout the full process.

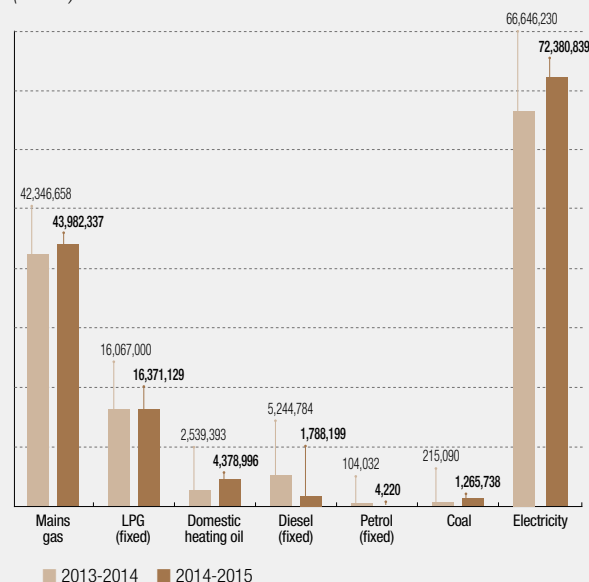
For constructions already built, a number of solutions have been adopted:

- An energy committee involving the production and operations managers from the different industrial sites in France, works to optimize Vilmorin & Cie's energy consumption. Five energy audits

## ANALYSIS OF ENERGY BY TYPE - 2014-2015



## EVOLUTION OF ENERGY CONSUMPTION FOR FIXED SOURCES (in kWh)



were conducted in partnership with Winergia, in order to respect the new directive 2012/27/UE of October 25, 2012 concerning energy efficiency and its implementing decree No. 2014-1393 of November 24, 2014.

- At its site of Les Alleuds (France), Limagrain Europe SA has initiated a program to install LED lamps in the growth chambers and corridors, with movement detectors and a smart meter to optimize electricity consumption.

■ Bisco Bio Sciences in India has implemented a global energy optimization program. For this purpose, several actions plans have been adopted: maintenance work on the driers, a lower moisture rate for products before processing, drying of corncobs at the site in order to reduce transport costs, a new generator in the cold storage room which is more efficient and uses less energy.

■ Several of the group's Business Units, HM.CLAUSE and Hazera in particular, are deploying energy efficiency programs for their greenhouses in order to optimize their consumption of electricity and heat.

■ In France, at the site of Saint Mathurin, certain air recycling driers at Limagrain Europe use air in part heated by the combustion of shelled corncobs.

Finally, since Vilmorin & Cie produces green waste, studies have been carried out internally on its methanogenic capacity.

#### SOIL USAGE

This indicator is of particular importance for Vilmorin & Cie, given that the soil is our primary production resource. Efforts to respect and preserve the soil are central to all of the company's actions, as shown by the examples below:

■ Vilmorin SA (France) and HM.CLAUSE SA (France), representing 8.3% of Vilmorin & Cie's sales, as part of their agronomic strategy, are conducting extensive research into the improvement of agronomic soil management. Projects involve preserving soil quality and ensuring healthy crops by optimizing the use of inputs\*, particularly through the improved management of organic matter. In order to preserve macrofauna and micro-organisms in the soil, they systematically rotate crops with the introduction of a cereal cycle every two or three years in order to break up disease cycles, and they sow a vegetation cover during the winter period. This avoids leaving the soil bare, which encourages its leaching. This rotation practice is a long-term process to guarantee optimal agronomic efficiency. Moreover, Vilmorin SA has adopted novel techniques to work the soil: no more ploughing, investment in superficial soil working tools which break up the surface without upsetting the different layers, and so maintain the balance of ecosystems, the removal of tools that restructure the soil, thermic weeding, etc. At the site of La Costière (France), Vilmorin SA analyzes the soil before using amendments and fertilizers so the right amounts are applied. At this same site, this past fiscal year was marked by the fact that the amounts purchased of biocontrol\* products exceed the amount spent on chemical control products.

■ At HM.CLAUSE in Poland, crops are mulched with a natural coconut fiber substrate; in Peru, wastewater is collected in special reservoirs for recycling purposes.

#### 4.1.3.4. CLIMATE CHANGE

##### GREENHOUSE GAS EMISSIONS

Vilmorin & Cie believes that the mechanism of photosynthesis should be taken into account when calculating greenhouse gas emissions. By capturing carbon dioxide and releasing oxygen, plants make a natural contribution to efforts to reduce the greenhouse effect. For example, one hectare of corn absorbs twenty to thirty tons of carbon dioxide and provides two to four times as much oxygen as one hectare of forest (*source: [http://www.agpm.com/en/mais\\_poumon\\_vert.php](http://www.agpm.com/en/mais_poumon_vert.php)*). This means that by creating innovative seeds that are both more economical and more productive, Vilmorin & Cie helps reduce the greenhouse gas emissions produced by its activities.

As part of its drive for continuous progress, since fiscal year 2013-2014 Vilmorin & Cie has been calculating greenhouse gas emissions linked to the activity of its sites, based on a scope representing 99.5% of its sales.

Methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are also greenhouse gases emitted by Vilmorin & Cie. However, in view of the lack of reliability and the complexity of the scientific methods currently developed to measure the emissions of these gases, Vilmorin & Cie does not include them in its greenhouse gas emission evaluations.

The company estimates its greenhouse gas emissions using the ADEME (French Environment and Energy Management Agency) reference document. Its direct emissions (Scope 1) are directly linked to:

- the combustion of fossil fuels on its sites,
- the use of fuel for its vehicle fleet.

	2014-2015
<b>Emissions Scope 1</b> (only direct emissions caused by the combustion of fossil fuels on fixed sites)	33,783 tCO <sub>2</sub> e <sup>(1)</sup>
<b>Emissions Scope 2</b> (indirect emissions associated with the production of electricity and heating, cooling and steam)	22,175 tCO <sub>2</sub> e
<b>Total</b>	<b>55,958 tCO<sub>2</sub>e</b>

(1) The evolution is due to the fact that this year 15,960 tCO<sub>2</sub>e from mobile sources have been taken into account.

## ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Some twenty production basins located all over the world, in both the northern and southern hemispheres, are used for the production of seeds; research is being carried out in more than 100 sites in close proximity to the world's markets. The international locations of its production and research facilities allow the company to spread out and limit the risks associated with climate change and meteorological uncertainty.

### 4.1.3.5. PROTECTING AND ENRICHING BIODIVERSITY

Protecting, maintaining and developing genetic heritage\* is one of the cornerstones of the seed business generally, and of Vilmorin & Cie's long-term success.

261 varieties were launched for the first time in 2014-2015, including 166 vegetable seeds varieties and 95 field seed varieties, joining the rich genetic heritage\* that includes more than 10,000 plant varieties collected over the last 270 years. Vilmorin & Cie is an active contributor to the conservation and development of the biodiversity of a great number of plant species.

In France, just like its competitors, in order to register a new variety, Limagrain Europe, must prove that it provides new performances compared with varieties that already exist on the market. Official studies must demonstrate satisfactory results in DHS tests (Distinct, Homogeneous, Stable), and in terms of agronomic, technological and environmental value.

Moreover, the group strives to maintain as many varieties as possible. For example, the conservation of germplasm for corn in Europe represents more than 30,000 varieties (lines and populations) preserved in collections.

At the same time, through its tree seed activity, Vilmorin SA contributes to enriching biodiversity both through the species it creates and the habitats it helps to develop. In France, one in two trees planted comes from a Vilmorin tree seed. Most of the agronomic work carried out by Vilmorin SA also contributes to the protection and development of biodiversity. For example, several hedges were planted this past fiscal year on the sites of La Ménitère and La Costière (France) for their intrinsic diversity and the major role they play in how ecosystems can function correctly. On the site of La Costière, a Natura 2000 zone, no building or construction is undertaken during the nesting period of little bustards; special equipment has also been purchased in order to capture protected reptiles on the sites without killing them.

In El Salvador, Vilmorin contributes to the preservation of the flora on the riverbanks in the region of Flor Amarilla, by planting bamboos and local tree species. Meanwhile, HM.CLAUSE has made a commitment to preserving wildlife, particularly through its

measures to protect the natural habitat of bank swallows in Davis (United States) and the woodlands of Wisconsin.

Furthermore, having access to a diverse genetic variability as wide as possible is a pre-requisite to ensuring overall progress in the development of new varieties.

In order to protect their plant innovations and ensure a fair return on investment, seed producers use the following tools to protect their plant breeding:

### THE PROPRIETARY VARIETY PROTECTION CERTIFICATE (PVPC)

The most advanced right in this domain is the PVPC, a title of intellectual property created at the convention of the International Union for the Protection of New Varieties of Plants (UPOV). Created specifically for plant breeding\*, its objective is to encourage breeders to create new varieties while leaving access to genetic variability open. In particular it protects the ownership, production and sale of the commercial variety for 25 years. However it integrates two fundamental elements:

- The breeder's exemption: a commercial variety protected by a PVPC can be used without financial compensation by another seed company in order to create a new variety with characteristics that are original and distinct from the original variety used.
- The farmer's exemption: in certain conditions (payment of royalties to compensate the breeder's research investment, etc.) and for certain crops (wheat, barley, oats, rye, rapeseed, etc.), the PVPC authorizes the farmer to use a part of his harvest to re-sow in his own plots the following year.

### PATENTS

Unlike the PVPC, which is dedicated to the protection of plant varieties, the scope of patents is much broader, covering numerous fields of activity, and often for industrial purposes. They grant its holder authorization for exclusive use of the invention for a limited number of years and on a defined geographical territory. In return, all information concerning this invention is made available to the general public.

Depending on different countries and their respective legislation, patents can cover different aspects of plant breeding\*: breeding\* processes, varieties (in a very limited number of countries), elements (genes, etc.) of the plant, or even the plant itself. Consequently, all seed companies that wish to use a variety that comes under a patent are required to ask for authorization and pay rights.

Today, the United States, Japan and Australia allow for the dual protection of plant varieties, by patent and PVPC. In Europe, only the PVPC is authorized to protect a plant variety. At the same time, patents are used to protect other inventions in the area of plant innovation, excluding essentially biological processes (*cf. Note on Methodology*).

Vilmorin & Cie believes that these two systems of intellectual protection must co-exist, provided that intellectual property systems allow the widest possible access to existing genetic resources\*. In this context, the principle of breeding\* exemption must be a fundamental part of any intellectual property system applied to plant innovation.

#### 4.1.4. CORPORATE INFORMATION

Vilmorin & Cie's primary vocation is to help improve how the world's nutritional needs are met. This is a significant challenge: by 2050, in order to feed more than 9 billion people, food production will have to increase by 70% according to the Food and Agriculture Organization of the United Nations. In order to meet these ever-increasing needs, Vilmorin & Cie is developing vegetable and field seeds with high added value, as its business is at the heart of the challenges facing society.

##### 4.1.4.1. THE REGIONAL, ECONOMIC AND SOCIAL IMPACT OF BUSINESS

Vilmorin & Cie has chosen local management structures based on a model that is very close to the markets, making it closely involved in the regions in which it operates. A structure divided into eleven Business Units is a way of combining coherence with the strategic choices made by Vilmorin & Cie and the ability to account for the culture and specific features of each local area.

This very specific structure, which underpins Vilmorin & Cie's performance, allows it to work very closely with the relevant people and markets and to listen carefully to its clients regardless of their geographic location, thereby ensuring an excellent understanding and knowledge of these markets.

By building on its capacity for innovation and its ability to listen to its clients on an ongoing basis, Vilmorin & Cie is in a position to provide the farmers and growers all around the world that make up its client base with seeds that are adapted to the different regions and changes in soil and climate.

#### ON EMPLOYMENT AND REGIONAL DEVELOPMENT

At the same time, throughout its development and operations aimed at external growth, Vilmorin & Cie has provided impetus to local employment in the regions where it has locations, and has deployed a progressive integration model that respects existing cultures, and understands the importance of preserving the identity of companies acquired and building on the know-how of staff teams already in place.

Furthermore, the human and cultural references associated with the farming world, based within its reference shareholder, Limagrain, an international agricultural cooperative group, form part of Vilmorin & Cie's values and allow it to develop close ties within the various regions in which it operates. This results in an active policy of nurturing research partnerships which have provided many exciting scientific collaborative projects over the years.

Vilmorin & Cie's business is highly seasonal, requiring the use of temporary workers at peak periods, particularly at harvest time. Most of this seasonal workforce is recruited locally at Vilmorin & Cie's sites in France and other countries.

#### ON NEIGHBORING AND LOCAL COMMUNITIES

The group participates in different types of campaigns in the areas where it has locations.

In France, Vilmorin SA, which is based in La Ménitré in Anjou, keeps up regular contacts with the local authorities to encourage dialogue, examine investment files, discuss the conditions of the site, and make specific requests concerning different topics such as safety and the fire brigade. The company regularly opens its doors: 52 visits were organized during fiscal year 2014-2015. For example, there were visits from representatives of INRA, Montfavet, from students from the University of Angers and the Angers Higher Education School of Agriculture and Research, and from a college of further education in Genech. Finally, Vilmorin SA donated 105 second-hand computers worth approximately 31,500 Euros to schools from neighboring villages.

In turn, HM.CLAUSE seeks out numerous solutions to identify and minimize undesirable noise and odors coming from its activities, for example: detecting the wind direction to avoid dispersing smells and chemical products into the local neighborhood in Australia, the use of silent generators in open areas in Indonesia, and the replacement of noisy ventilators in greenhouses by quieter ones in Poland.

Finally, Limagrain Brazil has installed a cutting-edge system, called Cyclofan CF 615, to extract dust particles in the calibration tower of its new seed factory. And in Japan, Mikado Kyowa Seed has installed a dust collector in the reception zone for bags in the seed cleaning area.

#### 4.1.4.2. RELATIONS WITH INDIVIDUALS AND ORGANIZATIONS INTERESTED IN THE COMPANY'S ACTIVITIES

##### MOMAGRI, MOVEMENT FOR A WORLD ORGANIZATION OF AGRICULTURE

As agricultural markets become more and more global, ever-greater economic and social pressure is being put on farmers. This pressure is being exacerbated today by the excessive volatility of the prices of agricultural raw materials which penalizes farmers, destabilizes the agri-food chains and poses a serious threat to the planet's food security. In order to guarantee food security for a world population that will grow by two billion inhabitants by the year 2050, more than ever true regulation of this sector is indispensable. It is within this context that for several years Vilmorin & Cie has been actively supporting the initiatives of momagri, movement for a world organization of agriculture.

Founded in 2005 at the initiative of the French agricultural world, momagri is a think tank\* whose mission is to promote a regulated liberalization of agricultural markets by creating new evaluation tools and by drawing up proposals for an international agricultural and food policy. Bringing together figures from agriculture, humanitarian bodies, health, defense and business, momagri cooperates with a variety of international bodies, think tanks\* and agricultural organizations in different countries. It is a lobbying group that determines its actions and proposals mainly on the basis of a novel economic model. This model, for the first time, describes the specific nature of the agricultural sector and the close correlation between the unregulated liberalization of agricultural exchanges and the increased volatility of prices.

It is now fully recognized by academics internationally, by politicians, for example by the European Parliament, and within international organizations such as the IMF and the FAO.

##### INVOLVEMENT AT AN INTERPROFESSIONAL LEVEL AND WITH PROFESSIONAL REPRESENTATIVE BODIES

Vilmorin & Cie is involved interprofessionally and with professional representative bodies at national level – with the GNIS (national

interprofessional group on seeds and seedlings) and the UFS (French seed Association for seed companies and plant breeders) – and at European level – through the ESA (European Seed Association) – as well as internationally through the ISF (International Seed Federation).

In this capacity, it actively participates in agricultural debates generally, and particularly in relation to seed production: protecting living organisms, access to genetic resources\* and the use of plant biotechnologies\* in the field of scientific research in particular.

##### PARTNERSHIPS AND CORPORATE PATRONAGE

The group has always developed numerous partnerships, with both public and private players, mainly in the fields of research, agriculture and innovation.

As an illustration, at the beginning of January 2015, Limagrain Europe signed a research agreement on sunflower in France with the University Pierre et Marie Curie for one year, renewable. Limagrain Europe also accepted a partner's request to share its knowledge during an event to promote agro-ecological techniques and innovations. The preparation for this event, and also participation, involved assistance in kind of a value of €2,000 and the mobilization of 14 employees, representing 250 hours of work.

In January 2015, Biogemma (a European specialist in biotechnology\*, of which Vilmorin & Cie holds 55%) launched a six-year partnership with the company BioSilicium to develop software to monitor the exposure of employees to chemical products, in order to anticipate and prevent risks.

Hazera and HM.CLAUSE have set up numerous national partnerships with public players on topics such as phenotyping\*, plant breeding\*, precision farming and data management. For example, members of the HM.CLAUSE executive committee regularly give classes at the University of Davis in the United States.

Vilmorin & Cie aims to contribute to the development of its environment, and to this end, through its subsidiaries, is actively involved in various social and humanitarian projects. The choice of these projects is guided by coherence with the activities of Vilmorin & Cie; they target the following topics: the environment, agriculture and education.

As in past years, several remarkable projects were run. In 2014-2015, the group devoted 1,697 of its employees' hours to non-profit associations to help them with their charitable or solidarity actions. The global sponsoring budget came to 279,547 Euros – mainly for sport and partnerships with schools – and corporate



patronage (without consideration) came to 32,467 Euros; finally the value of in-kind donations came to 88,860 Euros.

- As an illustration, Bisco Bio Sciences donated 10 tonnes of seeds to help out farmers from the region of Bihar, in the north-east of India, affected by the cyclone in April 2015.
- In China, the group provided 8,000 Euros to the association “Couleurs de Chine” whose objective is to provide schooling for infant and adolescent girls from ethnic minorities in the south of China and support the Miao and Dong cultural heritage.
- In France, HM.CLAUSE gave financial support for the renovation of the roof of the Chapel of la Bohalle to preserve local heritage.
- In Japan, Mikado Kyowa Seed invited its employees to take part in benevolent projects to provide support and comfort to refugees from the region of Tohoku affected by the earthquake of March 11, 2011, by preparing and distributing hot meals inspired from French gastronomy.
- In the Netherlands, Hazera supplies the “Roseland Academy” with the vegetable seeds it requires (miscellaneous varieties of lettuce; cabbage and cucumber). Founded in September 2005, the “Roseland Academy” is a school located in Holeta Town in Ethiopia. The vocation of this institution is to provide quality education for the poorest children in Holeta Town. Currently, 88 children attend the school and receive advice from a dedicated local team. A gardening program has been set up with three objectives:
  - To obtain fresh vegetables for the children of the “Roseland Academy”.
  - To create revenues by selling vegetables on the local market in order to invest in new projects and pay the salaries of the local team.
  - Give practical education to children and their parents on gardening, vegetables and nutrition. It is also an opportunity for them to learn how to become independent.
- At the end of 2013, Vilmorin Jardin validated its corporate patronage policy as part of its CSR approach: “the Garden as a source of exchanges, transmission and subsistence”. It consists in supporting projects whose mission is encouraging gardening, and more particularly sowing for the general public (amateur gardeners) as a source of exchanges and subsistence:
  - Sowing to feed the family (vocation of feeding but also healthier food, food safety, nutritional quality, etc.).
  - Sowing to share and transmit (recreate social links around the garden for the underprivileged, isolated, disabled, etc.).

### DIALOGUE WITH STAKEHOLDERS

Dialogue with stakeholders is a fundamental component of the Group’s CSR approach. It moves the company forward in its understanding of the stakes and motivations of others. The topics – sometimes difficult – can be approached directly with transparency. The objective is manifold: to encourage innovation and creativity, to mobilize the staff, to strengthen the positive image and reputation of the company, and to prevent and manage risks. In order to pursue dialogue with stakeholders as begun with the ISO 26000 diagnoses, several exemplary initiatives were taken by the Business Units during the course of fiscal year 2014-2015. Most of the Business Units held constructive dialogues with the stakeholders of their catchment basin on the subject of water management.

As an illustration, in France, as a member of the competitiveness cluster Vegepolys, Vilmorin SA participates in the jury to select innovative projects thanks to the investment of its research manager and provides the Urban Farm of Lyon (FUL) the agronomic know-how of its experts, who share their work on plant breeding\* and the life cycle of lettuces. The objective is to develop a soilless vertical agriculture method, in an urban environment. This project corresponds to the Group’s mission: to move agriculture forward to meet food challenges, particularly by reducing environmental impacts, and improving nutritional qualities. Through this project it is now possible to raise the number of cycles of lettuces produced every year to seven, as opposed to just two in open field, and to produce directly in consumption zones thus reducing transport costs.

As part of its sustainable development policy, Limagrain Europe is working at its site in Saint-Mathurin (France) in conjunction with SAGE (Water Development and Management Plan) on the catchment basin of the Authion, and is a member of the technical study follow-up committee. The volumes of water available for use are fixed after discussions. The objective is to satisfy everyone’s needs without causing irremediable damage to the water environment.

Limagrain Europe is also building close relations with its customers using satisfaction surveys in several countries, through the twice-yearly publication in France of a magazine called “Fil Rouge” and the regular organization of visits to its sites.

HM.CLAUSE is weaving close links with its stakeholders; in France, the partnership Ecobizz with the Chamber of Commerce and Industry supports projects that fit with the company’s fields of expertise. In France, HM.CLAUSE participates in the Valence/Romans company awards for the Human Resources section, and

in June 2015 it presented the project to internalize linguistic skills. Finally, every year Vilmorin Jardin has been elected by distributors (a panel of customer-distributors in France) “the best supplier of amenity grass seeds” since 2005 for the JardinPlus awards. For consumers, Vilmorin Jardin now proposes its on-line fidelity club, with free participation in product tests and comments and opinions directly on the forum at <http://www.club-vilmorinjardin.fr/forum/testez-nos-produits-1/>.

#### 4.1.4.3. RELATIONS WITH SUB-CONTRACTORS AND SUPPLIERS

Following the ISO 26000 audit carried out at Group level, relations with sub-contractors and suppliers were identified as a priority for the coming years. A broad process of reflection on optimizing the supply chain and making it more reliable is ongoing, with a view to developing a responsible purchasing policy.

For this purpose, Vilmorin Jardin has already drawn up an initial questionnaire in order to better understand the CSR practices of suppliers and produce a map of key suppliers.

In November 2012, Vilmorin & Cie also signed the mediation charter of the CMAP (Center for Mediation and Arbitration in Paris), thereby committing to the prevention of litigation and the amicable resolution of legal disputes through the use of mediation wherever appropriate.

Vilmorin & Cie aims to privilege the amicable resolution of disputes wherever possible in a way that serves the long-term interests of all parties.

In January 2014, AIGLE (InterCompany purchases between the Group and Limagrain Europe) committed to a sustainable Purchasing policy using the Responsible Procurement reference in France.

In order to get to know its suppliers better, and control any inherent risks, AIGLE has introduced a Request For Information (RFI) process for all its active suppliers.

RFI provides information on the organization and strategy of suppliers, on their financial data, their quality policy, risk management and CSR, their progress plans, the organization of their supply chain and on their motivation to develop partnerships together.

Through the RFI it is also possible to identify innovations and changes in the production capacity of suppliers which might make it possible to reduce costs. A contract is signed through which the

supplier commits to presenting a progress plan within six months of the contract's application. An annual progress plan report is presented to AIGLE's Orientation Committee.

The results for fiscal year 2014-2015 have shown that of 154 active suppliers, 61% have engaged in a CSR process (certification ISO 14001, OHSAS 18001, ISO 26000, eco-label, etc.) and 18% have signed the Global Compact. In fiscal year 2014-2015, five supplier audits were carried out to confirm best practices for the supply chain.

In order to evaluate the relevance of supply in terms of sustainable development, initial analysis of the suppliers' CSR policies show that they can be classified into five levels of commitment (no quality system / quality system / ISO certification / CSR approach / has signed the Global Compact). For fiscal year 2015-2016 weighting criteria will be set up.

In order to insure that suppliers respect legislation on employment, part of the procurement process involves requesting certificates from welfare organizations.

Likewise, certain companies have set up specific action plans that deserve to be highlighted:

- In Israel, Hazera periodically audits its suppliers and sub-contractors. Each contract is thus evaluated including respect for Human Rights.
- In Japan, Mikado Kyowa has inserted an “Anti-Social Forces” exclusion clause (*cf. Note on Methodology*) in its contracts with certain customers.

#### 4.1.4.4. MEASURES TAKEN IN FAVOR OF CONSUMER HEALTH AND SAFETY

Vilmorin & Cie's core business – seed production – ensures that the company is permanently aware of the many and diverse nutritional needs of consumers worldwide. Food safety and security are fundamental aspects of Vilmorin & Cie's activities, and the products of these activities provide a source of benefit in terms of health and nutrition.

For this reason, companies representing 70.8% of Vilmorin & Cie's sales are covered by a quality management system. Furthermore, three companies representing 10.9% of Vilmorin & Cie's sales have obtained certification in the domain of food safety (GSPP, NAL, SKAL) and five companies (11.7% of Vilmorin & Cie's sales) have ISO 9001 type quality certification.

Finally, customer satisfaction surveys were carried out this year by two companies representing 16.7% of Vilmorin & Cie's sales, particularly concerning production and variety quality.

### 4.1.4.5. LOYAL PRACTICES AND OTHER COMMITMENTS IN FAVOR OF HUMAN RIGHTS

Further to the completion of the ISO 26000 diagnosis, the continuing development of a framework for the implementation of business ethics was the main project of the fiscal year. The Code of Conduct was officially launched on March 30, 2015 in all the Business Units. Deployment is ongoing. The Code of Conduct is accompanied by an e-learning module to develop awareness on the Group's principles for all its employees. It is presented in paragraph 4.1.1.3.

It will be accompanied by a range of operational scenarios that will take account of human rights and relations with Vilmorin & Cie's suppliers, with specific training provided.

The Code of Conduct is part of the scope of several international texts of which the Group shares the principles:

- the Universal Declaration of Human Rights,
- the core conventions of the International Labor Organization, in particular conventions 29, 105, 138 and 182 (child labor and forced labor), 155 (health and safety of workers), 111 (combating discrimination), 100 (remuneration), 87 and 98 (freedom of association, the right to organize and the right to collective bargaining),
- United Nations Convention on the Rights of the Child,
- the OECD guidelines for the intention of multinational companies.

Bisco Bio Sciences, in India, adapted the principles and commitments of the group's Code of Conduct to its cultural specificities, for example adding a paragraph on the right to benefit from public holidays, whatever one's religion, and another on the supply of purified water to all the production personnel.

Moreover, Vilmorin & Cie signed the United Nations Global Compact in December 2013, and has committed to promoting and respecting its principles concerning human rights in its teams and sphere of influence, and not to be part in any way of their violation.

#### FAIR TRADE PRACTICES

Vilmorin & Cie focuses on the use of responsible products and services, and to be respectful in its purchases and partnerships. Particular attention is paid to respecting the principles of fair trade and to the promotion of corporate responsibility in the value chain.

For example, the Group supports the practice (only possible for autogamous species) of farmers using the seed from their harvest as seed for the following sowing campaigns – seed known “as farm seed” – on condition they pay royalties to the breeders for their research work from which they benefit.

Furthermore, Vilmorin SA has defined strict procedures on the commercial management of free seeds and customer credit. Internal audits run with the finance department by a team of 25 trained in continuous improvement have also been set up particularly regarding respect for the pricing policy. In Italy, Vilmorin is a member of the Italian associations “Assosementi” and “Road to Quality” whose objective is to fight against the illegal multiplication of seeds and which certify their members on fair trade practices.

HM.CLAUSE manages best commercial practices through a contractual and balanced approach with its partners and customers. This approach is established with the assistance of specialized external attorneys to make sure the contracts always comply with different legislations.

#### FIGHTING CORRUPTION

The Group strives to enforce the statutory and legal provisions in fighting corruption and money laundering (notably the OECD convention of 1997), and, in the conduct of its commercial and financial relations, to take account of the significant recommendations of national and international organizations such as OFAC concerning economic sanctions. In this framework, the Group acts to prevent any form of corruption or money laundering. This rule is especially important in the framework of negotiations with representatives of government bodies and public institutions.

To prevent any employees conducting themselves in a complacent manner with regards to active corruption (offering bribes) or passive corruption (accepting bribes), a dedicated e-learning module was made available online on March 30, 2015 with the Code of Conduct, on the Group's Intranet, integrating a specific awareness scenario on this subject.

Moreover, the Group authorizes only gifts, services and entertainment that are suitable and legal, offered within the framework of its commercial relations. Any offering made by an employee on behalf of the Group, of gifts, entertainment or free services, can be made only if it is within reason, and does not infringe any legislation in force or general practices.

#### COMPLYING WITH THE RULES OF COMPETITION LAW (ANTI-TRUST)

The Code of Conduct is a reminder that the Group is committed to complying with the legal and regulatory, national and international provisions related to the rules of competitive law. These rules fight against the prevention, restriction or distortion of competition in the marketplace.

For this purpose, an “anti-trust” training program was launched during fiscal year 2014-2015. Eight sessions were organized in the Business Units, and six at the holding, overall representing 289 staff members trained by internal experts from the Corporate Legal Affairs department.

#### RESPECT FOR THE RIGHTS OF THE CHILD

The Group is fully aware of the reality of child labor. Several measures have been taken by the Business Units to deal with this issue. There is a clear reminder in the Code of Conduct that child labor is prohibited: *“The Group ensures that it works with suppliers who do not make use of illegal child labor or forced labor. The Group is careful to ensure its suppliers and its customers respect the core conventions of the International Labor Organization on fundamental social rights.”*

On this subject, at Bisco Bio Sciences in India, regular audits are conducted by the Human Resources department to ensure that the prohibition of child labor is respected. Furthermore, strict social clauses are included in all the contracts with suppliers that particularly concern child labor.

At Mikado Kyowa in Japan, article 16 of the *“working rules manual”* stipulates restrictions for the employment of workers under the age of 18, in compliance with national and international laws.

The *“employment policy”* of HM.CLAUSE in the United States follows the guidelines of national policies in force against discrimination and child labor, and satisfies all recruitment and employment requirements.

During this past fiscal year, Vilmorin SA included a specific “Code of Conduct” in its production of sub-contracting contracts outside France forbidding child labor under the age of 16.

Finally, each contract with a supplier for Hazera in Israel is assessed internally and includes clauses to ensure compliance with laws and regulations on Human Rights.

## 4.1.5. NOTE ON METHODOLOGY FOR SOCIAL AND ENVIRONMENTAL REPORTING

Vilmorin & Cie's social and environmental reporting approach is based on:

- regulatory provisions resulting from article R. 225-105-1 of the French Commercial Code,
- the principles and recommendations of the standard ISO 26000 which have enabled the Group to define its main issues with regard to corporate social responsibility in order to meet all its economic, environmental, social and corporate objectives, and the expectations of its stakeholders,
- the G4 sustainability Reporting Guidelines of the Global Reporting Initiative,
- the ten principles of the United Nations Global Compact.

The reporting period coincides with the fiscal year (from July 1 to June 30) except for indicators concerning training and measures taken in favor of the employment and integration of disabled persons (from January 1 until December 31), in order to correspond to French legislation, and the social audits of French companies.

### 4.1.5.1. SCOPE

The objective of the reporting scope is to be representative of Vilmorin & Cie's business activities. For fiscal year 2014-2015:

- the social reporting covers all the consolidated sales in 2014-2015 for Vilmorin & Cie;
- the corporate and environmental reporting: all the companies in which Vilmorin & Cie was the majority shareholder on July 1, 2014 were questioned. The answers cover 99.5% of the consolidated sales for 2014-2015 for these companies. However, the lack of follow-up in certain subsidiaries means Vilmorin & Cie has to calculate the environmental data from a reduced scope.
  - For energy, answers cover 99.5% of sales for 2014-2015 for the companies questioned. This represents 100% of the sales for companies with an industrial site.<sup>(1)</sup>
  - For water, answers cover 95.7% of sales for 2014-2015 of the companies questioned. This represents 100% of the sales for companies with an industrial site.<sup>(1)</sup>
  - For waste, answers cover 77.8% of sales for 2014-2015 of the companies questioned. This represents 87.6% of the sales for companies with an industrial site.<sup>(1)</sup>

<sup>(1)</sup> A list of the companies concerned is available from the Group's CSR department.

For each indicator disclosed for a restricted scope, this scope is given in accordance with the disclosed data. For these scopes, extra financial consolidation rules are the same as the financial consolidation rules.

### VARIATIONS IN SCOPE

Acquisitions, disposals, or new businesses created are taken into account only after a full year of operation according to the activity pursued.

In order to calculate variations in data between 2013-2014 and 2014-2015, the data for 2013-2014 have been reworked for changes in consolidation scope and for companies accounted for in the cover rate.

### 4.1.5.2. METHODOLOGICAL PROCEDURES

Group procedures comprise:

#### For social indicators:

- a methodological guide for the Group's social reporting, which integrates the user manual for the computing tool in two languages (French and English),
- a consistency control test with the social data from the financial consolidation reporting system and listed in the Access reporting tool.

#### For social and environmental indicators:

- a written procedure sent out to all the Business Unit coordinators, including backwards scheduling, scope definition and procedures for control and validation,
- an Excel spreadsheet for social and environmental reporting per company, including data entry coherence tests, and accompanied by a how-to-use tutorial video,
- a conversion table for the different units used for energy,
- a conversion table to measure greenhouse gas emissions in relation to electricity consumption.

### 4.1.5.3. PERTINENCE AND CHOICE OF INDICATORS

The methodologies used for certain social and environmental indicators may be limited, based on:

- variation in definitions between France and other countries. Harmonization work begun in 2013-2014 was continued throughout fiscal year 2014-2015,

- the specificities of social laws in certain countries,
- changes in definitions that might affect their comparability,
- variation in the scope of activity from one year to the next,
- the difficulty in obtaining information from subcontractors and/or from companies involved with external partners,
- the modalities of information collection and input.

### DETAILS REGARDING SOCIAL DATA

Full time is defined in relation to the number of legal work hours in the country of operation and/or the company.

The definition of "disabled worker" is based on local laws.

The definition of «manager» in the Group is as follows: any employee having a Master's Degree or the equivalent work experience. Vilmorin & Cie's top executives and executive managers are included.

When an employee is on sick leave, he/she is included in the headcount; if he/she is replaced, however, the replacement is not included in the permanent headcount.

A workplace accident is an accident that occurs during work hours, regardless of the reason. Commuter accidents are not counted. For the purposes of social data, only work accidents involving lost time are included in the calculations.

Absences are days not worked because of illness, maternity leave, exceptional leave, or work accident. Paid vacations, training days, union representation or days in lieu are not counted as absences. All absences are counted in working days, particularly for calculating the severity rate.

Calculations of the absenteeism rate, the frequency rate, and the severity rate of work accidents are based on the Group's average of hours worked, that is, for 2014-2015, 1,850 hours, and based on the calculation formulae of the GRI LA7. Therefore, the absenteeism rate is calculated based on the following formula: number of absence hours<sup>(1)</sup> / number of theoretical work hours.

The proportion of employees who had an individual interview during fiscal year 2014-2015 is calculated according to the following formula: number of 2013-2014 individual interviews / 2014-2015 permanent headcount.

The types of training courses taken into account in the reporting can vary.

(1) The number of hours absence is calculated on the basis of the number of days absence reported multiplied by 8.5 hours. The 8.5 hours per day are based on the average annual hours worked (1850 hours) spread over 217 working days.

## DETAILS CONCERNING CORPORATE AND ENVIRONMENTAL DATA

Because of the new methodology adopted during this past fiscal year, the reference fiscal year for any comparability will be considered as 2014-2015.

The number of varieties released, which illustrates the biodiversity indicator, is calculated on the basis of varieties that generate sales.

The objective of the Certiphyto certificate is to secure the use of chemical and pharmaceutical products. Any professional act which concerns the use, distribution, advice or sale of chemical and pharmaceutical products is conditional on holding an individual certificate for chemical and pharmaceutical products, which is commonly known in France as Certiphyto, certifying that the user has enough knowledge to be able to use pesticides safely, and to reduce their usage<sup>(1)</sup>.

Biological control\* is a means of reducing the count of an organism – animal or plant – which is unwanted, by having it eaten by one of its natural enemies. Insects are used a great deal in biological control\*<sup>(2)</sup>.

Non-Hazardous Waste (NHW) is waste of any nature on condition it is neither inert nor dangerous. When it comes from companies, it can also be called Common Industrial Waste (CIW). Examples are: metals, paper, cardboard, plastics, wood, etc. An NHW soiled by a dangerous product becomes Dangerous Waste, and must therefore be eliminated accordingly.

For varietal innovation, so-called biological processes are based on the random recombination of genomes\*.

“Anti-Social Forces” (ASF) are groups or individuals who seek economic advantages through the use of violence, force and fraud.

### 4.1.5.4. CONSOLIDATION AND INTERNAL VERIFICATION

Each organization and each Business Unit is responsible for the data they provide, as is the manager responsible for consolidating the indicator disclosed.

## Social data

■ Social data are collected by Corporate Human Resources Management. The main source is the Human Resources Information System, the BO Finance system used for financial reporting, together with the Provisional Competencies Management (SMART) software, and payroll software programs.

The verification and consolidation of this data is carried out in two stages:

- First stage: each organization (Vilmorin & Cie and its subsidiaries) consolidates the data within its scope. During consolidation, data consistency verifications are carried out. Consolidated and verified data at the organization level are then made available to Corporate Human Resources.
- Second stage: the Corporate Human Resources department consolidates the data for the entire scope and verifies its consistency, especially through cross checks with the financial consolidation reporting system.

## Environmental and corporate data

The organization for environmental and corporate reporting is based on:

- the Group's Institutional Affairs and CSR cluster (IA/CSR) which provides coordination and reminders for the Business Units, consolidates the data and ensures their coherence,
- a network of “Business Unit” coordinators which provide coordination and reminders to the subsidiary companies and validate their data,
- company contacts, designated by the Business Unit coordinators who key in the data for their company and provide the supporting documents.

Any data disclosed is checked internally using the following process:

- Data is keyed in by the company contacts, who are encouraged to check the coherence of their data compared with data for 2013-2014.
- Check and validation of the data by the Business Unit coordinators.
- Consolidation and coherence tests by the group IA/CSR cluster.

(1) Source in French: <http://agriculture.gouv.fr/Certiphyto-un-certificat-pour-16486>

(2) Source in French: <http://www7.inra.fr/opie-insectes/luttebio.htm>



### EXTERNAL VERIFICATIONS

For fiscal year 2014-2015, reporting procedures for extra-financial indicators were audited externally by SGS. At the same time, site audits were carried out, based on a selection of social, environmental and corporate indicators, at seven companies from four Business Units that are representative of the group's activities, in order to validate the quality and global credibility of the reporting system:

- Hazera Seeds BV (Netherlands, Vegetable seeds division)
- HM.CLAUSE SA (France, Vegetable seeds division)
- Limagrain Brazil (Brazil, Field seeds division)
- Limagrain Europe SA (France, Field seeds division)
- Limagrain GmbH (Germany, Field seeds division)
- Limagrain Iberica (Spain, Field seeds division)
- Vilmorin SA (France, Vegetable seeds division)

The nature of the work accomplished and the related conclusions are presented in a specific report.

The glossary of indicators is available upon demand.

## 4.2. CONCORDANCE TABLES

### for social, environmental and corporate information

	P.	Concordance table articles r.225-104 and r.225-105 of the French Commercial Code	GRI G4 <sup>(1)</sup>	ISO 26000 fields of action	Global Compact principle
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#### 4.1.1. VILMORIN & CIE'S APPROACH TO SOCIAL, ENVIRONMENTAL AND CORPORATE ISSUES

4.1.1.1. The approach	96			6.6.4 Responsible political involvement	
4.1.1.2. Operational organization	97; 107	■ Organization of the company in a way that addresses environmental concerns, and where appropriate, assessment or certification processes for the environment		6.2 Organizational governance 7.4.3 Building social responsibility into an organization's governance, systems and procedures	
4.1.1.3. The Code of Conduct	97		G4-56	6.6.5 Fair competition	
4.1.1.4. Employee awareness and involvement in the approach	98; 108	■ Steps to train and inform employees about environmental protection	G4-43		

#### 4.1.2. SOCIAL INFORMATION

4.1.2.1. A committed employment policy	98-99 100-101 99-100 101	■ Total headcount and breakdown of employees by gender, age and geographical area ■ Recruitments and discharges ■ Compensation and its evolution ■ Organization of working times	G4-9 G4-10 G4-52 G4-LA1 G4-LA12	6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection 6.8.5 Employment creation and skills development	
4.1.2.2. Encouraging social dialogue and internal communication	101-102 102 101-102	■ Organization of social dialogue, particularly procedures for informing and consulting the personnel and negotiating with the personnel ■ Report on collective agreements ■ Promotion and respect of the stipulations in the conventions of the ILO <sup>(2)</sup> concerning respect of the freedom of association and the right to collective bargaining		6.4.5 Social dialogue	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4.1.2.3. Health and safety: everybody's business	103 102 103 102	■ Absenteeism ■ Workplace health and safety conditions ■ Report on agreements signed with union organizations or staff representatives on the issue of workplace health and safety ■ Workplace accidents, in particular their frequency and severity, and also occupational diseases	G4-LA2 (partial) G4-LA6 G4-LA7 G4-LA8	6.4.6 Health and safety at work	
4.1.2.4. The professional development of employees	104-105 104	■ Policies implemented for training ■ Total number of hours of training	G4-LA10 G4-LA11	6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	
4.1.2.5. Committing to diversity	106 107 106-107 106-107	■ Policy implemented and measures taken to support gender equality ■ Policy implemented and measures taken towards employing and integrating disabled persons ■ Policy to fight discrimination ■ Promotion and respect of the stipulations in the conventions of the ILO <sup>(2)</sup> concerning the elimination of discrimination in employment and occupation	G4-LA12	6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	6. Elimination of discrimination in employment and occupation

(1) Dealt with totally or partially

(2) International Labour Organization

	P.	Concordance table articles r.225-104 and r.225-105 of the French Commercial Code	GRI G4 <sup>(1)</sup>	ISO 26000 fields of action	Global Compact principle
<b>4.1.3. ENVIRONMENTAL INFORMATION</b>					
4.1.3.1. Overall environmental policy	97; 107-108  98; 108  108	<ul style="list-style-type: none"> <li>■ Organization of the company in a way that addresses environmental concerns, and where appropriate, assessment or certification processes for the environment</li> <li>■ Steps to train and inform employees about environmental protection</li> <li>■ The total amount of provisions and guarantees for environmental risks, unless this information is liable to cause serious prejudice to the company in an ongoing litigation</li> </ul>	G4-1 G4-43 G4-EC2 (partial)		7. Businesses should support a precautionary approach to environmental challenges 8. Businesses should undertake initiatives to promote greater environmental responsibility
4.1.3.2. Pollution and waste management	108-109  108-109  109  109	<ul style="list-style-type: none"> <li>■ Means devoted to the prevention of environmental risks and pollution</li> <li>■ Measures to prevent, reduce or remedy any discharges into the air, water or soil that have a strong impact on the environment</li> <li>■ Measures to prevent, recycle and eliminate waste</li> <li>■ Accounting for noise pollution and any other form of business-specific pollution</li> </ul>	G4-EN23 G4-EN25 G4-EN27 G4-SO2	6.5.3 Prevention of pollution	7. Businesses should support a precautionary approach to environmental challenges 9. Businesses should encourage the development and diffusion of environmentally friendly technologies
4.1.3.3. Sustainable use of resources	110  111  111-112  112	<ul style="list-style-type: none"> <li>■ Water consumption and the supply of water depending on local constraints</li> <li>■ Consumption of raw materials and the measures taken to improve the efficiency of their use</li> <li>■ Energy consumption and the measures taken to improve energy efficiency and the adoption of renewable energies</li> <li>■ Soil usage</li> </ul>	G4-EN3 G4-EN8	6.5.4 Sustainable resource use	7. Businesses should support a precautionary approach to environmental challenges 9. Businesses should encourage the development and diffusion of environmentally friendly technologies
4.1.3.4. Climate change	112-113 113	<ul style="list-style-type: none"> <li>■ Greenhouse gas emissions</li> <li>■ Adapting to the consequences of climate change</li> </ul>	G4-EN15 (partial) G4-EN16 G4-EN19 G4-EC2 (partial) G4-EN11	6.5.5 Climate change mitigation and adaptation	
4.1.3.5. Protecting and enriching biodiversity	113-114	<ul style="list-style-type: none"> <li>■ Measures taken to preserve biodiversity</li> </ul>	G4-EN12	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats 6.6.7 Respect for property rights	

(1) Dealt with totally or partially

	P.	Concordance table articles r.225-104 and r.225-105 of the French Commercial Code	GRI G4 <sup>(1)</sup>	ISO 26000 fields of action	Global Compact principle
<b>4.1.4. CORPORATE INFORMATION</b>					
4.1.4.1. The regional, economic and social impact of business	114-115 115	■ The regional, economic and social impact of the business on employment and regional development ■ On neighboring and local communities	G4-S02 G4-EC1 (partial) G4-EC8	6.8.3 Community involvement 6.8.4 Education and culture 6.8.5 Employment creation and skills development	
4.1.4.2. Relations with individuals and organizations interested in the company's activities	115-117 115-116	■ Conditions of dialogue with the individuals and organizations ■ Partnerships and corporate patronage	G4-24 G4-26 G4-27 G4-LA14	6.8.9 Social investment	
4.1.4.3. Relations with sub-contractors and suppliers	117-118 117-118	■ Taking account, in the purchasing policy, of social and environmental issues ■ The extent of sub-contracting, and taking into account in relations with suppliers and sub-contractors their social and environmental responsibility	G4-LA14 G4-LA15 (partial) G4-EN32 (partial) G4-EN33 (partial) G4-HR10 G4-S09 G4-S010	6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.10 Fundamental principles and rights at work 6.6.6 Promoting social responsibility in the value chain	1. Companies are encouraged to promote and respect international legislation regarding Human Rights within their sphere of influence 2. Businesses should make sure they are not complicit in human rights abuses
4.1.4.4. Measures taken in favor of consumer health and safety	117-118	■ Measures taken in favor of consumer health and safety	G4-PR1	6.7.4 Protecting consumers' health and safety 6.7.5 Sustainable consumption 6.8.8 Health	
4.1.4.5. Loyal practices and other commitments in favor of human rights	118-119 118-119	■ Actions committed to prevent corruption ■ Other actions committed in favor of human right	G4-56 G4-57 G4-58 (partial) G4-S04 G4-HR10	6.3.5 Avoidance of complicity 6.3.6 Resolving grievances 6.6.3 Anti-corruption 6.6.5 Fair competition	1. Companies are encouraged to promote and respect international legislation regarding Human Rights within their sphere of influence 2. Businesses should make sure they are not complicit in human rights abuses 4. Businesses should uphold the elimination of all forms of forced and compulsory labor 5. Businesses should uphold the effective abolition of child labor 10. Businesses should work against corruption in all its forms, including extortion and bribery

(1) Dealt with totally or partially



# 5



THE BRAND SUNEO® COMPRISES SUNFLOWER VARIETIES WHICH ALLOW THE FARMER BETTER CONTROL OF WEEDS AND BROOMRAPE, AND BETTER YIELDS.

## CONSOLIDATED FINANCIAL STATEMENTS

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# 5.1. CONSOLIDATED FINANCIAL STATEMENTS

## 5.1.1. CONSOLIDATED INCOME STATEMENT

In millions of Euros	Note	14-15	Restated <sup>(1)</sup>	13-14 Disclosed
<b>REVENUE FROM ORDINARY ACTIVITIES</b>	<b>5</b>	<b>1,269.4</b>	<b>1,260.5</b>	<b>1,499.6</b>
Cost of goods sold		- 666.1	- 658.7	- 839.8
Marketing and sales costs		- 179.9	- 178.2	- 209.4
Research and development costs	8	- 162.8	- 143.1	- 144.3
Administrative and general costs		- 159.5	- 151.4	- 155.7
Other operating income and charges	9	- 0.9	0.6	- 0.5
<b>OPERATING INCOME</b>		<b>100.2</b>	<b>129.7</b>	<b>149.9</b>
Profit from associated companies	18	29.4	23.9	3.8
Interest costs	10	- 27.2	- 19.6	- 19.6
Other financial income and charges	11	- 12.0	- 18.5	- 18.4
Income taxes	12	- 14.5	- 27.2	- 27.4
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>75.9</b>	<b>88.3</b>	<b>88.3</b>
<b>PROFIT FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>75.9</b>	<b>88.3</b>	<b>88.3</b>
> Attributable to controlling company		72.9	84.1	84.1
> Attributable to non-controlling minority		3.0	4.2	4.2
Earnings from continuing operations per share				
- attributable to controlling company	13	3.50	4.44	4.44
Earnings from discontinued operations per share				
- attributable to controlling company	13	-	-	-
Earnings for the period per share				
- attributable to controlling company	13	3.50	4.44	4.44
Diluted earnings from continuing operations per share				
- attributable to controlling company	13	3.48	4.28	4.28
Diluted earnings from discontinued operations per share				
- attributable to controlling company	13	-	-	-
Diluted earnings for the period per share				
- attributable to controlling company	13	3.48	4.28	4.28

(1) Concerns application of the standard IFRS 11 – cf. Note 2 paragraph 1.

## 5.1.2. DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR

In millions of Euros	14-15	13-14 <sup>(1)</sup>
<b>INCOME FOR THE PERIOD</b>	<b>75.9</b>	<b>88.3</b>
Variation in currency translations	81.8	-24.4
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	0.2	-0.1
Change in method	-	-
Impact of taxes	-0.1	-
<b>Items that might be reclassified to profit or loss</b>	<b>81.9</b>	<b>-24.5</b>
Actuarial losses and gains	-6.6	-2.8
Impact of taxes	2.6	-0.5
<b>Items not to be reclassified to profit or loss</b>	<b>-4.0</b>	<b>-3.3</b>
<b>OTHER ITEMS IN THE TOTAL GAINS AND LOSSES FOR THE PERIOD NET OF TAXES</b>	<b>77.9</b>	<b>-27.8</b>
<b>Total gains and losses for the period</b>	<b>153.8</b>	<b>60.5</b>
> of which attributable to controlling company	152.0	58.5
> of which attributable to non-controlling minority	1.8	2.0

(1) There is no impact on the details of the gains and losses for the financial year by the application of the standard IFRS 11, and therefore fiscal year 2013-2014 has not been restated.

## 5.1.3. FINANCIAL PROGRESS REPORT

## ASSETS

In millions of Euros	Note	06.30.15	Restated <sup>(1)</sup>	06.30.14 Disclosed
Goodwill	14	344.9	318.2	376.4
Other intangible fixed assets	15	613.4	557.2	577.5
Tangible fixed assets	16	289.3	266.8	300.6
Financial fixed assets	17	22.0	56.1	58.5
Equity shares	18	293.0	186.7	21.4
Deferred taxes	25	51.9	29.8	29.9
<b>Total non-current assets</b>		<b>1,614.5</b>	<b>1,414.8</b>	<b>1,364.3</b>
Inventories	19	462.0	365.6	423.9
Trade receivables and other receivables	20	490.0	500.0	565.5
Cash and cash equivalents	21	373.4	351.5	374.9
<b>Total current assets</b>		<b>1,325.4</b>	<b>1,217.1</b>	<b>1,364.3</b>
<b>Total assets</b>		<b>2,939.9</b>	<b>2,631.9</b>	<b>2,728.6</b>

(1) Concerns application of the standard IFRS 11 – cf. Note 2 paragraph 1.

## LIABILITIES

In millions of Euros	Note	06.30.15	Restated <sup>(1)</sup>	06.30.14 Disclosed
Share capital	22	317.7	288.8	288.8
Reserves and income	22	840.7	748.6	748.6
<b>Equity – controlling company</b>	<b>22</b>	<b>1,158.4</b>	<b>1,037.4</b>	<b>1,037.4</b>
<b>Equity – non-controlling minority</b>	<b>23</b>	<b>113.6</b>	<b>122.7</b>	<b>122.7</b>
<b>Consolidated equity</b>		<b>1,272.0</b>	<b>1,160.1</b>	<b>1,160.1</b>
Provisions for employee benefits	24	57.7	46.4	46.5
Non-current financial debts	27	708.8	673.0	673.2
Deferred income taxes	25	114.6	102.7	106.4
<b>Total non-current liabilities</b>		<b>881.1</b>	<b>822.1</b>	<b>826.1</b>
Other provisions	26	11.2	20.4	20.4
Accounts payable	28	419.4	404.9	492.6
Deferred income	29	31.4	30.9	33.8
Current financial debts	27	324.8	193.5	195.6
<b>Total current liabilities</b>		<b>786.8</b>	<b>649.7</b>	<b>742.4</b>
<b>Total liabilities</b>		<b>2,939.9</b>	<b>2,631.9</b>	<b>2,728.6</b>

(1) Concerns application of the standard IFRS 11 – cf. Note 2 paragraph 1.

## 5.1.4. CONSOLIDATED CASH FLOW STATEMENT

In millions of Euros	06.30.15	06.30.14
<b>1 - TRADING OPERATIONS</b>		
Income for the year	75.9	88.3
Results of companies consolidated under equity method after dividends	-18.9	-3.8
Depreciation, amortization and impairments	163.3	154.8
Net non-current provisions	-8.0	8.8
Variation in deferred taxes	-8.7	7.8
Income from capital operations	9.3	-0.3
Surplus of the share in interest of the acquirer in the fair value of the assets and liabilities acquired on the cost, directly recorded in the income (negative goodwill)	-	-
Non-cash financial charges	-1.4	0.8
Fair value losses and gains for financial fixed assets available for sale	-	-
<b>Cash flow</b>	<b>211.5</b>	<b>256.4</b>
Dividends received on equity securities	-0.4	-1.6
Variation in working capital needs with comparable scope		
> Inventories	-81.8	-73.5
> Trade debts	12.6	-9.6
> Short-term debts	22.1	12.0
<b>Cash from operating activities</b>	<b>164.0</b>	<b>183.7</b>
<b>2 - INVESTMENT OPERATIONS</b>		
Disposal of fixed assets	0.7	3.3
Acquisition of fixed assets		
> Intangible fixed assets	-167.0	-153.9
> Tangible fixed assets	-45.5	-72.6
Variation in other financial fixed assets	-26.0	-33.3
Cash flow acquired through scope entries	-21.2	-47.2
Cash flow conceded through cash exits	-1.0	-1.0
Net impact of the disposal of assets and liabilities	-	-
Net increase/decrease in cash and cash equivalents	-7.0	13.3
<b>Cash flows from investing activities</b>	<b>-267.0</b>	<b>-291.4</b>
<b>3 - CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/decrease in equity	-	-
Transactions with non-controlling interests <sup>(1)</sup>	-9.5	-
Increase/decrease in financial liabilities <sup>(2)</sup>	159.5	161.0
Dividends received on unconsolidated participations	0.4	1.5
Dividends paid out	-31.6	-34.7
<b>Cash flows from financing operations</b>	<b>118.8</b>	<b>127.8</b>
<b>4 - NET EFFECT OF CURRENCY TRANSLATION</b>	<b>6.1</b>	<b>-5.3</b>
<b>5 - NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>21.9</b>	<b>14.8</b>
<b>6 - CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>351.5</b>	<b>360.1</b>
<b>7 - CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>373.4</b>	<b>374.9</b>

(1) Application of the amended standard IAS 27: restatement of "Transactions with non-controlling interests." This line includes acquisition of the following securities:

	06.30.15	06.30.14
Limagrain Brasil	-9.5	-
<b>Transactions with non-controlling participations</b>	<b>-9.5</b>	<b>-</b>

(2) Increase/decrease in financial liabilities:

	06.30.15	06.30.14
Increase in non-current financial debts	175.1	339.5
Repayment of non-current financial debts	-0.2	-155.4
Net increase/decrease on derivatives	6.8	-5.3
Net increase/decrease in current financial debts	-22.2	-17.8
<b>Variation in financial liabilities</b>	<b>159.5</b>	<b>161.0</b>

## 5.1.5. VARIATION IN CONSOLIDATED EQUITY

In millions of Euros	Attributable to controlling company					Attributable to non-controlling minorities	Total
	Capital	Premium	Income and other reserves	Currency translation reserves	Total		
<b>06.30.13 RESTATED FOR IAS 19R</b>	<b>288.8</b>	<b>350.5</b>	<b>394.0</b>	<b>-23.8</b>	<b>1,009.5</b>	<b>124.0</b>	<b>1,133.5</b>
Other items of the global income net of taxes	-	-	-3.3	-22.3	-25.6	-2.2	-27.8
Net income restated	-	-	84.1	-	84.1	4.2	88.3
<b>Global income for the fiscal year</b>	<b>-</b>	<b>-</b>	<b>80.8</b>	<b>-22.3</b>	<b>58.5</b>	<b>2.0</b>	<b>60.5</b>
Variation in treasury shares	-	-	0.1	-	0.1	-	0.1
Dividends paid out	-	-	-31.2	-	-31.2	-3.5	-34.7
Variations in scope	-	-	-	-	-	-	-
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the capital stock of the parent company	-	-	-	-	-	-	-
Variation in the capital stock of the subsidiaries	-	-	-	-	-	-	-
Bonds redeemable as shares <sup>(1)</sup>	-	-	-	-	-	-	-
Restatement	-	-	-0.4	0.4	-	-	-
Others	-	-	0.5	-	0.5	0.2	0.7
<b>06.30.14</b>	<b>288.8</b>	<b>350.5</b>	<b>443.8</b>	<b>-45.7</b>	<b>1,037.4</b>	<b>122.7</b>	<b>1,160.1</b>
Other items of the global income net of taxes	-	-	-3.7	82.8	79.1	-1.2	77.9
Net income	-	-	72.9	-	72.9	3.0	75.9
<b>Global income for the fiscal year</b>	<b>-</b>	<b>-</b>	<b>69.2</b>	<b>82.8</b>	<b>152.0</b>	<b>1.8</b>	<b>153.8</b>
Variation in treasury shares	-	-	-0.5	-	-0.5	-	-0.5
Dividends paid out	-	-	-31.2	-	-31.2	-0.4	-31.6
Variations in scope	-	-	0.6	-	0.6	-10.6	-10.0
Effect of share purchase commitments	-	-	-	-	-	-	-
Variation in the share capital of the parent company	28.9	-	-28.9	-	-	-	-
Variation in the share capital of the subsidiaries	-	-	-	-	-	-	-
Bonds redeemable as shares <sup>(1)</sup>	-	-	-	-	-	-	-
Restatement	-	-	-1.0	1.0	-	-	-
Others	-	-	0.1	-	0.1	0.1	0.2
<b>06.30.15</b>	<b>317.7</b>	<b>350.5</b>	<b>452.1</b>	<b>38.1</b>	<b>1,158.4</b>	<b>113.6</b>	<b>1,272.0</b>

(1) cf. Note 23.

## 5.2. NOTES TO THE CONSOLIDATED financial statements

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## NOTE 1: ACCOUNTING METHODS AND PRINCIPLES IN IFRS STANDARDS

### 1 - GENERAL CONTEXT AND DECLARATION OF COMPLIANCE

These financial statements present the consolidated financial statements in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union on June 30, 2015 (website: <http://ec.europa.eu>).

The consolidated financial statements were approved by the Board of Directors on October 2, 2015 and will be submitted for approval to the Annual General Meeting of December 11, 2015.

### 2 - BASIS OF EVALUATION USED TO ESTABLISH THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 3 - THE USE OF ESTIMATES

In order to establish its financial statements, the Executive Committee of Vilmorin & Cie 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 the Notes.

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

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

The main significant estimates made by the Executive Committee of Vilmorin & Cie 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 & Cie 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 & Cie 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, Vilmorin & Cie has decided to apply the following accounting treatment, referred to as "accelerated vesting":

- At initial recording in the accounts, the commitment to buy back a minority stake is recorded as a financial debt at the discounted value of the price of the option or firm commitment to buy back the stake, in return for the minority interests, and for the balance, for the goodwill.
- Any ultimate variation in the value of the commitment is recorded in the income statement for any transactions occurring after the application of the revised standard IFRS 3.
- Where necessary, when the commitment and its subsequent variations are first recorded in the accounts, the anticipated loss on the acquisition cost is recorded in "Variation in commitments to buy back minority stakes."
- When the commitment reaches maturity, if there is no acquisition, previous recordings are cancelled. If the acquisition materializes, the amount recorded as a financial debt is cancelled out by the disbursement for the acquisition of the minority stake.

#### 4.2 - APPLICATION AND INTERPRETATION OF STANDARDS AND REGULATIONS

The following standards, interpretations and amendments to existing standards adopted by the European Union became mandatory for application on July 1, 2014:

- IFRS 10 "Consolidated financial statements",
- IFRS 11 "Joint arrangements",

- IFRS 12 "Disclosure of interests in other entities",
- Consequential amendments to IFRS 10, IFRS 11, IFRS 12 on IAS 27 "Separate financial statements" and IAS 28 "Investments in associates and joint ventures",
- Transition amendments to IFRS 10, IFRS 11, IFRS 12,
- Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment entities",
- Amendments to IAS 32 "Disclosures – Offsetting Financial Assets and Financial Liabilities",
- Amendments to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting",
- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets",
- IFRIC 21 "Levies".

With the exception of the standard IFRS11 the impacts of which are set out in Note 2 paragraph 1, none of the other standards have significant impacts on the group's consolidated financial statements on June 30.

The new standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to fiscal periods as of July 1, 2015 or later (refer to details below) have not been adopted in advance by Vilmorin & Cie:

- annual improvements cycle 2011-2013,
- amendments to revised IAS 19 "Defined benefit plans: employee contributions",
- annual improvements cycle 2010-2012.

These new standards should not have any significant impact on the group's consolidated financial statements.

## **5 - CONSOLIDATION METHODS (IFRS 10, IFRS 11, IAS 27, IAS 28)**

The financial statements of subsidiaries:

- are included in the consolidated financial statements as of the date on which control is obtained right up until the date when control ceases,
- are prepared in accordance with revised IAS 27 "Separate financial statements."

The following rules have been applied:

- Subsidiaries in an entity controlled directly or indirectly by the group are consolidated by global integration.  
In accordance with standard IFRS 10 "Consolidated financial statements", control is defined using the single model based on three cumulative conditions. An investor holds power over an investee when it controls this investee, when it has exposure, or rights, to variable returns from involvement with the investee, and

when it has the ability to use its power over the investee to affect the amount of the investor's returns.

Standard IFRS 10 whose application is mandatory and retrospective to fiscal periods beginning on or after January 1, 2014, applies to the group as of July 1, 2014. It replaces standard IAS 27 "Separate financial statements" and SIC 12 "Consolidation – Special Purpose Entities."

- Standard IFRS 11 eliminates the method of proportional integration and henceforth two types of joint arrangement are distinguished:

- Joint arrangements qualified as "joint operations" whereby the parties have rights to the assets and obligations for the liabilities, relating to the arrangement. They are recorded in the accounts according to the proportion of assets, liabilities, income and charges controlled by the group. A joint operation may be structured through a distinct vehicle or not.
- Joint arrangements qualified as "joint ventures" whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. They are consolidated by the group using the equity method.

This standard replaces standard IAS 31 "Interests in Joint Ventures" and interpretation SIC 13 "Jointly controlled entities – Non-Monetary Contributions by Venturers."

- All internal transactions are eliminated in consolidation, particularly:

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

## **6 - BUSINESS COMBINATIONS (REVISED IFRS 3)**

Business combinations are recorded by applying the acquisition method on the acquisition date, which is the date on which control is transferred to Vilmorin & Cie.

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

Vilmorin & Cie values goodwill:

- at the fair value of the consideration transferred,
- plus the recognized amount of any non-controlling interest rate in the acquiree,

- plus, if the business combination is carried out in stages, the fair value of any participation previously held in the acquiree,
- minus the net recognized amount (usually the fair value) of the identifiable assets acquired and liabilities assumed on the acquisition date.

If the difference above is negative, the resulting gain is recognized as a bargain purchase in profit or loss.

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

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

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

Vilmorin & Cie values non-controlling interests pro rata according to their interests in the acquiree's identifiable assets.

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

Acquisitions of participations which do not transfer control are recorded as transactions with the owners and consequently no goodwill results from such transactions. Adjustments of the non-

controlling interests for transactions which do not lead to losses of control are determined on the basis of the share of the subsidiary's net assets.

## 7 - OPERATING SEGMENTS

Standard IFRS 8 "Operating segments" defines an operating segment as the component of an entity:

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

## 8 - CONVERTING STATEMENTS EXPRESSED IN FOREIGN CURRENCIES (IAS 21)

Vilmorin & Cie's financial statements are presented in Euros.

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

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

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

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

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

## 9 - INTANGIBLE FIXED ASSETS (IAS 38)

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

When their duration of use is defined, intangible assets are amortized over their expected duration of use by Vilmorin & Cie. 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 value loss, whereas intangible fixed assets with an undefined duration of use are valued at cost price less the aggregate of value losses.

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

### 9.1 - DEVELOPMENT COSTS

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

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

Vilmorin & Cie 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:

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

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

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

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

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

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

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

### 9.2 - GOODWILL

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

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1 paragraph 11. Any impairment recorded is irreversible.

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

### 9.3 - 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 over their estimated duration of use.

#### 9.3.1 Brands

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

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

- positioning of the brand on its market in terms of volume of business and image,
- long-term perspectives for profitability,
- risk factor with regard to one-off accidents,
- major event occurring in the business sector, likely to leave its mark on the future of the brand,
- age of the brand,
- regular expenses on advertising and promotion.

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

#### 9.3.2 Patents

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

#### 9.3.3 Licenses

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

#### 9.3.4 Software

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

For certain specific needs, Vilmorin & Cie 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.

### 9.4 - GERMPLASM

Germplasm comprises all the plant material used to breed new varieties of seeds, the prerequisite of which is a collection of plants that is as wide and diversified as possible.

Generally acquired by Vilmorin & Cie at a fair price and through business combinations, it is systematically worked on with a view to enriching, characterizing and maintaining it to preserve its quality and ensure it is available to the different research teams.

These research teams constantly sift through this plant library to make use of the primary resources that are required for the creation of new products.

Built up over the years, this genetic material has been improved as seed companies and breeding\* programs have been acquired, and research partnerships have been set up.

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 & Cie considers that its economic life is indefinite. Consequently these assets are not amortized.

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

## 10 - TANGIBLE FIXED ASSETS (IAS 16)

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

### 10.1 - LOAN INTERESTS

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

### 10.2 - 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.

### 10.3 - DEPRECIATION

#### 10.3.1 Basis for depreciation

Bearing in mind their specific nature, most of Vilmorin & Cie'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.

#### 10.3.2 Depreciation method

Tangible fixed assets are depreciated using the straight-line method in the income statement over the estimated duration of use for each component.

#### 10.3.3 Duration of depreciation

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

- Land: not depreciated.
- Landscaping: 10 to 20 years.
- Constructions: 10 to 40 years<sup>(1)</sup>.
- 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.

<sup>(1)</sup> 10 to 20 years for light constructions, 20 to 40 years for more robust constructions.

#### 10.3.4 Presentation in the income statement

Amortization, depreciation and impairment 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.).

### 10.4 - IMPAIRMENT TESTS

As part of the Cash Generating Units (CGU), tangible fixed assets are liable to be tested for impairment as soon as any indication of impairment has been identified.

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

This test has been implemented at Vilmorin & Cie, and is carried out in accordance with the rule explained in Note 1 paragraph 11 hereafter.

### 10.5 - REASSESSMENT

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

The assessments adopted are the result of independent expert assessors.

## 11 - IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

The book values of Vilmorin & Cie'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.

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

Impairment 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).

### 11.1 - CALCULATION OF THE RECOVERABLE AMOUNT

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

### 11.2 - WRITE-BACK OF IMPAIRMENTS

Impairments recorded as goodwill cannot be written back. Impairments recorded for another asset are 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 impairment cannot be greater than the book value that would have been determined, net of amortizations, if no impairment had been recorded.

## 12 - LEASE AGREEMENTS (IAS 17)

### 12.1 - FINANCIAL LEASE AGREEMENTS

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

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

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

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

### 12.2 - SIMPLE RENTAL AGREEMENTS

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

## 13 - INVENTORIES AND PRODUCTION IN PROGRESS

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

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

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

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

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

## 14 - TRADE RECEIVABLES

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

## 15 - TREASURY SHARES

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



## 16 - EMPLOYEE BENEFITS (REVISED IAS 19)

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

### 16.1 - POST-EMPLOYMENT BENEFIT SCHEMES

Two types of post-employment benefit schemes are distinguished:

#### 16.1.1 Defined contribution plans

A defined contribution plan is a scheme involving benefits paid out after termination of the work contract, for which an entity pays defined contributions to a distinct entity and has no legal or implicit obligation to pay any further contributions if the fund does not have sufficient assets to pay benefits to the beneficiaries for present or previous fiscal years.

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 & Cie is only committed within the limit of the contributions paid.

These plans are applied in most of the countries where Vilmorin & Cie is present (Europe, North and Central America, Asia).

#### 16.1.2 Defined benefit plans

A defined benefit plan is any scheme involving benefits paid out after termination of the work contract other than a defined contribution plan. These plans are characterized by an obligation of the employer towards his employees. If they are not entirely funded in advance, they must be recorded as provisions.

This type of plan is either funded:

- directly by the group, which records provisions for the charges on an actuarial basis. These defined benefit plans mainly comprise lump sums paid at retirement (principally France) or,
- through a pension fund that the group pays into in accordance with the rules and regulations in force (North America, United Kingdom, etc.). For these plans, the provision reflects the balance between the amount currently due and the value of the assets, assessed at fair value.

For these plans, Vilmorin & Cie records provisions that are determined as follows:

- Commitments are assessed using the method known as “projected unit credits” which stipulates that each period of service generates a unit of benefit entitlement. Each of these units is assessed separately to obtain the final amount due.

Calculations involve hypotheses for mortality, staff turnover and projections on future salaries. An adjustment rate linked to the average duration of this commitment is applied. These assessments are carried out for all the plans by independent actuaries.

- The actuarial gains and losses resulting from changes in assumptions or experience adjustments (difference between the projected figure and the actual figure) on the commitments or the financial assets of the plan are entirely recorded as other items in the global income for the fiscal year when they are generated, along with the corresponding fiscal impact. They cannot be reclassified in the income statement in subsequent fiscal years.
- The costs of services rendered, past services, and fund administration costs for the period are all recorded as operating charges for the fiscal year.
- Liquidations and/or reductions of defined benefit plans are also recorded as operating charges for the fiscal year.
- Net interests on liabilities (or net assets), valued at the adjustment rate, are recorded as other income and financial charges.

### 16.2 - 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 defined contribution schemes.

For Vilmorin & Cie 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. The costs of services rendered are recorded as operating charges and the financial interests as other income and financial charges.

## 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 & CIE

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

#### 17.2.1 Provisions for reorganization

Provisions for the cost of reorganization programs are made in full during the fiscal year in which an irreversible obligation for Vilmorin & Cie 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, or their representatives.

The amount of the provision mainly includes the following costs:

- severance pay,
- notice not worked,
- training of employees laid off,
- other costs linked to the closing of sites.

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

#### 17.2.2 Provisions for litigation

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

### 17.2.3 Presentation in the financial statements

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 & Cie records government grants in the balance sheet on the line "Deferred income" and includes them in the income for the useful life of the assets for which they were received.

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

## 19 - DEFERRED TAXES (IAS 12)

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

- consolidation restatement showing a divergence between book value and tax base (special tax exemption, lease agreements, margins on inventory, income from sales of intra-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.

Assets and liabilities of deferred taxes are assessed at the tax rate expected for the period during which the asset is recovered and the liability is settled, using the tax rates that have been enacted by the balance sheet date.

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 & Cie to recover these assets in particular depends on the following criteria:

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

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

## 20 - ACCOUNTS PAYABLE

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

## 21 - FINANCIAL INSTRUMENTS (IAS 32 AND IAS 39)

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

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

### 21.1 - NON-CONSOLIDATED EQUITY SECURITIES AND OTHER NON-CURRENT FINANCIAL ASSETS

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

- for listed securities, the fair value corresponds to the stock market value,

- for other securities whose fair value in general cannot be determined reliably, the securities are recorded at cost price less any impairments.

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 disposed of.

Loans are recorded at amortized cost price. They can be amortized if there is an objective indication of any impairment. 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 mid- 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 impairment of these assets. Where necessary, any impairment is recorded in the accounts.

### 21.2 - ACCOUNTS RECEIVABLE

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

### 21.3 - RECORDING FINANCIAL ASSETS AND DERIVATIVES

Vilmorin & Cie applies the following principles:

#### 21.3.1 Derivatives

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

For a derivative to be eligible for hedge accounting (cash flow or fair value), the hedging relationship must be formally designated and documented, and its life-long effectiveness must be demonstrated. A fair value hedge is a hedge of the exposure to changes in fair value of assets, liabilities or firm commitments. A cash flow hedge is a hedge of the exposure to variability in cash flows (sales generated by the company's assets, for example).

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

- Variations in the fair value of instruments eligible for cash flow hedging are recognized directly in equity for their effective part of the cover, and in financial profit and loss for their ineffective part.
- Variations in the fair value of instruments eligible for fair value hedging are recorded in profit and loss where they compensate for the variations in fair value of the assets, liabilities or firm commitments covered.

Forward cover of the prices of the raw materials used by Vilmorin & Cie mainly concerns futures negotiated on an organized market. Vilmorin & Cie also implements strategies that combine futures with options which are also negotiated on an organized market.

### 21.3.2 Conditional advance payments

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

### 21.3.3 Loan issue costs

Costs incurred by the issue of loans are, in accordance with the standard 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 compliance with IAS 32, the different components of these instruments are recorded in equity and financial debts in respective proportions.

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

## 21.5 - ACCOUNTS PAYABLE

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

## 22 - CASH AND CASH EQUIVALENTS – INVESTMENT SECURITIES

### 22.1 - CASH AND CASH EQUIVALENTS

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

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

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

### 22.2 - INVESTMENT SECURITIES

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

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

## 23 - BREAKDOWN OF ASSETS AND LIABILITIES INTO CURRENT / NON-CURRENT

### 23.1 - GENERAL PRINCIPLE

The standard IAS 1 states that assets and liabilities must be classified as either “current” or “non-current”.

### 23.2 - APPLICATION TO VILMORIN & CIE

Vilmorin & Cie 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.

## 24 - REVENUE FROM ORDINARY ACTIVITIES (IAS 18)

### 24.1 - GENERAL PRINCIPLE

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

### 24.2 - APPLICATION TO VILMORIN & CIE

Income is recorded 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, sales depend on the extent to which the service has been rendered on closing date, and if its income can be considered to be reliable.

- For royalties, income is recorded in accordance with the provisions of the contract which generally stipulate calculation based on sales or quantities sold by the licensor. These royalties generally correspond to the remuneration of licenses for proprietary plant varieties or parental lines.

Revenue from ordinary operations includes:

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

From this revenue a certain number of items are deducted:

- payments on account, discount for early pick-up,
- returns of goods and products,
- end of year discount and other retrospective discount of deferred prices to distributors.

## 25 - EARNINGS PER SHARE

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

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

The diluted earnings per share are calculated by dividing Vilmorin & Cie's share of the income by the number of ordinary shares in circulation to which are added all the potentially dilutive ordinary shares.

## NOTE 2: EVENTS OCCURRING DURING THE FISCAL YEAR

## 1 - IMPACTS OF THE CHANGE IN METHOD RESULTING FROM THE APPLICATION OF IFRS 11

For the application of standard IFRS 11, the group now records its main partnerships according to the equity method, whereas previously it recorded them with IAS 31 according to the proportional integration method.

The companies concerned are the following: AgReliant Genetics LLC, AgReliant Genetics Inc., Genective, GIE Semences de Brie and Soltis.

The table presented below present the significant impacts on the financial situation and the group's consolidated income statement as a result of changes to the accounting method.

## CONSOLIDATED INCOME STATEMENT

In millions of Euros	06.30.14			06.30.13		
	Disclosed	Impacts IFRS 11	Restated for IFRS 11	Restated for IAS 19R	Impacts IFRS 11	Restated for IFRS 11
<b>Revenue from ordinary activities</b>	<b>1,499.6</b>	<b>-239.1</b>	<b>1,260.5</b>	<b>1,472.0</b>	<b>-252.3</b>	<b>1,219.7</b>
Cost of goods sold	-839.8	181.1	-658.7	-834.7	189.2	-645.5
Marketing and sales costs	-209.4	31.2	-178.2	-206.4	31.7	-174.7
Research and development costs	-144.3	1.2	-143.1	-136.9	0.7	-136.2
Administrative and general costs	-155.7	4.3	-151.4	-143.3	4.2	-139.1
Other operating income and charges	-0.5	1.1	0.6	8.5	2.3	10.8
<b>Operating income</b>	<b>149.9</b>	<b>-20.2</b>	<b>129.7</b>	<b>159.2</b>	<b>-24.2</b>	<b>135.0</b>
Profit from associated companies	3.8	20.1	23.9	1.7	23.9	25.6
Interest costs	-19.6	-	-19.6	-20.4	-0.2	-20.6
Other financial income and charges	-18.4	-0.1	-18.5	-7.5	-0.1	-7.6
Income taxes	-27.4	0.2	-27.2	-23.6	0.6	-23.0
<b>Profit from continuing operations</b>	<b>88.3</b>	<b>-</b>	<b>88.3</b>	<b>109.4</b>	<b>-</b>	<b>109.4</b>
<b>Profit from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income for the period</b>	<b>88.3</b>	<b>-</b>	<b>88.3</b>	<b>109.4</b>	<b>-</b>	<b>109.4</b>
> Attributable to controlling company	84.1	-	84.1	101.8	-	101.8
> Attributable to non-controlling minority	4.2	-	4.2	7.6	-	7.6

## FINANCIAL PROGRESS REPORT

In millions of Euros	06.30.14			06.30.13		
	Disclosed	Impacts IFRS 11	Restated for IFRS 11	Restated for IAS 19R	Impacts IFRS 11	Restated for IFRS 11
Goodwill	376.4	-58.2	318.2	343.5	-58.1	285.4
Other intangible fixed assets	577.5	-20.3	557.2	544.0	-19.0	525.0
Tangible fixed assets	300.6	-33.8	266.8	257.0	-28.2	228.8
Financial fixed assets	58.5	-2.4	56.1	27.0	-2.4	24.6
Equity shares	21.4	165.3	186.7	17.9	161.4	179.3
Deferred taxes	29.9	-0.1	29.8	28.3	-	28.3
<b>Total non-current assets</b>	<b>1,364.3</b>	<b>50.5</b>	<b>1,414.8</b>	<b>1,217.7</b>	<b>53.7</b>	<b>1,271.4</b>
Inventories	423.9	-58.3	365.6	352.4	-31.5	320.9
Trade receivables and other receivables	565.5	-65.5	500.0	556.9	-72.7	484.2
Cash and cash equivalents	374.9	-23.4	351.5	360.1	-42.2	317.9
<b>Total current assets</b>	<b>1,364.3</b>	<b>-147.2</b>	<b>1,217.1</b>	<b>1,269.4</b>	<b>-146.4</b>	<b>1,123.0</b>
<b>Total assets</b>	<b>2,728.6</b>	<b>-96.7</b>	<b>2,631.9</b>	<b>2,487.1</b>	<b>-92.7</b>	<b>2,394.4</b>
<b>Equity – controlling company</b>	<b>1,037.4</b>	<b>-</b>	<b>1,037.4</b>	<b>1,009.5</b>	<b>-</b>	<b>1,009.5</b>
<b>Equity – non-controlling minority</b>	<b>122.7</b>	<b>-</b>	<b>122.7</b>	<b>124.0</b>	<b>-</b>	<b>124.0</b>
<b>Consolidated equity</b>	<b>1,160.1</b>	<b>-</b>	<b>1,160.1</b>	<b>1,133.5</b>	<b>-</b>	<b>1,133.5</b>
Provisions for employee benefits	46.5	-0.1	46.4	45.6	-0.1	45.5
Non-current financial debts	673.2	-0.2	673.0	516.7	-0.3	516.4
Deferred income taxes	106.4	-3.7	102.7	93.4	-3.6	89.8
<b>Total non-current liabilities</b>	<b>826.1</b>	<b>-4.0</b>	<b>822.1</b>	<b>655.7</b>	<b>-4.0</b>	<b>651.7</b>
Other provisions	20.4	-	20.4	14.1	-	14.1
Accounts payable	492.6	-87.7	404.9	469.1	-84.0	385.1
Deferred income	33.8	-2.9	30.9	34.3	-2.9	31.4
Current financial debts	195.6	-2.1	193.5	180.4	-1.8	178.6
<b>Total current liabilities</b>	<b>742.4</b>	<b>-92.7</b>	<b>649.7</b>	<b>697.9</b>	<b>-88.7</b>	<b>609.2</b>
<b>Total liabilities</b>	<b>2,728.6</b>	<b>-96.7</b>	<b>2,631.9</b>	<b>2,487.1</b>	<b>-92.7</b>	<b>2,394.4</b>

## 2 - MAIN OPERATIONS OCCURRING DURING THE FISCAL YEAR

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

### DIVESTMENT OF SUTTONS (UNITED KINGDOM)

During the course of the fiscal year, the company Suttons was divested through a Management Buy-Out.

### FIRST CONSOLIDATION OF SEED CO (ZIMBABWE)

The company Seed Co integrated the consolidation scope using the equity method following Vilmorin & Cie's purchase

of complementary stake through a capital stock increase; Vilmorin & Cie now hold a total stake of 30.38%.

### FULL TAKE-OVER OF LIMAGRAIN BRASIL (BRAZIL)

In July 2014, Vilmorin & Cie acquired the residual 30% of capital stock still held by the historical family shareholders of Limagrain Brasil. Vilmorin & Cie now holds all the company's shares.

### FULL TAKE-OVER OF TROPDICORP (VIETNAM)

At the end of March 2015, Vilmorin & Cie acquired all the capital stock of the company Tropdicorp. Tropdicorp is a Vietnamese family company set up in 2007 specialized in cucurbit seeds,



and which made sales of 6 millions US dollars in 2014. This new position on the Vietnamese market will enable Vilmorin & Cie to strengthen its facilities in Southeast Asia. Tropicorp is consolidated by global integration and has joined the HM.CLAUSE Business Unit.

#### PUBLIC BOND ISSUE OF 150 MILLION EUROS

On March 4, 2015, Vilmorin & Cie completed an inaugural public bond issue for a total of 150 million Euros, through a tap on unrated bonds maturing in May 2021. Following this operation, the total amount of this bond rose to 450 million Euros, with a coupon of 2.375%. This operation was allocated to various European investors (insurance companies, pension funds, fund managers, etc.) most of them being French, British and Italian.

## NOTE 3: CONSOLIDATION SCOPE

### 1 - EVOLUTION OF THE CONSOLIDATION SCOPE

**1.1 - ON JUNE 30, 2015, VILMORIN & CIE CONSOLIDATED 103 COMPANIES IN ACCORDANCE WITH THE RULES SET OUT IN NOTE 1 PARAGRAPH 5 OF THE "ACCOUNTING METHODS AND PRINCIPLES IN IFRS STANDARDS."**

	14-15	13-14	
		Restated for IFRS 11	Disclosed
By global integration	92	92	92
By proportional integration	0	0	5
By the equity method	11	10	5
<b>Total</b>	<b>103</b>	<b>102</b>	<b>102</b>

**1.2 - VARIATIONS IN SCOPE OCCURRING DURING THE COURSE OF FISCAL 2014-2015 WERE AS FOLLOWS:**

#### 1.2.1 Entries to the consolidation scope

- Through the purchase of a stake
  - Seed Co Ltd
  - Tropicorp
- Through the creation of companies
  - Vilmorin Singapore
- Through integration into the consolidation scope
  - Vilmorin 2014 Holdings

#### 1.2.2 Exits from the consolidation scope

- Companies wound up
  - None
- Through exit from the consolidation scope
  - Suttons

- Following internal reorganizations, two mergers occurred:

Absorbing companies	Absorbed companies
Shamrock Seed	Leafyco LLC
Vilmorin Garden	Green Land

#### 1.2.3 Changes in name

The following changes in name occurred during the fiscal year:

Former names	New names
Eureka Sunflower Seeds Services Inc	Limagrain Sunflowers Inc
Limagrain Guerra do Brasil SA	Limagrain Brasil SA
Clause Brasil Comercio de Sementes Ltda	HM.CLAUSE Brasil Comercio de Sementes Ltda
Hazera do Brasil Comercio de Sementes Ltda	Hazera Seeds do Brasil Ltda
Hazera Genetics Ltd	Hazera Seeds Ltd
Hazera Hellas Seeds & Plant Material SA	Hazera Seeds Hellas Commercial SA
Hazera Mexico Services SA	Hazera Seeds Mexico SA
Hazera Seeds Inc	Hazera Seeds USA Inc
Nickerson Zwaan BV	Hazera Seeds BV
Nickerson Zwaan GmbH	Hazera Seeds Germany GmbH
Nickerson Zwaan Ltd	Hazera Seeds UK Ltd
Nickerson Zwaan SA (Proprietary) Ltd	Hazera Seeds SA Ltd
Nickerson Zwaan Sp. z o.o	Hazera Poland Sp. z o.o.
Nickerson Zwaan Ukraine LLC	Hazera Ukraine LLC

#### 1.2.4 Change in consolidation methods

As a result of the application of IFRS 11, the following companies changed consolidation method:

- AgReliant Genetics Inc
- AgReliant Genetics LLC
- Genective SA
- GIE Semences de Brie
- Soltis

They will no longer be consolidated using the proportional integration method but using the "equity method".

## 2 - INFORMATION CONCERNING VARIATIONS IN CONSOLIDATION SCOPE

In millions of Euros	Seed Co	Tropicorp	Vilmorin 2014 Holdings	Vilmorin Singapore
Date of entry in scope	07.01.2014	03.26.2015	07.01.2014	03.31.2015
<b>% ACQUIRED</b>				
Over the fiscal year	9.23%	100.00%	100.00%	100.00%
Previously held	21.25%	-	-	-
Total held	30.48%	100.00%	100.00%	100.00%
Consolidation method adopted <sup>(1)</sup>	EM	GI	GI	GI
<b>ACQUISITION PRICE OF THE SHARES</b>				
Agreed during the fiscal year	22.9	26.0	-	-
Previously agreed	32.2	-	-	-
<b>Total</b>	<b>55.1</b>	<b>26.0</b>	<b>-</b>	<b>-</b>
<b>FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED</b>				
Fixed assets	29.5	2.2	1.9	-
Working capital needs	-	2.4	-1.9	-
Provisions for liabilities and charges	-	-	-	-
Indebtedness net of cash	-	-4.8	-	-
Deferred taxes	-	-	-	-
<b>Equity acquired</b>	<b>29.5</b>	<b>9.4</b>	<b>-</b>	<b>-</b>
<b>Goodwill <sup>(2)</sup></b>	<b>24.9</b>	<b>16.6</b>	<b>-</b>	<b>-</b>

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

(2) Goodwill for companies integrated using the equity method is directly included in the line "Equity shares" of the financial progress report.

## 3 - COMPARABILITY OF THE INCOME STATEMENTS

In order to analyze the results with comparable consolidation and currency translation scope, a pro-forma income statement for 2013-2014 has been established in the following conditions:

■ In order to neutralize the impact of currency variations, the income statement on June 30, 2014 has been restated by applying the average rate on June 30, 2015.

■ Companies exiting the scope during fiscal year 2014-2015 have been neutralized for the previous fiscal year, namely:

- Suttons

■ Companies entering the scope during fiscal year 2014-2015, and providing new business, have been added to the accounts on June 30, 2014, namely:

- Seed Co
- Tropicorp
- Vilmorin 2014 Holdings
- Vilmorin Singapore

■ Companies consolidated using the proportional integration method during fiscal year 2013-2014 have been restated as if they had been integrated using the "equity method" in order to correspond to the consolidation method used for 2014-2015:

- AgReliant Genetics Inc
- AgReliant Genetics LLC
- Genective SA
- GIE Semences de Brie
- Soltis

■ Restated information is restated as follows:

In millions of Euros	Variation %	14-15	13-14 Restated
Revenue from ordinary activities	1.0%	1,269.4	1,257.3
Operating income	-22.6%	100.2	129.5
Income from continuing operations	-21.3%	75.9	96.4
Income from discontinued operations	-	-	-
Income for the period	-21.3%	75.9	96.4

## NOTE 4: OPERATING SEGMENTS

## 1 - GENERAL PRINCIPLES

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

## 2 - INFORMATION ACCORDING TO BUSINESS SEGMENT

The internal information made available to Vilmorin & Cie's Executive Committee, the "Chief Operating Decision-Maker", corresponds to the managerial organization of the company which

is based on segmentation according to activity. Consequently, the operating segments, as defined by the standard IFRS 8, are the business segments on which Vilmorin & Cie operates.

Existing operating segments on June 30, 2015 were as follows:

- Vegetable seeds
- Field seeds

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 & Cie which implicitly ignore inter-segment operations since they are not considered to be very significant.

## 2.1 – INFORMATION CONCERNING FISCAL YEAR 2014-2015

In millions of Euros	Vegetable seeds	Field seeds	Garden products & Holdings	Unallocated	Total
Revenue from ordinary activities	614.6	595.3	59.5	-	1,269.4
Operating income	95.8	20.9	-16.5	-	100.2
Income from continuing operations	63.9	20.7	-8.7	-	75.9
Income from discontinued operations	-	-	-	-	-
<b>Total consolidated net income</b>	<b>63.9</b>	<b>20.7</b>	<b>-8.7</b>	<b>-</b>	<b>75.9</b>
Non-current assets	506.0	976.1	132.4	-	1,614.5
> Including investments for the period	107.2	107.7	54.2	-	269.1
Current assets	538.5	469.4	317.5	-	1,325.4
<b>Total assets</b>	<b>1,044.5</b>	<b>1,445.5</b>	<b>449.9</b>	<b>-</b>	<b>2,939.9</b>
Equity <sup>(1)</sup>	-	-	-	1,272.0	1,272.0
Non current liabilities	87.5	123.3	670.3	-	881.1
Current liabilities	235.6	267.4	283.8	-	786.8
<b>Total liabilities</b>	<b>323.1</b>	<b>390.7</b>	<b>954.1</b>	<b>1,272.0</b>	<b>2,939.9</b>

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

## 2.2 – INFORMATION CONCERNING FISCAL YEAR 2013-2014

### 2.2.1 Fiscal year 2013-2014 restated for IFRS 11

In millions of Euros	Vegetable seeds	Field seeds	Garden products & Holdings	Unallocated	Total
Revenue from ordinary activities	562.6	617.0	80.9	-	1,260.5
Operating income	89.7	52.7	-12.7	-	129.7
Income from continuing operations	58.3	42.0	-12.0	-	88.3
Income from discontinued operations	-	-	-	-	-
<b>Total consolidated net income</b>	<b>58.3</b>	<b>42.0</b>	<b>-12.0</b>	<b>-</b>	<b>88.3</b>
Non-current assets	453.7	836.9	124.2	-	1,414.8
> Including investments for the period	100.7	116.1	49.2	-	266.0
Current assets	469.6	415.8	331.7	-	1,217.1
<b>Total assets</b>	<b>923.3</b>	<b>1,252.7</b>	<b>455.9</b>	<b>-</b>	<b>2,631.9</b>
Equity <sup>(1)</sup>	-	-	-	1,160.1	1,160.1
Non current liabilities	87.4	96.0	638.7	-	822.1
Current liabilities	213.2	265.4	171.1	-	649.7
<b>Total liabilities</b>	<b>300.6</b>	<b>361.4</b>	<b>809.8</b>	<b>1,160.1</b>	<b>2,631.9</b>

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

### 2.2.2 Fiscal year 2013-2014 disclosed

	Vegetable seeds	Field seeds	Garden products	Holdings	Unallocated	Total
Revenue from ordinary activities	562.6	856.1	79.9	1.0	-	1,499.6
Operating income	89.7	72.9	-3.5	-9.2	-	149.9
Income from continuing operations	58.3	42.0	-4.2	-7.8	-	88.3
Income from discontinued operations	-	-	-	-	-	-
<b>Total consolidated net income</b>	<b>58.3</b>	<b>42.0</b>	<b>-4.2</b>	<b>-7.8</b>	<b>-</b>	<b>88.3</b>
Non-current assets	453.7	803.7	16.1	90.8	-	1,364.3
> Including investments for the period	100.7	131.5	1.2	48.0	-	281.4
Current assets	469.6	564.1	39.4	291.2	-	1,364.3
<b>Total assets</b>	<b>923.3</b>	<b>1,367.8</b>	<b>55.5</b>	<b>382.0</b>	<b>-</b>	<b>2,728.6</b>
Equity <sup>(1)</sup>	-	-	-	-	1,160.1	1,160.1
Non current liabilities	87.4	100.0	3.0	635.7	-	826.1
Current liabilities	213.2	358.3	42.6	128.3	-	742.4
<b>Total liabilities</b>	<b>300.6</b>	<b>458.3</b>	<b>45.6</b>	<b>764.0</b>	<b>1,160.1</b>	<b>2,728.6</b>

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

## NOTE 5: REVENUE FROM ORDINARY ACTIVITIES

## 1 - ANALYSIS BY NATURE

In millions of Euros	Variation %	14-15	13-14	
			Restated for IFRS 11	Disclosed
Sales of goods	0.7%	1,211.7	1,203.7	1,444.4
Sales of services	3.2%	9.6	9.3	9.5
Royalties received	1.3%	48.1	47.5	45.7
<b>Total</b>	<b>0.7%</b>	<b>1,269.4</b>	<b>1,260.5</b>	<b>1,499.6</b>

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 24 of the "Accounting methods and principles in IFRS standards".

## 2 - ANALYSIS BY GEOGRAPHICAL AREA

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

In millions of Euros	Variation %	14-15	13-14	
			Restated for IFRS 11	Disclosed
Europe	-4.9%	734.0	771.9	771.9
Americas	15.5%	217.3	188.3	429.0
Asia and Oceania	8.6%	121.3	111.7	111.7
Africa and Middle East	5.5%	139.1	131.8	131.8
<b>Total</b>	<b>0.7%</b>	<b>1,211.7</b>	<b>1,203.7</b>	<b>1,444.4</b>

## 3 - ANALYSIS BY PRODUCT

Analysis according to product families is as follows:

In millions of Euros	Variation %	14-15	13-14	
			Restated for IFRS 11	Disclosed
Vegetable and flower seeds	10.2%	554.3	502.8	502.8
Field seeds	-3.6%	513.9	532.9	772.1
Forage and lawn seeds	-0.2%	39.1	39.2	40.4
Garden products	-24.0%	65.3	85.9	85.9
Other products	-8.9%	39.1	42.9	43.2
<b>Total</b>	<b>0.7%</b>	<b>1,211.7</b>	<b>1,203.7</b>	<b>1,444.4</b>

## 4 - REVENUE FROM ORDINARY ACTIVITIES AT CONSTANT EXCHANGE RATES

With constant exchange rates for the period, the revenue for ordinary activities for the previous fiscal year would have come to 1,276 million Euros compared with 1,269.4 million Euros for this past fiscal year, a decrease of 0.5%.

## NOTE 6: PERSONNEL COSTS

## 1 - EVOLUTION OF PERSONNEL COSTS

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Gross salaries	258.0	241.7	268.4
Social charges	89.8	84.9	93.0
Profit-sharing schemes	8.0	8.1	8.1
<b>Total</b>	<b>355.8</b>	<b>334.7</b>	<b>369.5</b>

## 2 - FURTHER INFORMATION

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

## 2.1 - AVERAGE ANNUAL HEADCOUNT

## 2.1.1 Analysis France/Non-France

	14-15	13-14	
		Restated for IFRS 11	Disclosed
France	2,657	2,459	2,478
Non-France	4,342	4,334	4,981
<b>Total</b>	<b>6,999</b>	<b>6,793</b>	<b>7,459</b>

## 2.1.2 Analysis by employee status

	14-15	13-14	
		Restated for IFRS 11	Disclosed
Management	1,795	1,891	1,910
Non-management	5,204	4,902	5,549
<b>Total</b>	<b>6,999</b>	<b>6,793</b>	<b>7,459</b>

## 2.2 - PERMANENT HEADCOUNT AT THE END OF THE FISCAL YEAR

### 2.2.1 Analysis France/Non-France

	14-15	13-14	
		Restated for IFRS 11	Disclosed
France	2,040	2,005	2,022
Non-France	4,229	4,095	4,540
<b>Total</b>	<b>6,269</b>	<b>6,100</b>	<b>6,562</b>

### 2.2.2 Analysis by employee status

	14-15	13-14	
		Restated for IFRS 11	Disclosed
Management	1,819	1,781	1,800
Non-management	4,450	4,319	4,762
<b>Total</b>	<b>6,269</b>	<b>6,100</b>	<b>6,562</b>

### 2.2.3 Analysis by function

	14-15	13-14	
		Restated for IFRS 11	Disclosed
Administration	1,012	1,008	1,029
Research	1,780	1,739	1,823
Agronomic production and factory	1,645	1,598	1,698
Sales and marketing	1,832	1,755	2,012
<b>Total</b>	<b>6,269</b>	<b>6,100</b>	<b>6,562</b>

## NOTE 7: PROVISIONS FOR THE DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Provisions for the amortization and impairment of intangible fixed assets			
> Development programs <sup>(1)</sup>	-128.3	-116.6	-119.4
> Other intangible fixed assets	-4.1	-4.5	-4.5
<b>Sub-total</b>	<b>-132.4</b>	<b>-121.1</b>	<b>-123.9</b>
Provisions for the depreciation and impairment of tangible fixed assets	-30.4	-26.8	-30.8
<b>Total</b>	<b>-162.8</b>	<b>-147.9</b>	<b>-154.7</b>

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

## NOTE 8: RESEARCH AND DEVELOPMENT COSTS

### 1 - EVOLUTION OF COSTS

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Development programs activated during the fiscal year	147.7	135.5	138.7
Provisions for the amortization of development programs recorded as fixed assets	-128.3	-116.6	-119.4
Total research and development costs	-211.1	-190.0	-192.1
Tax relief for research	28.9	28.0	28.5
<b>Net costs for the year</b>	<b>-162.8</b>	<b>-143.1</b>	<b>-144.3</b>

Vilmorin & Cie records the cost of its development programs in the conditions set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards".

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

## 2 - FURTHER INFORMATION

2.1 - NET INCREASE IN ACTIVATED RESEARCH  
AND DEVELOPMENT COSTS

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Costs identified and recorded as intangible fixed assets (cf. Note 15)	147.7	135.5	138.7
Provisions for amortization	-128.3	-116.6	-119.4
<b>Net increase in activated research and development costs</b>	<b>19.4</b>	<b>18.9</b>	<b>19.3</b>

It is important to note that out of a total investment in research and development of 211.1 million Euros, only 147.7 million Euros met the criteria set out in Note 1 paragraph 9 of the "Accounting methods and principles in IFRS standards". Research and development costs increased by 21.1 million Euros.

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

## 2.2 - EFFECT OF ACTIVATION ON THE CASH FLOW STATEMENT

In millions of Euros	14-15	13-14	
		Restated	Disclosed
Effect on the income for the period	19.4	18.9	19.3
Effect on amortization and depreciation	128.3	116.6	119.4
Effect on the cash flow	147.7	135.5	138.7
Effect on the investment flows	-147.7	-135.5	-138.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 3 - TREATMENT OF FRENCH TAX RELIEF ON RESEARCH

Since the implementation of the new French system for tax relief on research (CIR) based only on a volume percentage of eligible research expenses made, this tax relief is assimilated to a public subsidy since it is used to fund part of the capitalized development expenses, and its accounting treatment comes within the scope of IAS 20.

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

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

NOTE 9: OTHER OPERATING INCOME  
AND CHARGES

## 1 - EVOLUTION

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Litigation	-1.9	-2.3	-2.3
Income from the sale of fixed assets	-0.1	1.1	1.1
Income from the sale of consolidated securities	2.9	-	-
Government subsidies	3.1	2.6	2.6
Reorganization costs	-0.7	-1.7	-1.7
Impairment on fixed assets	-0.8	-0.1	-0.1
Other charges and income	-3.4	1.0	-0.1
<b>Total</b>	<b>-0.9</b>	<b>0.6</b>	<b>-0.5</b>



## 2 - FURTHER INFORMATION

### 2.1 - ON OPERATIONS FOR FISCAL YEAR 2014-2015

#### 2.1.1 Impairment of fixed assets

These mainly concern:

In millions of Euros	Amount
HM.CLAUSE SA	-0.2
Mikado Kyowa	-0.3
Shamrock Seed	-0.3
<b>Total</b>	<b>-0.8</b>

#### 2.1.2 Income from the sale of consolidated securities

This concerns the result from the consolidation exit of Suttons amounting to 2.9 million Euros.

### 2.2 - ON OPERATIONS FOR FISCAL YEAR 2013-2014

#### 2.2.1 Impairment of fixed assets

Impairment on fixed assets mainly concerns Bisco Bio Sciences with a total of - 0.1 million Euros.

#### 2.2.2 Income from the sale of consolidated securities

None.

#### 2.2.3 Other charges and income

These include 1.3 million Euros of insurance claims.

## NOTE 10: INTEREST COSTS

### 1 - EVOLUTION

In millions of Euros	14-15	13-14
Interest on loans and bank overdrafts <sup>(1)</sup>	-28.0	-23.1
Interest on financial leasing agreements	-	-
Losses and gains of fair value on hedging instruments	-	-
Losses and gains on the disposal of hedging instruments	-	-
Cash income <sup>(2)</sup>	2.1	4.0
Miscellaneous <sup>(3)</sup>	-1.3	-0.5
<b>Total</b>	<b>-27.2</b>	<b>-19.6</b>

(1) The increase in interest costs can be explained:

- (i) on the one hand, by changes to the nature of Vilmorin & Cie's financial resources, with the issue of the bond loan for 300 million Euros in May 2014 at a fixed rate, completed by another 150 million Euros in May 2015.

- (ii) on the other hand, by an increase of the average indebtedness of more than 150 million Euros, particularly in emerging countries with high interest rates (India, South America, etc.).

(2) The drop in cash income is mainly due to the lower interest rates obtained on placements.

(3) The increase is mainly due to the cost of the syndicated loan agreement of 300 million Euros set up in May 2014 and not used during the fiscal year.

### 2 - FURTHER INFORMATION

The total funding costs can be broken down as follows:

In millions of Euros	14-15	13-14
Interest charges	-29.3	-23.6
Interest income	2.1	4.0
<b>Total</b>	<b>-27.2</b>	<b>-19.6</b>

## NOTE 11: OTHER FINANCIAL INCOME AND CHARGES

## 1 - EVOLUTION

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits	-7.3	0.5	0.5
Interest income	0.9	1.1	1.1
Interest charges	-1.1	-1.3	-1.3
Provisions for the impairment of securities and other financial assets <sup>(1)</sup>	1.2	-1.5	-1.5
Provisions for risks and other financial charges	4.1	-	-
Gains or losses on currency translation	-3.0	-17.2	-17.1
Net charges on commitments for personnel benefits	-1.5	-1.7	-1.7
Other financial gains and losses	-5.3	1.6	1.6
<b>Total</b>	<b>-12.0</b>	<b>-18.5</b>	<b>-18.4</b>

(1) ) A provision of 1.5 million Euros on Biogemma UK securities was recorded on June 30, 2014.

## 2 - FURTHER INFORMATION

## 2.1 - ON OPERATIONS FOR FISCAL YEAR 2014-2015

## 2.1.1 Gains or losses on the sales of unconsolidated securities, profits and losses from winding up business, income from consolidation exits

These concern:

- the disposal of Suttons securities for a total of -5.4 million Euros
- the winding up of Ceekay for a total of -1.9 million Euros.

## 2.1.2 Provisions for the impairment of securities and other financial assets

These concern:

- the write back of a provision on Suttons securities for a total of 5.4 million Euros
- the write back of a provision on Ceekay securities for a total of 1.9 million Euros
- provisions made on ARCADIA securities for a total of -6.1 million Euros.

## 2.1.3 Provisions for risks and other financial charges

These concern the write-back of a provision on a financial guarantee set up in 2012-2013 for a total of 4.1 million Euros.

## 2.1.4 Other financial gains and losses

These mainly concern the loss of the current account of the company Suttons for a total of 5.7 million Euros.

## 2.2 - ON OPERATIONS FOR FISCAL YEAR 2013-2014

Gains or losses on currency translation mainly concern a financial risk of -8.4 million Euros recorded on operations made with Ukrainian and Russian clients.

## NOTE 12: INCOME TAXES

### 1 - EVOLUTION

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Current taxes	-23.2	-19.5	-19.6
Deferred taxes	8.7	-7.7	-7.8
<b>Total</b>	<b>-14.5</b>	<b>-27.2</b>	<b>-27.4</b>

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

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

### 2 - FURTHER INFORMATION

#### 2.1 - EVOLUTION OF INCOME TAXES

The increase in current taxes is mainly due to the increase of the tax bases in the United States. The increase in deferred taxes mainly comes from the favorable perspectives for the use of losses carried forward in Europe.

#### 2.2 - FISCAL INTEGRATION OPERATIONS

The fiscal integration scopes set up in the group (article 223 A and seq. of the French Tax Code) between the different French companies were as follows on June 30, 2015:

Integrating company	Member companies	Effective date
Vilmorin & Cie	HM.CLAUSE	07.01.00
	Vilmorin Jardin	07.01.00
	Vilmorin SA	07.01.10
	Limagrain Europe	07.01.12
	Limagrain Central Europe	07.01.12

Moreover, fiscal integration has also been established in the United States:

Integrating company	Member companies
Vilmorin USA	Vilmorin Inc HM.CLAUSE Inc Limagrain Sunflowers Shamrock Seed

#### 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.

#### 2.4 - TAX RATE APPLICABLE

The basic rate for income (corporation) tax in France is 33<sup>1/3</sup>% to which an additional contribution must be added (article 235 ter ZC of the French Tax Code).

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

As a %	14-15	13-14
<b>Theoretical tax rate</b>	<b>34.43</b>	<b>34.43</b>
Non-deductible charges and other non-taxable profits	-11.80	1.37
Tax credit and relief	-1.59	- 0.07
Untaxed income deficits and taxation base and rate differentials	1.95	- 11.21
<b>True tax rate</b>	<b>22.99</b>	<b>24.52</b>

#### 2.5 - DETAILS OF TAX RECEIVABLES AND DEBTS DUE

In millions of Euros	14-15	13-14
Tax receivables due	58.3	57.1
Tax debts due	-14.7	- 9.7
<b>Total net</b>	<b>43.6</b>	<b>47.4</b>

#### 2.6 - INFORMATION ON TAX DEFICITS

On June 30, 2015, the situation of tax deficits for Vilmorin & Cie was as follows:

In millions of Euros	Total deficits		Of which usable deficits	
	France	Other	France	Other
Deficits with limited carry forward	-	27.3	-	11.8
Deficits with unlimited carry forward	112.8	17.4	102.3	10.7
<b>Total</b>	<b>112.8</b>	<b>44.7</b>	<b>102.3</b>	<b>22.5</b>

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 2.9 million Euros.

## NOTE 13: EARNINGS PER SHARE

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

The evolution of the earnings per share is as follows:

- Earnings per share:

In Euros	14-15	13-14
Attributable to the controlling company in continuing operations	72,945,745	84,087,885
Attributable to the controlling company in discontinued operations	-	-
<b>Attributable to the controlling company in the consolidated income</b>	<b>72,945,745</b>	<b>84,087,885</b>
Number of Vilmorin & Cie shares apart from treasury shares	20,825,782	18,937,944
Earnings from continuing operations for one share	3.50	4.44
Earnings from discontinued operations for one share	-	-
<b>Earnings per share</b>	<b>3.50</b>	<b>4.44</b>

- Diluted earnings per share:

The earnings used for this calculation take into account savings on financial charges net of taxes which would be made by Vilmorin & Cie if OCEANE bonds and ORA bonds (redeemable as shares) were converted, and the ensuing change in the number of shares.

In Euros	14-15	13-14
Income attributable to the controlling company in continuing operations before conversion	72,945,745	84,087,885
Impact on the income attributable to the controlling company of the conversion of OCEANE bonds	4,406,178	4,406,992
Impact on the income attributable to the controlling company of the conversion of ORA bonds	-588,300	-2,649,626
Income attributable to the controlling company in continuing operations after conversion	76,763,623	85,845,252
Income attributable to the controlling company in discontinued operations after conversion	-	-
<b>Income attributable to the controlling company in the consolidated income after conversion</b>	<b>76,763,623</b>	<b>85,845,252</b>
Number of shares held by Vilmorin & Cie excluding treasury shares	20,825,782	18,937,944
Creation of new shares after conversion of OCEANE bonds	1,254,303	1,139,615
Number of shares held by Vilmorin & Cie after conversion of OCEANE bonds excluding treasury shares	22,080,085	20,077,559
Earnings from continuing operations for one share	3.48	4.28
Earnings from discontinued operations for one share	-	-
<b>Diluted earnings per share</b>	<b>3.48</b>	<b>4.28</b>

- Dividends paid out per share

	Dividends distributed in December 2014	Dividends distributed in December 2013
Amount distributed	€31,250,853.15	€31,250,853.15
Details	€1.65 x 18,939,911 shares	€1.65 x 18,939,911 shares

## NOTE 14: GOODWILL

### 1 - PRINCIPLES OF EVALUATION AND IMPAIRMENT OF GOODWILL

#### 1.1 - EVALUATION OF GOODWILL

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

Consequently, the value of any goodwill recorded following acquisitions made during fiscal year 2014-2015 is provisional in nature, and is liable to be adjusted during fiscal year 2015-2016.

#### 1.2 - GOODWILL IMPAIRMENT TESTS

Vilmorin & Cie carried out impairment tests on its goodwill on June 30, 2015 for all the Cash Generating Units (CGUs) to which goodwill is allocated, with the exception of goodwill from acquisitions made in fiscal year 2014-2015 for which acquisition cost had not been finalized on June 30, 2015, and therefore the amount of goodwill had not been definitively determined on this date.

As stated in Note 1 paragraph 11, 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).

CGUs comprise groups of legal entities forming units with centralized management. Each Operating Segment thus comprises one or several CGUs running their business autonomously with regard to each other.

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

- Number of years of provisional data: 5 years.
- Rate of growth: 2%.
- Discount rate after taxes: different rates have been adopted for each CGU. They vary from 4.4% to 5.6% depending on zones.

Rate of growth is fixed according to Vilmorin & Cie's past experience, along with an analysis of the data used by companies from the same business sector. Discount rates are based on market data.

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

In the Operating Sector for Field Seeds, the centralized steering of business has resulted in the combination of several CGUs (Cash Generating Units) into a single CGU which includes all the research, production and distribution processes.

For all the CGUs, the sensitivity analyses carried out show that the use of discount rates higher by one percentage point, or growth rates for the normative year lower by one percentage point, 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.

### 2 - EVOLUTION OF NET BOOK VALUES

#### 2.1 - GROSS VALUES

In millions of Euros	
<b>06.30.13</b>	<b>355.1</b>
Restatement for IFRS 11	-58.4
<b>06.30.13 restated for IFRS 11</b>	<b>296.7</b>
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-1.0
Allocation of goodwill	-
Variations in scope	40.7
Reclassifications	-1.2
Currency translations	-6.0
<b>06.30.14 restated for IFRS 11</b>	<b>329.2</b>
Acquisitions and increases	-
Impact of minority redemption commitments	-
Exits	-
Allocation of goodwill	-
Variations in scope	16.6
Reclassifications	-3.4
Currency translations	13.4
<b>06.30.15</b>	<b>355.8</b>

## 2.2 - IMPAIRMENTS

In millions of Euros	
<b>06.30.13</b>	<b>11.6</b>
Restatement for IFRS 11	-0.3
<b>06.30.13 restated for IFRS 11</b>	<b>11.3</b>
Exits	-0.1
Impairments	0.1
Variations in scope	-
Reclassifications	-
Currency translation	-0.3
<b>06.30.14 restated for IFRS 11</b>	<b>11.0</b>
Exits	-
Impairments	0.5
Variations in scope	-
Reclassifications	-1.8
Currency translation	1.2
<b>06.30.15</b>	<b>10.9</b>

## 2.3 - NET VALUES

In millions of Euros	
06.30.13 restated for IFRS 11	285.4
06.30.14 restated for IFRS 11	318.2
<b>06.30.15</b>	<b>344.9</b>

## 3 - FURTHER INFORMATION

## 3.1 - ANALYSIS BY BUSINESS SEGMENTS

In millions of Euros	06.30.15	06.30.14	
		Restated	Disclosed
Vegetable seeds	61.2	43.8	43.8
Field seeds	269.3	261.5	319.7
Garden products and Holdings	14.4	12.9	12.9
<b>Total net of impairments</b>	<b>344.9</b>	<b>318.2</b>	<b>376.4</b>

## 3.2 - VARIATIONS IN SCOPE

Variations in scope concern the following operations:

In millions of Euros	Total
<b>FISCAL YEAR 14-15 <sup>(1)</sup></b>	
Tropdicorp	16.6
<b>Total</b>	<b>16.6</b>

<b>FISCAL YEAR 13-14</b>	
Eureka	7.8
Green Land	0.4
Seed Asia International	22.9
Shamrock Seed	9.6
<b>Total</b>	<b>40.7</b>

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

## 3.3 - IMPACT OF MINORITY REDEMPTION COMMITMENTS

These concern the companies:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
None	-
<b>Total</b>	<b>-</b>

<b>FISCAL YEAR 13-14</b>	
None	-
<b>Total</b>	<b>-</b>

## NOTE 15: OTHER INTANGIBLE FIXED ASSETS

### 1 - EVOLUTION OF NET BOOK VALUES

#### 1.1 - GROSS VALUES

In millions of Euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
<b>06.30.13</b>	<b>4.9</b>	<b>1,008.1</b>	<b>245.8</b>	<b>46.1</b>	<b>43.9</b>	<b>37.8</b>	<b>5.1</b>	<b>7.0</b>	<b>1,398.7</b>
Restatement for IFRS 11	-4.9	-13.1	-7.4	-0.1	-0.8	-	-0.5	-	-26.8
<b>06.30.13 restated for IFRS 11</b>	<b>-</b>	<b>995.0</b>	<b>238.4</b>	<b>46.0</b>	<b>43.1</b>	<b>37.8</b>	<b>4.6</b>	<b>7.0</b>	<b>1,371.9</b>
Acquisitions and increases	-	135.5	-	4.0	1.0	-	-	8.8	149.3
Exits	-	-	-	-0.4	-0.3	-0.1	-1.6	-	-2.4
Variations in scope	-	-	6.3	-	0.8	0.1	1.6	-	8.8
Currency translations	-	-4.3	-1.7	-0.1	-0.3	-0.1	-	-	-6.5
Reclassifications	-	-0.8	1.5	0.3	0.2	-	-	-0.4	0.8
<b>06.30.14 restated for IFRS 11</b>	<b>-</b>	<b>1,125.4</b>	<b>244.5</b>	<b>49.8</b>	<b>44.5</b>	<b>37.7</b>	<b>4.6</b>	<b>15.4</b>	<b>1,521.9</b>
Acquisitions and increases	-	147.7	2.2	0.7	0.6	-	0.5	15.3	167.0
Exits	-	-	-	-	-0.1	-	-	-	-0.1
Variations in scope	-	-	-	-0.5	-	-	-	-	-0.5
Currency translations	-	37.1	7.8	1.7	1.0	1.2	0.7	-	49.5
Reclassifications	-	-	-	9.2	1.1	-2.0	3.1	-9.5	1.9
<b>06.30.15</b>	<b>-</b>	<b>1,310.2</b>	<b>254.5</b>	<b>60.9</b>	<b>47.1</b>	<b>36.9</b>	<b>8.9</b>	<b>21.2</b>	<b>1,739.7</b>

#### 1.2 - AMORTIZATION AND IMPAIRMENTS

In millions of Euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
<b>06.30.13</b>	<b>-</b>	<b>767.0</b>	<b>1.9</b>	<b>38.5</b>	<b>36.8</b>	<b>6.1</b>	<b>4.4</b>	<b>-</b>	<b>854.7</b>
Restatement for IFRS 11	-	-7.6	-	-	-	-	-0.2	-	-7.8
<b>06.30.13 restated for IFRS 11</b>	<b>-</b>	<b>759.4</b>	<b>1.9</b>	<b>38.5</b>	<b>36.8</b>	<b>6.1</b>	<b>4.2</b>	<b>-</b>	<b>846.9</b>
Provisions / Impairments	-	116.6	-	3.5	0.9	-	0.1	-	121.1
Exits	-	-	-	-0.4	-0.2	-	-	-	-0.6
Variations in scope	-	-	-	-	0.6	-	-	-	0.6
Currency translations	-	-2.6	-	-0.1	-0.3	-	-	-	-3.0
Reclassifications	-	-0.3	-	-	-	-	-	-	-0.3
<b>06.30.14 restated for IFRS 11</b>	<b>-</b>	<b>873.1</b>	<b>1.9</b>	<b>41.5</b>	<b>37.8</b>	<b>6.1</b>	<b>4.3</b>	<b>-</b>	<b>964.7</b>
Provisions / Impairments	-	128.3	-	3.0	1.0	-	0.1	-	132.4
Exits	-	-	-	-	-	-	-	-	-
Variations in scope	-	-	-	-0.2	-	-	-	-	-0.2
Currency translations	-	28.4	0.1	1.6	1.0	-0.1	-	-	31.0
Reclassifications	-	-	-	-0.2	0.3	-1.7	-	-	-1.6
<b>06.30.15</b>	<b>-</b>	<b>1,029.8</b>	<b>2.0</b>	<b>45.7</b>	<b>40.1</b>	<b>4.3</b>	<b>4.4</b>	<b>-</b>	<b>1,126.3</b>



## 1.3 - NET VALUES

In millions of Euros	Research costs	Development costs	Germplasm	Software	Patents and licenses	Brands	Other intangible fixed assets	Current fixed assets	Total
06.30.13 restated for IFRS 11	-	235.6	236.5	7.5	6.3	31.7	0.4	7.0	525.0
06.30.14 restated for IFRS 11	-	252.3	242.6	8.3	6.7	31.6	0.3	15.4	557.2
<b>06.30.15</b>	<b>-</b>	<b>280.4</b>	<b>252.5</b>	<b>15.2</b>	<b>7.0</b>	<b>32.6</b>	<b>4.5</b>	<b>21.2</b>	<b>613.4</b>

## 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
<b>06.30.13 (net value)</b>	<b>0.7</b>	<b>1.0</b>	<b>1.7</b>
New fixed assets	0.5	-	0.5
Fixed assets taken out	-	-	-
Currency translations	-	-	-
Reclassifications	0.2	-	0.2
Provisions for amortization	-0.2	-0.8	-1.0
<b>06.30.14 (net value)</b>	<b>1.2</b>	<b>0.2</b>	<b>1.4</b>
New fixed assets	0.2	-	0.2
Fixed assets taken out	-0.1	-	-0.1
Currency translations	0.1	-	0.1
Reclassifications	0.3	-	0.3
Provisions for amortization	-0.3	-0.2	-0.5
<b>06.30.15 (net value)</b>	<b>1.4</b>	<b>-</b>	<b>1.4</b>

## 2.2 - IMPAIRMENT

An impairment test has been conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards". The evolution is as follows:

In millions of Euros	Software	Patents and licenses	Germplasm	Brands	Other intangible fixed assets	Total
<b>06.30.13</b>	<b>0.2</b>	<b>5.8</b>	<b>0.3</b>	<b>5.8</b>	<b>-</b>	<b>12.1</b>
Fiscal year 13-14	-	- 0.2	-	-	-	-0.2
<b>06.30.14</b>	<b>0.2</b>	<b>5.6</b>	<b>0.3</b>	<b>5.8</b>	<b>-</b>	<b>11.9</b>
Fiscal year 14-15	0.1	0.6	0.1	-	-	0.8
<b>06.30.15</b>	<b>0.3</b>	<b>6.2</b>	<b>0.4</b>	<b>5.8</b>	<b>-</b>	<b>12.7</b>

## 2.3 - VARIATIONS IN SCOPE

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

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Suttons	-0.3
<b>Total</b>	<b>-0.3</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14</b>	
Shamrock Seed	6.5
Eureka	1.7
<b>Total</b>	<b>8.2</b>

## 2.4 - ANALYSIS OF GERMPASM BY BUSINESS SEGMENT

In millions of Euros	06.30.15	06.30.14	
		Restated	Disclosed
Vegetable seeds	81.8	75.3	75.3
Field seeds	170.7	167.3	174.6
Garden products and Holdings	-	-	-
<b>Total net impairment</b>	<b>252.5</b>	<b>242.6</b>	<b>249.9</b>

# 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
<b>06.30.13</b>	<b>31.0</b>	<b>211.9</b>	<b>89.2</b>	<b>146.8</b>	<b>13.9</b>	<b>57.8</b>	<b>17.9</b>	<b>568.5</b>
Restatement for IFRS 11	-2.1	-19.7	-0.6	-17.1	-2.6	-7.5	-4.8	-54.4
<b>06.30.13 restated for IFRS 11</b>	<b>28.9</b>	<b>192.2</b>	<b>88.6</b>	<b>129.7</b>	<b>11.3</b>	<b>50.3</b>	<b>13.1</b>	<b>514.1</b>
Acquisitions and increases	2.7	18.8	3.8	9.2	1.2	9.7	16.3	61.7
Exits	-	-0.6	-0.7	-0.9	-0.3	-1.2	-0.2	-3.9
Variations in scope	0.3	4.1	1.1	5.5	0.6	2.9	0.2	14.7
Currency translations	-0.8	-1.9	-	-1.7	-0.1	-0.8	-0.2	-5.5
Reclassifications	-0.3	1.8	4.2	4.2	0.2	0.8	-11.0	-0.1
<b>06.30.14 restated for IFRS 11</b>	<b>30.8</b>	<b>214.4</b>	<b>97.0</b>	<b>146.0</b>	<b>12.9</b>	<b>61.7</b>	<b>18.2</b>	<b>581.0</b>
Acquisitions and increases	0.3	11.0	2.6	8.5	0.9	5.2	17.0	45.5
Exits	-	-2.1	-0.6	-2.9	-0.1	-1.9	-	-7.6
Variations in scope	-	1.6	-	-1.7	0.1	-4.8	-	-4.8
Currency translations	0.7	9.2	-	6.2	1.0	1.6	-	18.7
Reclassifications	0.1	8.6	-10.0	21.0	0.3	0.7	-21.3	-0.6
<b>06.30.15</b>	<b>31.9</b>	<b>242.7</b>	<b>89.0</b>	<b>177.1</b>	<b>15.1</b>	<b>62.5</b>	<b>13.9</b>	<b>632.2</b>

## 1.2 - DEPRECIATION AND IMPAIRMENTS

In millions of Euros	Land and fittings	Constructions and fittings	Complex installations	Industrial equipment	Office equipment	Other tangible fixed assets	Current fixed assets	Total
<b>06.30.13</b>	<b>2.6</b>	<b>100.0</b>	<b>54.4</b>	<b>105.6</b>	<b>11.3</b>	<b>37.6</b>	<b>-</b>	<b>311.5</b>
Restatement for IFRS 11	-0.3	-8.4	-0.4	-12.0	-1.8	-3.3	-	-26.2
<b>06.30.13 restated for IFRS 11</b>	<b>2.3</b>	<b>91.6</b>	<b>54.0</b>	<b>93.6</b>	<b>9.5</b>	<b>34.3</b>	<b>-</b>	<b>285.3</b>
Provisions / Impairments	0.2	8.0	4.9	8.1	0.8	4.8	-	26.8
Exits	-	-0.5	-0.7	-0.8	-0.3	-1.0	-	-3.3
Variations in scope	-	1.2	0.7	3.3	0.5	1.9	-	7.6
Currency translations	-	-0.7	-	-0.9	-0.1	-0.2	-	-1.9
Reclassifications	-0.2	0.2	-	-	-	-0.3	-	-0.3
<b>06.30.14 restated for IFRS 11</b>	<b>2.3</b>	<b>99.8</b>	<b>58.9</b>	<b>103.3</b>	<b>10.4</b>	<b>39.5</b>	<b>-</b>	<b>314.2</b>
Provisions / Impairments	0.3	9.1	4.6	9.6	1.1	5.7	-	30.4
Exits	-	-1.7	-0.6	-2.8	-0.1	-1.6	-	-6.8
Variations in scope	-	0.4	-	-1.6	0.1	-4.5	-	-5.6
Currency translations	0.1	4.1	0.3	4.6	0.8	1.1	-	11.0
Reclassifications	-	-	-9.0	9.1	-0.1	-0.3	-	-0.3
<b>06.30.15</b>	<b>2.7</b>	<b>111.7</b>	<b>54.2</b>	<b>122.2</b>	<b>12.2</b>	<b>39.9</b>	<b>-</b>	<b>342.9</b>

## 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
06.30.13 restated for IFRS 11	26.6	100.6	34.6	36.1	1.8	16.0	13.1	228.8
06.30.14 restated for IFRS 11	28.5	114.6	38.1	42.7	2.5	22.2	18.2	266.8
<b>06.30.15</b>	<b>29.2</b>	<b>131.0</b>	<b>34.8</b>	<b>54.9</b>	<b>2.9</b>	<b>22.6</b>	<b>13.9</b>	<b>289.3</b>

## 2 - FURTHER INFORMATION

### 2.1 - FIXED ASSETS ACQUIRED BY FINANCIAL LEASING

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

In millions of Euros	Constructions and fittings	Industrial equipment	Office equipment	Other tangible fixed assets	Total
06.30.13	-	-	0.2	0.3	0.5
06.30.14	-	0.1	0.4	0.4	0.9
<b>06.30.15</b>	<b>-</b>	<b>0.1</b>	<b>0.4</b>	<b>0.3</b>	<b>0.8</b>

## 2.2 - IMPAIRMENT

An impairment test has been conducted in accordance with the methodology described in Note 1 paragraph 11 of "Accounting methods and principles in IFRS standards". The evolution is as follows:

In millions of Euros	Land	Constructions	Installations, equipment and others	Total
<b>06.30.13</b>	-	<b>0.3</b>	-	<b>0.3</b>
Fiscal year 13-14	-	-	-	-
<b>06.30.14</b>	-	<b>0.3</b>	-	<b>0.3</b>
Fiscal year 14-15	0.1	0.2	-	0.3
<b>06.30.15</b>	<b>0.1</b>	<b>0.5</b>	-	<b>0.6</b>

## 2.3 - VARIATIONS IN SCOPE

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

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Tropdicorp	2.2
Suttons	-1.4
<b>Total</b>	<b>0.8</b>
<b>FISCAL YEAR 13-14</b>	
Eureka	0.1
Limagrain Beijing Agricultural Technical Service	0.6
Limagrain Beijing Business Consulting	0.1
Seed Asia Co	3.3
Limagrain Chile	2.1
Semillas Shamrock	0.1
Shamrock Seed	0.8
<b>Total</b>	<b>7.1</b>

## 2.4 - COMMITMENTS ON LEASING CONTRACTS

In millions of Euros	Total	< 1 year	1 to 5 years	> 5 years
Direct financing lease	5.5	2.2	3.0	0.3
Simple lease contracts	51.4	12.8	28.0	10.6

## NOTE 17: FINANCIAL FIXED ASSETS

## 1 - EVOLUTION OF NET BOOK VALUES

## 1.1 - GROSS VALUES

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
<b>06.30.13 restated for IAS 19R</b>	<b>26.6</b>	<b>1.0</b>	<b>7.3</b>	<b>34.9</b>
Restatement for IFRS 11	-	-	-2.4	-2.4
<b>06.30.13 restated for IFRS 11</b>	<b>26.6</b>	<b>1.0</b>	<b>4.9</b>	<b>32.5</b>
Increases	32.3	0.1	3.9	36.3
Decreases	-	-0.1	-2.9	-3.0
Variations in scope	17.7	-	-	17.7
Currency translations	-0.1	-	-0.1	-0.2
Reclassifications	-	-0.4	-0.3	-0.7
<b>06.30.14 restated for IFRS 11</b>	<b>76.5</b>	<b>0.6</b>	<b>5.5</b>	<b>82.6</b>
Increases	0.1	0.3	20.4	20.8
Decreases	-1.9	-	-17.6	-19.5
Variations in scope	-32.2	-	0.1	-32.1
Currency translations	-	0.1	0.1	0.2
Reclassifications	-	0.8	-	0.8
<b>06.30.15</b>	<b>42.5</b>	<b>1.8</b>	<b>8.5</b>	<b>52.8</b>

## 1.2 – PROVISIONS

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
<b>06.30.13 restated for IAS 19R</b>	<b>7.7</b>	<b>-</b>	<b>0.2</b>	<b>7.9</b>
Restatement for IFRS 11	-	-	-	-
<b>06.30.13 restated for IFRS 11</b>	<b>7.7</b>	<b>-</b>	<b>0.2</b>	<b>7.9</b>
Provisions	1.6	-	-	1.6
Write-back	-	-	-0.2	-0.2
Variations in scope	17.2	-	-	17.2
Currency translations	-	-	-	-
Reclassifications	-	-	-	-
<b>06.30.14 restated for IFRS 11</b>	<b>26.5</b>	<b>-</b>	<b>-</b>	<b>26.5</b>
Provisions	6.1	-	0.1	6.2
Write-back	-1.9	-	-	-1.9
Variations in scope	-	-	-	-
Currency translations	-	-	-	-
Reclassifications	-	-	-	-
<b>06.30.15</b>	<b>30.7</b>	<b>-</b>	<b>0.1</b>	<b>30.8</b>

## 1.3 - NET VALUES

In millions of Euros	Financial assets available for sale	Other non-current financial assets	Loans and other receivables	Total
06.30.13 restated for IFRS 11	18.9	1.0	4.7	24.6
06.30.14 restated for IFRS 11	50.0	0.6	5.5	56.1
<b>06.30.15</b>	<b>11.8</b>	<b>1.8</b>	<b>8.4</b>	<b>22.0</b>

## 2 - FURTHER INFORMATION

### 2.1 - FINANCIAL ASSETS HELD FOR SALE

Unconsolidated equity interests appear on this line. They are assessed in compliance with the rules described in Note 1 paragraph 21.1 of the "Accounting methods and principles in IFRS standards".

The contents of this item are set out below:

Companies	06.30.15		06.30.14		Financial data in last known balance sheet	
	% held	Net (in M€)	% held	Net (in M€)	Equity (in M€)	Result (in M€)
Boreal Finland	6.54	0.6	6.54	0.6	8.0	0.5
Avesthagen	4.14	0.0	4.60	0.0	-9.2	-0.3
Arcadia Biosciences	5.59	10.5	7.56	16.6	-1.7	-15.3
Seed Co	-	-	21.41	32.2	-	-
Miscellaneous	-	0.7	-	0.7	-	-
<b>Total</b>		<b>11.8</b>		<b>50.1</b>		

### 2.2 - VARIATIONS IN SCOPE

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

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Seed Co	-32.2
Tropicorp	0.1
<b>Total</b>	<b>-32.1</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14</b>	
Biogemma UK	1.5
Limagrain Beijing Agricultural Technical Service	-1.0
<b>Total</b>	<b>0.5</b>

## NOTE 18: EQUITY SHARES

## 1 - DETAILS OF EQUITY SHARES ARE AS FOLLOWS

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
AgReliant Inc	8.9	7.4	-	7.4	-
AgReliant LLC	170.1	139.1	-	135.7	-
Australian Grain Technologies	17.5	14.8	14.8	11.4	11.4
Bio Seeds	3.2	3.3	3.3	3.1	3.1
DLF France	1.7	1.7	1.7	1.7	1.7
Genective	5.8	5.7	-	5.6	-
Genoplante-Valor	1.5	1.4	1.4	1.4	1.4
GIE Semences de Brie	0.2	0.2	-	0.2	-
Seed Co	70.5	-	-	-	-
Soltis	13.5	12.9	-	12.5	-
Unisigma	0.1	0.2	0.2	0.3	0.3
<b>Total</b>	<b>293.0</b>	<b>186.7</b>	<b>21.4</b>	<b>179.3</b>	<b>17.9</b>
<b>Variation for the fiscal year</b>	<b>106.3</b>	<b>7.4</b>	<b>3.5</b>		

## 2 - FURTHER INFORMATION

Variation for the fiscal year corresponds to the items below:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Proportion of income for the fiscal year	29.4	23.9	3.8
> AgReliant Inc	1.2	0.6	-
> AgReliant LLC	20.8	18.5	-
> Australian Grain Technologies	2.8	3.6	3.6
> Bio Seeds	-0.1	0.2	0.2
> DLF France	-	-	-
> Genective	0.1	0.1	-
> Genoplante-Valor	-	-	-
> GIE Semences de Brie	-	-	-
> Seed Co	3.8	-	-
> Soltis	0.9	0.9	-
> Unisigma	-0.1	-	-
Variation in scope, variation in percentages of interest and others	54.3	-	-
Distributions	-10.5	-12.5	-0.1
Currency translation	33.1	-4.0	-0.2
<b>Total</b>	<b>106.3</b>	<b>7.4</b>	<b>3.5</b>



### 3 - FINANCIAL INFORMATION OF THE MAIN EQUITY SHARES

#### 3.1 - FOR FISCAL YEAR 2014-2015

In millions of Euros	Bio Seeds <sup>(1)</sup>	DLF France	Unisigma	Genoplante- Valor <sup>(2)</sup>	Australian Grain Technologies <sup>(3)</sup>	AgReliant Inc	AgReliant LLC	Genective	GIE Semences de Brie	Soltis	Seed Co <sup>(4)</sup>
Sales	18.4	21.8	2.5	0.4	23.7	31.6	491.8	-	1.4	14.5	78.8
Net income	-0.2	0.1	-0.1	-	8.8	2.4	41.5	0.1	-	1.2	12.5
Assets	17.7	8.2	2.1	4.6	41.5	40.7	395.1	14.2	1.6	35.8	167.1
Liabilities (excluding equity)	4.1	3.2	1.6	1.0	9.4	23.4	191.6	12.3	1.2	17.6	35.0

(1) Accounts closed on December 31, 2013

(2) Accounts closed on December 31, 2014

(3) Accounts closed on September 30, 2014

(4) Accounts closed on March 31, 2015

#### 3.2 - FOR FISCAL YEAR 2013-2014

##### 3.2.1 Fiscal year 2013-2014 restated for IFRS 11

In millions of Euros	Bio Seeds <sup>(1)</sup>	DLF France	Unisigma	Genoplante- Valor <sup>(1)</sup>	Australian Grain Technologies <sup>(2)</sup>	AgReliant Inc	AgReliant LLC	Genective	GIE Semences de Brie	Soltis
Sales	18.4	21.4	2.5	0.6	13.1	28.8	458.8	-	1.4	13.7
Net income	-0.2	0.1	-	-	8.9	1.2	36.6	0.1	-	1.3
Assets	17.7	8.1	2.2	6.0	29.6	34.4	350.5	16.0	1.5	35.4
Liabilities (excluding equity)	4.1	3.1	1.6	2.3	6.2	20.0	200.2	14.3	1.2	17.9

(1) Accounts closed on December 31, 2013

(2) Accounts closed on September 30, 2013

##### 3.2.2 Fiscal year 2013-2014 disclosed

In millions of Euros	Bio Seeds <sup>(1)</sup>	DLF France	Unisigma	Genoplante-Valor <sup>(1)</sup>	Australian Grain Technologies <sup>(2)</sup>
Sales	18.4	21.4	2.5	0.6	13.1
Net income	- 0.2	0.1	-	-	8.9
Assets	17.7	8.1	2.2	6.0	29.6
Liabilities (excluding equity)	4.1	3.1	1.6	2.3	6.2

(1) Accounts closed on December 31, 2013

(2) Accounts closed on September 30, 2013

## NOTE 19: INVENTORIES

## 1 - EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.15			06.30.14 Restated for IFRS 11			06.30.14 Disclosed		
	Gross value	Provision	Net value	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	133.5	-1.7	131.8	93.5	-4.8	88.7	99.1	-5.6	93.5
Production in progress	141.4	-16.7	124.7	115.5	-17.4	98.1	124.1	-17.7	106.4
Goods	81.5	-7.2	74.3	77.6	-6.7	70.9	77.6	-6.7	70.9
Finished products	147.4	-16.2	131.2	126.3	-18.4	107.9	177.8	-24.7	153.1
<b>Total</b>	<b>503.8</b>	<b>-41.8</b>	<b>462.0</b>	<b>412.9</b>	<b>-47.3</b>	<b>365.6</b>	<b>478.6</b>	<b>-54.7</b>	<b>423.9</b>
Variation for the fiscal year			96.4			44.7			71.5

In millions of Euros	06.30.13 Restated for IFRS 11			06.30.13 Disclosed		
	Gross value	Provision	Net value	Gross value	Provision	Net value
Raw materials and other supplies	86.3	-5.1	81.2	90.7	-5.7	85.0
Production in progress	109.5	-12.2	97.3	117.8	-12.4	105.4
Goods	64.4	-6.9	57.5	64.4	-7.0	57.4
Finished products	108.2	-23.3	84.9	131.8	-27.2	104.6
<b>Total</b>	<b>368.4</b>	<b>-47.5</b>	<b>320.9</b>	<b>404.7</b>	<b>-52.3</b>	<b>352.4</b>
Variation for the fiscal year						

## 2 - FURTHER INFORMATION

## 2.1 - VARIATIONS FOR THE FISCAL YEAR CORRESPOND TO THE FOLLOWING ITEMS:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Variations in scope (net of provisions)	-0.3	6.9	6.9
Variations in gross values	74.4	44.8	76.0
Variations in provisions including:	7.4	0.2	-2.5
> New provisions	-21.2	-27.6	-35.3
> Provisions used	25.5	26.0	31.0
> Provisions written back	3.1	1.8	1.8
Reclassifications	-	-0.1	-0.1
Currency translations	14.9	-7.1	-8.8
<b>Total</b>	<b>96.4</b>	<b>44.7</b>	<b>71.5</b>

## 2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Tropdicorp	2.3
Suttons	-2.6
<b>Total</b>	<b>-0.3</b>
<b>FISCAL YEAR 13-14</b>	
Eureka	0.9
Green Land	0.5
Seed Asia Cambodia	0.1
Seed Asia Co	1.5
Limagrain Chile	-0.2
Semillas Shamrock	0.3
Shamrock Seed	3.8
<b>Total</b>	<b>6.9</b>

## 2.3 - PROVISIONS

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

- On June 30, 2013 restated for IFRS 11: 12.9%
- On June 30, 2014 restated for IFRS 11: 11.5%
- On June 30, 2015: 8.3%

## NOTE 20: TRADE RECEIVABLES

### 1 - EVOLUTION OF NET BOOK VALUES

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
Customer receivables	354.4	348.6	409.9	349.6	418.4
Advance payment to suppliers	18.1	33.1	32.6	31.3	31.3
Personnel and social security	0.9	0.8	0.8	0.6	0.6
State, income taxes	58.3	57.1	57.1	35.5	50.4
Other tax receivables	42.8	40.2	43.6	50.4	39.1
Other operating receivables	15.7	21.6	22.2	17.4	17.2
Prepayments	14.4	13.6	15.3	12.8	14.6
<b>Gross total</b>	<b>504.6</b>	<b>515.0</b>	<b>581.5</b>	<b>497.6</b>	<b>571.6</b>
Customer receivables	-14.2	-14.6	-15.6	-13.4	-14.7
Advance payment to suppliers	-0.4	-0.4	-0.4	-	-
Other operating receivables	-	-	-	-	-
<b>Total provisions</b>	<b>-14.6</b>	<b>-15.0</b>	<b>-16.0</b>	<b>-13.4</b>	<b>-14.7</b>
<b>Net book values</b>	<b>490.0</b>	<b>500.0</b>	<b>565.5</b>	<b>484.2</b>	<b>556.9</b>
<b>Variation for the fiscal year</b>	<b>-10.0</b>	<b>15.8</b>	<b>8.6</b>		

## 2 - FURTHER INFORMATION

## 2.1 - VARIATIONS FOR THE FISCAL YEAR COMPRISE THE FOLLOWING MAIN ITEMS:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Variations in scope (net of provisions)	-1.7	17.4	17.3
Variations in provisions including:	0.5	-1.5	-1.3
> New provisions	-4.8	-4.8	-5.5
> Provisions used	2.2	1.8	2.1
> Provisions written back	3.1	1.5	2.1
Other variations	-13.1	15.1	10.9
Reclassifications	1.1	-0.3	-0.3
Currency translations	3.2	-14.9	-18.0
<b>Total</b>	<b>-10.0</b>	<b>15.8</b>	<b>8.6</b>

## 2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Tropicorp	0.3
Suttons	-2.0
<b>Total</b>	<b>-1.7</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Restated for IFRS 11</b>	
Eureka	6.2
Green Land	1.0
Limagrain Beijing Agricultural Technical Service	0.2
Limagrain Beijing Business Consulting	0.2
Seed Asia Cambodia	0.1
Seed Asia International	0.1
Seed Asia Co	2.4
Limagrain Chile	3.2
Semillas Shamrock	0.9
Shamrock Seed	3.1
<b>Total</b>	<b>17.4</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Disclosed</b>	
Eureka	6.2
Green Land	1.0
Limagrain Beijing Agricultural Technical Service	0.2
Limagrain Beijing Business Consulting	0.2
Seed Asia Cambodia	0.1
Seed Asia International	0.1
Seed Asia Co	2.4
Limagrain Chile	3.1
Semillas Shamrock	0.9
Shamrock Seed	3.1
<b>Total</b>	<b>17.3</b>

## NOTE 21: CASH AND CASH EQUIVALENTS

### 1 - EVOLUTION OF FAIR VALUES

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
Financial current accounts	3.4	3.3	1.8	3.5	2.1
Placement securities held for purposes of transaction	71.0	174.9	176.7	163.1	163.1
Cash and bank in hand	299.0	173.3	196.4	151.3	194.9
<b>Total</b>	<b>373.4</b>	<b>351.5</b>	<b>374.9</b>	<b>317.9</b>	<b>360.1</b>
<b>Variation for the fiscal year</b>	<b>21.9</b>	<b>33.6</b>	<b>14.8</b>		

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

### 2 - FURTHER INFORMATION

#### 2.1 - ANALYSIS OF THE VARIATIONS FOR THE FISCAL YEAR:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Variations in scope	9.5
Variation in gross values	6.3
Currency translations	6.1
Reclassifications	-
<b>Total</b>	<b>21.9</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Restated for IFRS 11</b>	
Variations in scope	2.7
Variation in gross values	35.1
Currency translations	-4.2
Reclassifications	-
<b>Total</b>	<b>33.6</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Disclosed</b>	
Variations in scope	2.7
Variation in gross values	17.6
Currency translations	-5.5
Reclassifications	-
<b>Total</b>	<b>14.8</b>

#### 2.2 - VARIATIONS IN SCOPE CONCERN:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Tropdicorp	4.8
Suttons	4.7
<b>Total</b>	<b>9.5</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14</b>	
Biogemma UK	-1.1
Ceekay Seeds	0.1
Eureka	0.3
Limagrain Beijing Agricultural Technical Service	0.5
Limagrain Beijing Business Consulting	0.2
Seed Asia Co	1.3
Limagrain Chile	1.8
Shamrock Seed	-0.4
<b>Total</b>	<b>2.7</b>

## NOTE 22: SHAREHOLDERS' EQUITY - ATTRIBUTABLE TO CONTROLLING COMPANY

## 1 - COMPOSITION OF THE SHAREHOLDERS' EQUITY

In millions of Euros	06.30.15	06.30.14	06.30.13	
			Restated for IAS 19R	Disclosed
Parent capital stock	317.7	288.8	288.8	288.8
Issue premium	350.5	350.5	350.5	350.5
Parent legal reserve	20.7	18.7	17.6	17.6
Other parent reserves	-2.5	20.2	30.3	30.3
Consolidation reserves and others	361.0	320.8	244.4	263.0
Currency translation reserves	38.1	-45.7	-23.9	-23.8
Income for the fiscal year	72.9	84.1	101.8	99.4
<b>Total</b>	<b>1,158.4</b>	<b>1,037.4</b>	<b>1,009.5</b>	<b>1,025.8</b>
<b>Variation for the fiscal year</b>	<b>121.0</b>	<b>27.9</b>		

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

## 2 - FURTHER INFORMATION

## 2.1 - VILMORIN &amp; CIE'S CAPITAL STOCK:

Vilmorin & Cie's capital stock comprises 20,833,902 shares, each with a nominal value of 15.25 Euros. Over the course of fiscal year 2014-2015 it was increased by 28,883,362.75 Euros following the free allotment of 1,893,991 shares, through the incorporation of reserves, with one new share allotted for every ten old shares held.

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 Meeting may cast as many votes as the number of shares he or she owns or represents, without any limits.

Nevertheless, double voting rights compared to other shares, considering the share capital quota they represent, are granted to any shares fully paid up for which it can be shown 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 capital 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.

## 2.2 - CHARACTERISTICS OF THE OCEANE BONDS

## (BONDS CONVERTIBLE INTO NEW OR EXISTING SHARES):

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

■ Characteristics of the OCEANE convertible bonds issued by Vilmorin & Cie:

Issuing company	Vilmorin & Cie
Date of entitlement	06.06.08
Number of bonds issued	958,579
Number of bonds in circulation	957,483 <sup>(1)</sup>
Issue premium	€155.96
Total income from the issue	€149.5 million
Interest rate	4.5% i.e. €7.0182 per bond
Due date	July 1, 2015 with possibility of early redemption on July 1, 2013
Normal redemption conditions	1.31 Vilmorin & Cie share for 1 bond

(1) Since the issue date of the OCEANE bonds, a number of requests for conversion have been accepted, representing 21 OCEANE bonds in July 2010 and 108 in March 2013. In July 2013, there was early redemption of 790 OCEANE bonds. In June 2015, a conversion request was made for 177 OCEANE bonds. Therefore on June 30, 2015, a total of 957,483 OCEANE bonds remained in circulation.

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

In millions of Euros	Gross total of OCEANE bonds	Impact on the balance sheet		
		Debt component	Deferred taxes liabilities	Equity component
<b>06.30.13</b>	<b>149.5</b>	<b>149.5</b>	<b>-</b>	<b>-</b>
Restatement of the interest on the debt component in 2013-2014	-	-	-	-
Redemption OCEANE bonds	-	- 0.1	-	0.1
<b>06.30.14</b>	<b>149.5</b>	<b>149.4</b>	<b>-</b>	<b>0.1</b>
Restatement of the interest on the debt component in 2014-2015	-	-	-	-
Redemption OCEANE bonds	-	- 0.1	-	0.1
<b>06.30.15</b>	<b>149.5</b>	<b>149.3</b>	<b>-</b>	<b>0.2</b>

## NOTE 23: SHAREHOLDERS' EQUITY– ATTRIBUTABLE TO NON-CONTROLLING MINORITIES

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

In millions of Euros	06.30.15	06.30.14	06.30.13	
			Restated for IAS 19R	Disclosed
Consolidation reserve and others	116.1	125.6	121.7	122.2
Currency translation reserve	-5.5	-7.1	-5.3	-5.3
Income for the fiscal year	3.0	4.2	7.6	7.6
<b>Total</b>	<b>113.6</b>	<b>122.7</b>	<b>124.0</b>	<b>124.5</b>
<b>Variation for the fiscal year</b>	<b>-9.1</b>	<b>-1.3</b>		

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

### 2 - FURTHER INFORMATION

■ Characteristics of the bonds redeemable as shares (ORA) issued by Limagrain Europe:

Issuing company	Limagrain Europe
Date of entitlement	June 28, 2012
Number of securities issued	86,128
Issue premium	€647
Total income from the issue	€55.7 million
Interest rate	1.0% <sup>(1)</sup>
Due date	June 28, 2020
Normal redemption conditions	1 Limagrain Europe share for 1 bond

(1) The exact remuneration is 1% plus the amount of any dividend paid out per Limagrain Europe share for the last closed fiscal year.



■ The impact on the bonds redeemable as shares (ORA) is as follows:

In millions of Euros	Gross total of ORA bonds	Impact on the balance sheet		
		Debt component	Deferred taxes assets	Equity component
<b>06.30.13</b>	<b>55.7</b>	<b>3.3</b>	<b>-1.2</b>	<b>53.6</b>
Restatement of the interest on the debt component	-	-0.5	0.2	0.3
<b>06.30.14</b>	<b>55.7</b>	<b>2.8</b>	<b>-1.0</b>	<b>53.9</b>
Restatement of the interest on the debt component	-	-0.4	0.2	0.2
<b>06.30.15</b>	<b>55.7</b>	<b>2.4</b>	<b>0.8</b>	<b>54.1</b>

## NOTE 24: PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits are analyzed as follows:

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
Provisions for lump sums paid at retirement	17.5	15.2	15.3
Commitments for "work medal" bonuses and other benefits	0.9	0.8	0.8
Pension schemes	39.3	30.4	30.4
<b>Provisions for employee benefits</b>	<b>57.7</b>	<b>46.4</b>	<b>46.5</b>
Financial assets	-1.2	-0.3	-0.3
<b>Net recorded commitment</b>	<b>56.5</b>	<b>46.1</b>	<b>46.2</b>

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

In accordance with the laws and practices of each country in which it operates, Vilmorin & Cie has obligations with regard to employee benefits:

- Unfunded pension and other post-retirement benefit obligations mainly concern French companies,
- Commitments for "work medal" bonuses and other benefits also mainly concern French companies,
- Commitments with regard to pension plans and similar schemes are the responsibility of the non-French subsidiaries.

Taking Vilmorin & Cie as a whole, three countries represent around 85% of the commitments: the United Kingdom, the United States and France.

In the United Kingdom there are two types of defined benefit pension plans representing 54% of the group's commitments. These plans provide for the payment of a lifetime pension as of when the employee retires, the amount of which depends on

the seniority and the salary. The plans are funded by the group and managed by a board of directors. These plans are no longer available to new employees, but the acquisition of rights is ongoing in the main plan and rights were frozen in 2006 in the other plan.

In the United States, there is a defined benefit pension plan representing 23% of the group's commitments.

This plan provides for the payment of a lifetime pension as of when the employee retires, the amount of which depends on the seniority and the salary. The plan is funded by the group. This plan was closed off to new employees in 2012. A defined contributions plan also forms part of the provisions.

In France, the plan comprising lump sums paid at retirement represents 8% of the Group's commitments.

This plan provides for the payment of a lump sum, the amount of which depends on the seniority, the salary and any rights set down in the collective bargaining agreement at the date when retirement is taken.

Vilmorin & Cie's commitments are assessed by independent actuaries.

## 1 - EVOLUTION OVER THE COURSE OF THE FISCAL YEAR

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

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
<b>Current value of obligations at opening of the fiscal year</b>	<b>173.1</b>	<b>154.5</b>	<b>154.6</b>
Cost of services rendered for the year (net of contributions)	4.3	3.9	3.9
Financial cost	7.1	6.5	6.5
Participants' contributions	0.3	0.3	0.3
Welfare services paid out	-8.3	-6.7	-6.7
Cost of past services recorded	0.1	0.1	0.1
Effect of liquidation / reduction of future services	-	-	-
Currency translations and others	22.2	3.8	3.8
Variations in scope	-	-	-
Revaluations	18.1	10.7	10.7
> Changes in demographic hypotheses	5.1	-	-
> Changes in financial hypotheses	4.6	8.2	8.2
> Adjustments linked to experience	8.4	2.5	2.5
<b>Current value of obligations at close of the fiscal year (a)</b>	<b>216.9</b>	<b>173.1</b>	<b>173.2</b>

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

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
<b>Fair value of forward assets at opening of the fiscal year</b>	<b>127.0</b>	<b>109.7</b>	<b>109.7</b>
Financial charges	5.6	4.8	4.8
Expected returns on forward assets	11.5	7.9	7.9
Employers' contributions	4.3	5.8	5.8
Participants' contributions	0.3	0.3	0.3
Welfare services paid out	-7.0	-5.7	-5.7
Effect of liquidation / reduction of future services	-	-	-
Variations in scope	-	-	-
Currency translations and others	18.7	4.2	4.2
<b>Fair value of forward assets at close of the fiscal year (b)</b>	<b>160.4</b>	<b>127.0</b>	<b>127.0</b>

Reconciliation of balance sheet data with the actuarial obligation concerning defined contribution schemes and other long-term benefits can be analyzed as follows on June 30, 2015:

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
Adjusted value of the commitment	216.9	173.1	173.2
Fair value of assets of schemes	-160.4	-127.0	-127.0
<b>Provisions for employee benefits (a - b)</b>	<b>56.5</b>	<b>46.1</b>	<b>46.2</b>

## 2 - IMPACTS ON THE GLOBAL INCOME

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

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Cost of services rendered	4.3	3.9	3.9
Cost of past services recorded	0.1	0.1	0.1
Net financial cost	1.5	1.7	1.7
Recognized actuarial losses or gains	-	-	-
Effect of liquidations / reductions	-	-	-
Other charges	-	-	-
<b>Recorded charge</b>	<b>5.9</b>	<b>5.7</b>	<b>5.7</b>

### Other items in the global income

Revaluations are recorded in the other items of the global income, and can be analyzed as follows:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Returns on forward assets	-11.5	-7.9	-7.9
Actuarial losses or gains	18.1	10.7	10.7
> Changes in demographic hypotheses	5.1	-	-
> Changes in financial hypotheses	4.6	8.2	8.2
> Adjustments linked to experience	8.4	2.5	2.5
Statement of the capping of assets	-	-	-
<b>Items recognized in the statement of the global income during the fiscal year</b>	<b>6.6</b>	<b>2.8</b>	<b>2.8</b>

## 3 - ACTUARIAL HYPOTHESES

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

### ■ Europe

As a %		Europe (except United Kingdom)		United Kingdom	
		2015	2014	2015	2014
<b>Average duration of the plan</b>	<b>year</b>	<b>13.70</b>	<b>13.20</b>	<b>17.60</b>	<b>15.70</b>
Adjustment rate		2.00	2.40	3.60	4.30
Salaries progression rate	%	2.59	2.90	2.70	3.05
Inflation rate		1.75	2.00	2.90	3.26

### ■ Americas

As a %		2015	2014
<b>Average duration of the plan</b>	<b>year</b>	<b>15.60</b>	<b>14.10</b>
Adjustment rate		4.50	4.40
Salaries progression rate	%	3.00	3.00
Inflation rate		Not available	Not available

### ■ Middle East and Asia

As a %		2015	2014
<b>Average duration of the plan</b>	<b>year</b>	<b>7.10</b>	<b>8.00</b>
Adjustment rate		3.03	2.34
Salaries progression rate	%	2.48	3.20
Inflation rate		1.47	2.10

The rates presented above are average rates weighted by the commitment at the date when the accounts were closed.

The adjustment rates in the United Kingdom, the United States and in the Euro zone are determined using bond yield curves, built up on the basis of a high-quality basket of corporate bonds (rated AA) whose maturity correspond to the weighted average duration (by commitment) of the plans being assessed.

The inflation rates used correspond to the long-term objectives of the central banks in the above-mentioned monetary zones.

Assessment of the group's commitments is subject to the volatility of adjustment rates.

A 25 percentage-point increase in the adjustment rate cuts the value of the commitment by 1.74%, which is 6.5 million Euros. A 25 percentage-point drop in the adjustment rate increases the value of the commitment by 5.49%, which is 9.1 million Euros.

#### 4 - NATURE OF THE ASSETS OF THE PLANS

The assets for the plans are invested in the following:

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
<b>Listed assets</b>	<b>151.0</b>	<b>119.1</b>	<b>119.1</b>
Shares	82.2	69.0	69.0
Government bonds	17.3	13.3	13.3
Corporate bonds	39.9	30.2	30.2
Cash and cash equivalents	1.3	0.9	0.9
Other listed securities	8.3	4.1	4.1
Real estate	2.0	1.6	1.6
<b>Unlisted assets</b>	<b>9.4</b>	<b>7.9</b>	<b>7.9</b>
Real estate	0.4	0.4	0.4
Insurance contracts	9.0	7.5	7.5
<b>Total</b>	<b>160.4</b>	<b>127.0</b>	<b>127.0</b>

The assets for the plans do not include land or premises occupied by the group's companies or other assets used or issued by the group.

#### 5 - PROJECTED CASH FLOWS

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
<b>Estimate of the benefits to be paid out</b>			
< 1 year	6.7	5.2	5.2
From 2 to 5 years	36.6	30.9	30.9
From 6 to 10 years	42.9	36.2	36.2
<b>Employer contributions planned for N+1</b>	<b>4.4</b>	<b>1.5</b>	<b>1.5</b>

## 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
<b>06.30.13 restated for IAS 19R</b>	<b>28.3</b>	<b>93.4</b>	<b>5.1</b>	<b>-3.5</b>
Restatement IFRS 11	-	-3.6	-	-
<b>06.30.13 restated for IFRS 11</b>	<b>28.3</b>	<b>89.8</b>	<b>5.1</b>	<b>-3.5</b>
Variations in scope	0.3	2.7	-	-
Variations influencing income	1.3	9.0	-7.7	-
Reclassifications	-1.5	-1.0	-	-
Variations influencing reserves	2.5	2.9	-	-0.4
Currency translations	-1.1	-0.7	-	-
<b>06.30.14 restated for IFRS 11</b>	<b>29.8</b>	<b>102.7</b>	<b>-7.7</b>	<b>-0.4</b>
Variations in scope	-	-0.3	-	-
Variations influencing income	20.3	11.6	8.7	-
Reclassifications	-2.5	-1.4	-	-
Variations influencing reserves	2.3	-0.1	-	2.4
Currency translations	2.0	2.1	-	-
<b>06.30.15</b>	<b>51.9</b>	<b>114.6</b>	<b>8.7</b>	<b>2.4</b>

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

## 2 - FURTHER INFORMATION

## 2.1 - VARIATIONS IN SCOPE

Variations in scope concern:

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities
<b>FISCAL YEAR 14-15</b>		
Suttons	-	-0.3
<b>Total</b>	<b>-</b>	<b>-0.3</b>
<b>FISCAL YEAR 13-14</b>		
Green Land	0.1	-
Shamrock Seed	0.2	2.7
<b>Total</b>	<b>0.3</b>	<b>2.7</b>

## 2.2 - VARIATIONS INFLUENCING RESERVES

In millions of Euros	Deferred taxes assets	Deferred taxes liabilities	Net deferred taxes
<b>FISCAL YEAR 14-15</b>			
Hedges	-0.2	-0.1	-0.1
Restatement of ORA bonds and OCEANE bonds	-	-	-
Change in tax rate on valuation gap	-	0.1	-0.1
Research costs	-	-	-
Restatement of pension commitments - IAS 19R	2.5	-0.1	2.6
<b>Total</b>	<b>2.3</b>	<b>-0.1</b>	<b>2.4</b>
<b>FISCAL YEAR 13-14 RESTATED FOR IFRS 11</b>			
Hedges	0.2	0.1	0.1
Restatement of ORA bonds and OCEANE bonds	-	-	-
Change in tax rate on valuation gap	-	-	-
Research costs	-	-	-
Restatement of pension commitments - IAS 19R	2.3	2.8	-0.5
<b>Total</b>	<b>2.5</b>	<b>2.9</b>	<b>-0.4</b>
<b>FISCAL YEAR 13-14 DISCLOSED</b>			
Hedges	0.2	0.1	0.1
Restatement of ORA bonds and OCEANE bonds	-	-	-
Change in tax rate on valuation gap	-	-	-
Research costs	-	-	-
Restatement of pension commitments - IAS 19R	2.4	2.8	-0.4
<b>Total</b>	<b>2.6</b>	<b>2.9</b>	<b>-0.3</b>

## NOTE 26: OTHER CURRENT PROVISIONS

### 1 - EVOLUTION OF BOOK VALUES

In millions of Euros	06.30.15	06.30.14	06.30.13
Commercial litigation	2.5	1.8	1.6
Other risks and litigation	8.2	17.4	10.2
Reorganization costs	0.5	1.2	2.3
Employee benefits	-	-	-
<b>Total</b>	<b>11.2</b>	<b>20.4</b>	<b>14.1</b>
<b>Variation for the fiscal year</b>	<b>-9.2</b>	<b>6.3</b>	<b>3.3</b>

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	
<b>FISCAL YEAR 14-15</b>	
Variations in scope	-
Variations in provisions	-9.3
> Provisions for the fiscal year	6.0
> Write-back used	-10.5
> Write-back not used	-4.8
Reclassifications	-
Currency fluctuations	0.1
<b>Total</b>	<b>-9.2</b>

## 2.2 - VARIATIONS IN SCOPE CONCERN THE FOLLOWING OPERATIONS:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
None	-
<b>Total</b>	<b>-</b>

In millions of Euros	
<b>FISCAL YEAR 13-14</b>	
Variations in scope	0.2
Variations in provisions	6.2
> Provisions for the fiscal year	10.8
> Write-back used	- 4.2
> Write-back not used	- 0.6
Reclassifications	0.1
Currency fluctuations	-
<b>Total</b>	<b>6.3</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14</b>	
Ceekay Seeds	0.1
Eureka	0.1
<b>Total</b>	<b>0.2</b>



## NOTE 27: CURRENT AND NON-CURRENT FINANCIAL DEBTS

### 1 - COMPOSITION OF THE FINANCIAL DEBTS

#### 1.1 - NON-CURRENT FINANCIAL DEBTS

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
Debt component of the bonds redeemable as shares (ORA) <sup>(1)</sup>	2.0	2.4	2.4	2.9	2.9
Debt component of the OCEANE convertible bonds <sup>(2)</sup>	-	149.4	149.4	149.5	149.5
Bank loans	119.4	90.0	90.0	229.0	229.0
Minority redemption commitments	4.7	4.4	4.4	4.9	4.9
Lease/hire purchase	0.5	0.7	0.7	0.5	0.5
Derivatives <sup>(3)</sup>	1.9	-4.3	-4.3	-0.7	-0.7
Other financial debts	580.3	430.4	430.6	130.3	130.6
<b>Total</b>	<b>708.8</b>	<b>673.0</b>	<b>673.2</b>	<b>516.4</b>	<b>516.7</b>
<b>Variation for the fiscal year</b>	<b>35.8</b>	<b>156.6</b>	<b>156.5</b>		

(1) cf. Note 23. (2) cf. Note 22. (3) cf. Note 30

#### 1.2 - CURRENT FINANCIAL DEBTS

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
Debt component of the bonds redeemable as shares (ORA) <sup>(1)</sup>	0.4	0.4	0.4	0.4	0.4
Debt component of the OCEANE convertible bonds <sup>(2)</sup>	149.3	-	-	-	-
Bank loans	162.6	183.2	183.7	163.1	163.1
Lease/hire purchase	0.3	0.3	0.3	0.2	0.2
Derivatives <sup>(2)</sup>	-1.5	-1.0	-1.0	-0.6	-0.6
Current accounts	-	0.1	1.6	1.3	2.8
Interest incurred	10.8	9.8	9.8	8.2	8.2
Other financial debts	2.9	0.7	0.8	6.0	6.3
<b>Total</b>	<b>324.8</b>	<b>193.5</b>	<b>195.6</b>	<b>178.6</b>	<b>180.4</b>
<b>Variation for the fiscal year</b>	<b>131.3</b>	<b>14.9</b>	<b>15.2</b>		

(1) cf. Note 23. (2) cf. Note 22. (3) cf. Note 30

#### 1.3 - NET FINANCIAL INDEBTEDNESS

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

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
Non-current financial debts	708.8	673.0	673.2	516.4	516.7
Current financial debts	324.8	193.5	195.6	178.6	180.4
Cash and bank in hand <sup>(1)</sup>	-373.4	-351.5	-374.9	-317.9	-360.1
<b>Net financial debts</b>	<b>660.2</b>	<b>515.0</b>	<b>493.9</b>	<b>377.1</b>	<b>337.0</b>
<b>Variation for the fiscal year</b>	<b>145.2</b>	<b>137.9</b>	<b>156.9</b>		

The rules applied for recording financial debts are described in Note 1 paragraphs 21.3, 21.4 and 23 of the "Accounting methods and principles in IFRS standards".

(1) Cf. Note 21.

## 2 - FURTHER INFORMATION

## 2.1 - ANALYSIS OF THE EVOLUTION OF THE FINANCIAL DEBT

## 2.1.1 The main variations in financial indebtedness are as follows:

In millions of Euros	Non-current financial debts	Current financial debts	Total
<b>06.30.13</b>	<b>516.7</b>	<b>180.4</b>	<b>697.1</b>
Restatement for IFRS 11	-0.3	-1.8	-2.1
<b>06.30.13 restated for IFRS 11</b>	<b>516.4</b>	<b>178.6</b>	<b>695.0</b>
Increase	339.5	-	339.5
Decrease	-155.3	-18.1	-173.4
Variations in scope	6.3	7.4	13.7
Currency translations	-1.6	-1.6	-3.2
Reclassifications	-27.6	27.6	-
Restatement of the OCEANE convertible bonds <sup>(1)</sup>	-0.1	-	-0.1
Restatement of the shares redeemable as shares (ORA) <sup>(2)</sup>	-0.5	-	-0.5
Restatement of derivatives	-3.6	-0.4	-4.0
Minority redemption commitment	-0.5	-	-0.5
<b>06.30.14 restated for IFRS 11</b>	<b>673.0</b>	<b>193.5</b>	<b>866.5</b>
Increase	175.1	-	175.1
Decrease	-0.2	-22.2	-22.4
Variations in scope	-	-	-
Currency translations	10.3	-1.4	8.9
Reclassifications	-6.1	6.1	-
Restatement of the OCEANE convertible bonds <sup>(1)</sup>	-149.4	149.3	-0.1
Restatement of the shares redeemable as shares (ORA) <sup>(2)</sup>	-0.4	-	-0.4
Restatement of derivatives	6.2	-0.5	5.7
Minority redemption commitment	0.3	-	0.3
<b>06.30.15</b>	<b>708.8</b>	<b>324.8</b>	<b>1,033.6</b>

(1) cf. Note 22. (2) cf. Note 23.

## 2.1.2 Variations in scope concern:

In millions of Euros	Non-current financial debts	Current financial debts	Total
<b>FISCAL YEAR 14-15</b>			
None	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FISCAL YEAR 13-14</b>			
Eureka	-	0.3	0.3
Green Land	-	0.3	0.3
Seed Asia Co	1.6	1.6	3.2
Limagrain Chile	-	5.2	5.2
Shamrock Seed	4.7	-	4.2
<b>Total</b>	<b>6.3</b>	<b>7.4</b>	<b>13.7</b>

## 2.2 - INFORMATION ON THE BOND LOANS

These loans have the following characteristics:

Issuer	Vilmorin & Cie (OCEANE) <sup>(1)</sup>	Vilmorin & Cie	Vilmorin & Cie
Date of issue	June 6, 2008	May 26, 2014	March 11, 2015
Amount involved	€149.5 million	€300 million	€150 million
Due date (bullet amortization)	July 1, 2015	May 26, 2021	May 26, 2021
Possibility of early redemption	July 1, 2013	-	-
Interest rate	4.50%	2.375% <sup>(2)</sup>	2.375% <sup>(2)</sup>

(1) cf. Note 22. (2) Excluding the issue premium

## 2.3 - INFORMATION ON BANK LOANS

The main mid- and long-term bank loans have been granted, in the form of syndicated loan agreements, by a banking syndicate. A new syndicated credit agreement was signed in May 2014 for a total of 300 million Euros over a five-year period with a fixed redemption, with an extension clause of 2 years. A first extension option was exercised in 2015 bringing the due date forward to 2020.

The different loans involve default clauses concerning the respect of certain ratios tested every year that, in certain conditions, are liable to lead to their being payable earlier than planned.

The characteristics are as follows:

■ Original amount of the loan	€300 million	€130 million
■ Company to which the loan was granted	Vilmorin & Cie <sup>(1)</sup>	Vilmorin & Cie <sup>(2)</sup>
■ Outstanding		
> On June 30, 2014	€0 million	€130 million
> On June 30, 2015	€0 million	€130 million
■ Rate	Euribor + margin	Fixed and variable
■ Collateral granted	No	No
■ Existence of "covenants" <sup>(3)</sup>	Yes	Yes

(1) Vilmorin & Cie: no collateral has been granted. Following the implementation of a syndicated credit in May 2014, the authorized and confirmed credit line stands at 300 millions Euros, unused on June 30, 2015. There are covenants based on Vilmorin & Cie's consolidated financial statements:

- Financial debts over EBITDA
- EBITDA over financial costs

(2) Vilmorin & Cie: no collateral has been granted. The covenants are identical to those of the above syndicated loan agreement.

(3) The above-mentioned covenants were respected for fiscal year 2014-2015.

## 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
<b>06.30.15</b>			
Financial debts with fixed rate	562.3	169.8	732.1
Financial debts with variable rate	146.5	155.0	301.5
<b>Total</b>	<b>708.8</b>	<b>324.8</b>	<b>1,033.6</b>

In millions of Euros	Non-current financial debts	Current financial debts	Total
<b>06.30.14 restated for IFRS 11</b>			
Financial debts with fixed rate	542.2	40.2	582.4
Financial debts with variable rate	130.8	153.3	284.1
<b>Total</b>	<b>673.0</b>	<b>193.5</b>	<b>866.5</b>
<b>06.30.14 disclosed</b>			
Financial debts with fixed rate	542.4	41.7	584.1
Financial debts with variable rate	130.8	153.9	284.7
<b>Total</b>	<b>673.2</b>	<b>195.6</b>	<b>868.8</b>

Taking hedge rates into account, financial debts with variable rate were covered up to 18 millions Euros at the end of June 2015.

## NOTE 28: ACCOUNTS PAYABLE

### 1 - EVOLUTION OF THE BOOK VALUES

In millions of Euros	06.30.15	06.30.14		06.30.13		
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Restated for IAS 19R	Disclosed
Suppliers and other accounts payable	227.4	212.2	232.3	190.9	204.7	204.7
Debts on the acquisition of fixed assets	19.4	26.0	26.4	12.4	12.8	12.8
Advance payments received from customers	7.5	6.4	6.4	3.2	3.2	3.2
Social security	65.0	62.8	63.1	59.8	60.0	62.0
Taxes	25.3	20.1	20.7	29.2	29.4	29.4
Other operating debts	71.9	74.9	141.2	87.1	156.5	156.5
Other non-operating debts	2.9	2.5	2.5	2.5	2.5	2.5
<b>Total</b>	<b>419.4</b>	<b>404.9</b>	<b>492.6</b>	<b>385.1</b>	<b>469.1</b>	<b>471.1</b>
<b>Variation for the fiscal year</b>	<b>14.5</b>	<b>19.8</b>	<b>23.5</b>			

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

### 2 - FURTHER INFORMATION

Variation for the fiscal year includes the following main items:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Variations in scope	- 3.6	14.2	14.1
Other variations	16.7	20.5	28.1
Currency translations	1.4	- 14.9	- 18.7
<b>Total</b>	<b>14.5</b>	<b>19.8</b>	<b>23.5</b>

Variations in scope concern:

In millions of Euros	Total
<b>FISCAL YEAR 14-15</b>	
Tropdicorp	0.3
Suttons	-3.9
<b>Total</b>	<b>-3.6</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Restated for IFRS 11</b>	
Eureka	5.3
Green Land	1.5
Limagrain Beijing Agricultural Technical Service	0.2
Limagrain Beijing Business Consulting	0.3
Seed Asia Cambodia	0.3
Seed Asia International	3.2
Seed Asia Co	1.5
Limagrain Chile	-0.7
Semillas Shamrock	1.0
Shamrock Seed	1.6
<b>Total</b>	<b>14.2</b>

In millions of Euros	Total
<b>FISCAL YEAR 13-14 Disclosed</b>	
Eureka	5.3
Green Land	1.5
Limagrain Beijing Agricultural Technical Service	0.2
Limagrain Beijing Business Consulting	0.3
Seed Asia Cambodia	0.3
Seed Asia International	3.2
Seed Asia Co	1.5
Limagrain Chile	-0.8
Semillas Shamrock	1.0
Shamrock Seed	1.6
<b>Total</b>	<b>14.1</b>

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

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

## NOTE 29: DEFERRED INCOME

### 1 - EVOLUTION OF BOOK VALUES

In millions of Euros	06.30.15	06.30.14		06.30.13	
		Restated for IFRS 11	Disclosed	Restated for IFRS 11	Disclosed
<b>Total</b>	<b>31.4</b>	<b>30.9</b>	<b>33.8</b>	<b>31.4</b>	<b>34.3</b>
<b>Variation for the fiscal year</b>	<b>0.5</b>	<b>- 0.5</b>	<b>- 0.5</b>		

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

This line concerns almost exclusively investment and operating subsidies.

### 2 - FURTHER INFORMATION

Movements for the fiscal year involve the following items:

In millions of Euros	14-15	13-14	
		Restated for IFRS 11	Disclosed
Subsidies written back into the income	-0.1	2.6	2.6
Restatement of tax relief for research for the fiscal year	1.6	0.9	1.0
Variations in scope	-	-	-
Others	-1.0	-4.0	-4.1
<b>Total</b>	<b>0.5</b>	<b>-0.5</b>	<b>- 0.5</b>

## NOTE 30: FINANCIAL INSTRUMENTS

## 1 - FINANCIAL INSTRUMENTS BY CATEGORY

In millions of Euros	06.30.15		Analysis by category of instruments				
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	Non financial <sup>(1)</sup>
Financial assets	22.0	22.0	11.8	10.2	-	-	-
Customers and other receivables	490.0	490.0	-	355.8	-	-	134.2
Cash and cash equivalents	373.4	373.4	-	373.4	-	-	-
Financial assets	885.4	885.4	11.8	739.4	-	-	134.2
Non-current financial debts	708.8	708.8	-	-	706.9	1.9	-
Current financial debts	324.8	324.8	-	-	326.3	-1.5	-
Suppliers and other payables	450.8	450.8	-	-	419.4	-	31.4
Financial liabilities	1,484.4	1,484.4	-	-	1,452.6	0.4	31.4

In millions of Euros	06.30.14 Restated for IFRS 11		Analysis by category of instruments				
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	Non financial <sup>(1)</sup>
Financial assets	56.1	56.1	50.0	6.1	-	-	-
Customers and other receivables	500.0	500.0	-	355.5	-	-	144.5
Cash and cash equivalents	351.5	351.5	-	351.5	-	-	-
Financial assets	907.6	907.6	50.0	713.1	-	-	144.5
Non-current financial debts	673.0	673.0	-	-	677.3	-4.3	-
Current financial debts	193.5	193.5	-	-	194.5	-1.0	-
Suppliers and other payables	435.8	435.8	-	-	404.9	-	30.9
Financial liabilities	1,302.3	1,302.3	-	-	1,276.7	-5.3	30.9

In millions of Euros	06.30.14 Disclosed		Analysis by category of instruments				
	Value on the balance sheet	Fair value	Assets held for sale	Loans and receivables	Debts at amortized cost	Derivatives	Non financial <sup>(1)</sup>
Financial assets	58.5	58.5	50.1	8.4	-	-	-
Customers and other receivables	565.5	565.5	-	416.5	-	-	149.0
Cash and cash equivalents	374.9	374.9	-	374.9	-	-	-
Financial assets	998.9	998.9	50.1	799.8	-	-	149.0
Non-current financial debts	673.2	673.2	-	-	677.5	-4.3	-
Current financial debts	195.6	195.6	-	-	196.6	-1.0	-
Suppliers and other payables	526.4	526.4	-	-	492.6	-	33.8
Financial liabilities	1,395.2	1,395.2	-	-	1,366.7	-5.3	33.8

(1) ) In the assets, the tax and social receivables, the various charges paid in advance and the prepayments are not written back here, as they are considered to be financial instruments according to IAS 39. The same is true for the liabilities on deferred income.

## 2 - MANAGEMENT OF FINANCIAL RISKS

Vilmorin & Cie 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 currency exchange, raw materials, interest rates and cash.

On June 30, 2015, the derived financial instruments set up by Vilmorin & Cie to manage its risks can be analyzed as follows:

### 2.1 - INFORMATION REGARDING CURRENCY EXCHANGE RISKS

#### 2.1.1 Objectives

Vilmorin & Cie 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 & Cie 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 Vilmorin & Cie. This position mainly consists in taking out forward contracts.

#### 2.1.2 Assets and liabilities analyzed according to the main foreign currencies

In millions of Euros	Euro Zone	US dollar	Canadian dollar	GB pound	Australian dollar	Yen	Shekel	Turkish lira	Other currencies	Total
<b>06.30.15</b>										
Assets <sup>(1)</sup>	1,121.5	437.1	9.0	31.4	19.8	59.5	84.0	57.0	247.4	2,066.7
Liabilities <sup>(1)</sup>	1,145.9	108.8	0.4	13.6	1.9	29.9	33.3	5.2	113.9	1,453.0
<b>Differential</b>	<b>-24.4</b>	<b>328.3</b>	<b>8.6</b>	<b>17.8</b>	<b>17.9</b>	<b>29.6</b>	<b>50.7</b>	<b>51.8</b>	<b>133.5</b>	<b>613.7</b>
<b>06.30.14 Restated for IFRS 11</b>										
Assets <sup>(1)</sup>	1,156.9	285.2	7.5	34.0	17.3	57.6	86.7	55.9	203.6	1,904.7
Liabilities <sup>(1)</sup>	1,015.4	89.2	0.1	17.6	1.7	31.3	21.1	7.9	87.1	1,271.4
<b>Differential</b>	<b>141.5</b>	<b>196.0</b>	<b>7.4</b>	<b>16.4</b>	<b>15.6</b>	<b>26.3</b>	<b>65.6</b>	<b>48.0</b>	<b>116.5</b>	<b>633.3</b>
<b>06.30.14 Disclosed</b>										
Assets <sup>(1)</sup>	1,163.7	251.8	12.5	34.0	17.3	57.6	86.7	55.9	203.6	1,883.1
Liabilities <sup>(1)</sup>	1,018.4	166.2	10.0	17.6	1.7	31.3	21.1	7.9	87.2	1,361.4
<b>Differential</b>	<b>145.3</b>	<b>85.6</b>	<b>2.5</b>	<b>16.4</b>	<b>15.6</b>	<b>26.3</b>	<b>65.6</b>	<b>48.0</b>	<b>116.4</b>	<b>521.7</b>

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

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

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.15				
Forward exchange contracts	13.4	13.4	-	-
Exchange options	-	-	-	-
Total	13.4	13.4	-	-
06.30.14				
Forward exchange contracts	18.5	18.5	-	-
Exchange options	-	-	-	-
Total	18.5	18.5	-	-



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

In millions of Euros	Total	In millions of Euros	Total
<b>06.30.15</b>		<b>06.30.14</b>	
Contracts on commercial transactions	-	Contracts on commercial transactions	-
> Cash flow hedge <sup>(1)</sup>		> Cash flow hedge <sup>(2)</sup>	
Contracts on financial transactions	NS	Contracts on financial transactions	NS
> Fair value hedge		> Fair value hedge	

(1) The intrinsic value of contracts on June 30, 2015 is not significant (NS).

(2) The intrinsic value of contracts on June 30, 2014 is not significant (NS).

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

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

In million of currencies	US dollar	GB pound	Yen	Australian dollar	Canadian dollar	New Zealand dollar
<b>Net position before management</b>	<b>12.9</b>	<b>4.4</b>	<b>-</b>	<b>2.8</b>	<b>-</b>	<b>0.2</b>
Forward purchasing	-	-	-	-	-	-
Forward selling	-9.8	-2.8	-	-	-	-0.9
<b>Net position after management</b>	<b>3.1</b>	<b>1.6</b>	<b>-</b>	<b>2.8</b>	<b>-</b>	<b>-0.7</b>

On June 30, 2015, the exchange rates for one Euro were: 1.1189 US dollar, 0.7114 GB pound, 137.01 Yen, 1.455 Australian dollar, 1.3839 Canadian dollar and 1.6548 New Zealand dollar.

On June 30, 2015, sensitivity on net position after management was analyzed as follows:

In millions of Euros	USD	GBP	JPY	AUD	CAD	NZD
Hypothesis of currency variation (as a %)	10%	10%	10%	10%	10%	10%
<b>Impact on income (absolute value)</b>	<b>0.3</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>

Variation of  $\pm 10\%$  in exchange rates against the Euro would have a limited impact of 0.7 million Euros on the financial income.

## 2.2 - INFORMATION CONCERNING INTEREST RATE RISKS

## 2.2.1 Objectives

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

## 2.2.2 Assets and liabilities subject to interest rate risks

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.15				
Assets	13.7	10.9	1.4	1.4
Liabilities	1,033.6	324.8	224.0	484.8
Differential	-1,019.9	-313.9	-222.6	-483.4
06.30.14 restated for IFRS 11				
Assets	9.5	8.2	0.6	0.7
Liabilities	866.5	193.5	298.8	374.2
Differential	-857.0	-185.3	-298.2	-373.5
06.30.14 disclosed				
Assets	10.3	9.0	0.6	0.7
Liabilities	868.8	195.6	299.0	374.2
Differential	-858.5	-186.6	-298.4	-373.5

## 2.2.3 Information on the nominal value of instruments to hedge interest rates

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

In millions of Euros	Nominal	Due dates					Market value
		2016	2017	2018	2019	> 2019	
<b>Cash flow hedge operations</b>	<b>18.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>-</b>	<b>-</b>	
Interest rate SWAP							-0.4
<b>Fair value operations through profit and loss <sup>(1)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest rate SWAP							-
<b>Total</b>	<b>18.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>-</b>	<b>-</b>	<b>-0.4</b>

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

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

The inefficient part of hedge instruments was not significant on June 30, 2015.

## 2.2.4 Information on risk exposure to interest rates risks

On the basis of net financial indebtedness on June 30, 2015, a variation of  $\pm 1\%$  in interest rates after forward cover instruments would represent an extra financial charge or income limited to 1 million Euros.

### 2.3 - INFORMATION CONCERNING RISKS FOR SHARES AND TREASURY SHARES

Listed shares held by Vilmorin & Cie 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 Seed Co (Zimbabwe), Australian Grain Technologies (Australia) and the company Bio Seeds (Netherlands) (cf. Note 18).
- Shares that are included in the portfolio "Financial assets held for sale" (cf. Note 17).
- Other non-current financial assets.

The risk concerning shares included in the portfolio "Financial assets held for sale" is mainly represented by a line of listed shares.

There is a liquidity contract for Vilmorin & Cie treasury shares. On June 30, 2015, Vilmorin & Cie held 8,120 securities with a book value of 0.6 million Euros.

### 2.4 - INFORMATION CONCERNING LIQUIDITY RISKS

Vilmorin & Cie's Corporate Finance 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 & Cie's subsidiaries' cash surpluses and requirements.

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

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

In 2015, Vilmorin & Cie used two confirmed credit lines:

- A syndicated loan agreement of 300 million Euros set up for Vilmorin & Cie, renewed in May 2014 for a minimum duration of 5 years, and extended to 6 years. It was not used during fiscal year ending on June 30, 2015.
- A mid-term Schuldschein loan of 130 million Euros, set up in March 2013, with maturities from 5 to 10 years.

Moreover, Vilmorin & Cie completed this bond loan of 300 million Euros issued in May 2014 by another 150 million Euros.

On June 30, 2015 the conventions of existing financial commitments were all respected.

The schedule for financial debts was as follows:

In millions of Euros	Due dates			Total
	< 1 year	1 to 5 years	> 5 years	
06.30.15				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		2.0	-	2.0
> Debt components of the OCEANE convertible bonds		-	-	-
> Bank loans		110.3	9.1	119.4
> Commitments to purchase minority shares		-	4.7	4.7
> Financial lease/hire purchase		0.5	-	0.5
> Derivatives		1.2	0.7	1.9
> Other financial debts		110.0	470.3	580.3
Total non-current debts		224.0	484.8	708.8
Current financial debts	324.8			324.8
Total	324.8	224.0	484.8	1 033.6
Future interest on loans and other liabilities	14.6	53.5	11.8	79.9
06.30.14 restated for IFRS 11				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		1.9	0.5	2.4
> Debt components of the OCEANE convertible bonds		149.4	-	149.4
> Bank loans		86.0	4.0	90.0
> Commitments to purchase minority shares		-	4.4	4.4
> Financial lease/hire purchase		0.7	-	0.7
> Derivatives		-4.3	-	-4.3
> Other financial debts		65.1	365.3	430.4
Total non-current debts		298.8	374.2	673.0
Current financial debts	193.5			193.5
Total	193.5	298.8	374.2	866.5
Future interest on loans and other liabilities	17.9	41.2	17.4	76.5
06.30.14 disclosed				
Non-current financial debts				
> Debt components of the bonds redeemable as shares (ORA)		1.9	0.5	2.4
> Debt components of the OCEANE convertible bonds		149.4	-	149.4
> Bank loans		86.1	4.0	90.1
> Commitments to purchase minority shares		-	4.4	4.4
> Financial lease/hire purchase		0.7	-	0.7
> Derivatives		-4.3	-	-4.3
> Other financial debts		65.2	365.3	430.5
Total non-current debts		299.0	374.2	673.2
Current financial debts	195.6			195.6
Total	195.6	299.0	374.2	868.8
Future interest on loans and other liabilities	18.0	41.2	17.4	76.6

## 2.5 - INFORMATION CONCERNING CREDIT RISK

In order to prevent any problems recovering debts from its customers, Vilmorin & Cie 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 & Cie has taken out an insurance policy to cover customer credit risks. On June 30, 2015, Vilmorin & Cie had not identified any significant risk.

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

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
Receivables not yet due	248.9	251.6	312.2
Receivables due:			
> delay of 0 to 3 months	66.1	33.4	33.8
> delay of 3 to 6 months	21.3	43.3	43.3
> delay of 6 to 12 months	5.2	9.8	10.0
> delay greater than 1 year	12.9	10.5	10.6
<b>Gross customer and other receivables</b>	<b>354.4</b>	<b>348.6</b>	<b>409.9</b>

## NOTE 31: OFF BALANCE SHEET COMMITMENTS

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

## 1 - GUARANTEES RECEIVED

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
Endorsements, sureties, guarantees	7.5	8.5	8.5
Other commitments	9.0	8.5	6.5
<b>Total</b>	<b>16.5</b>	<b>17.0</b>	<b>15.0</b>

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

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

## 2 - GUARANTEES GIVEN

In millions of Euros	06.30.15	06.30.14	
		Restated for IFRS 11	Disclosed
Endorsements, sureties, guarantees	3.2	12.1	12.1
Clause of return to better fortune	0.0	0.5	0.5
Other commitments	3.6	2.8	2.8
<b>Total</b>	<b>6.8</b>	<b>15.4</b>	<b>15.4</b>

On June 30, 2014, endorsements, sureties, and guarantees given involve a letter of intent for the annual payment of rent covering the remaining duration of the commercial lease of the site of Solingen (former head office of Flora Frey in Germany) for 11.8 million Euros.

### 3 - RECIPROCAL COMMITMENTS

In millions of Euros	Nominal	Due dates		
		< 1 year	1 to 5 years	> 5 years
06.30.15				
Lease agreements	4.7	1.9	2.5	0.3
Simple rental agreements	51.4	12.8	28.0	10.6
Forward purchase of currency (cf. Note 30)	13.4	13.4	-	-
Forward interest rate cover (cf. Note 30)	18.0	6.0	12.0	-
Interest to pay on mid- and long-term debts	79.9	14.6	53.5	11.8
Mid- and long-term research contracts	0.5	0.3	0.1	0.1
Other commitments	20.0	7.8	12.2	-
Total	187.9	56.8	108.3	22.8
06.30.14 restated for IFRS 11				
Lease agreements	4.3	1.7	2.4	0.2
Simple rental agreements	45.2	11.0	24.5	9.7
Forward purchase of currency (cf. Note 30)	18.5	18.5	-	-
Forward interest rate cover (cf. Note 30)	24.0	6.0	18.0	-
Interest to pay on mid- and long-term debts	76.5	17.9	41.2	17.4
Mid- and long-term research contracts	0.7	0.3	0.3	0.1
Other commitments	21.7	8.4	13.3	-
Total	190.9	63.8	99.7	27.4
06.30.14 disclosed				
Lease agreements	6.0	2.4	3.3	0.3
Simple rental agreements	45.4	11.0	24.6	9.8
Forward purchase of currency (cf. Note 30)	18.5	18.5	-	-
Forward interest rate cover (cf. Note 30)	24.0	6.0	18.0	-
Interest to pay on mid- and long-term debts	76.6	18.0	41.2	17.4
Mid- and long-term research contracts	6.1	1.8	2.4	1.9
Other commitments	21.7	8.4	13.3	-
Total	198.3	66.1	102.8	29.4

Forward interest rate cover concerns the following operations:

#### 3.1 - ON JUNE 30, 2015

Mid-term bank loans (and other amounts)	€18.0 million	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

#### 3.2 - ON JUNE 30, 2014

Mid-term bank loans (and other amounts)	€24.0 million	Fixed and semi-fixed rate over variable rate at 3 months
Bonds redeemable as shares (ORA)	-	Fixed rate over variable rate at 6 months
Short-term loan	-	Fixed and semi-fixed rate over variable rate at 3 months

#### 4 - DEBTS WITH REAL SURETIES

In millions of Euros	Debts guaranteed	Total amount of sureties granted	Book value of the assets provided as a guarantee
06.30.14 <sup>(1)</sup>	19.4	93.2	92.9
<b>06.30.15 <sup>(2)</sup></b>	<b>14.6</b>	<b>94.8</b>	<b>94.0</b>

(1) This mainly concerns collateral on securities of a subsidiary for the benefit of a bank.

(2) Concerns Vilmorin & Cie for a banking loan of €6.8 million guaranteed by collateral on the securities of a subsidiary for €83.5 million and various collateral on industrial equipment and mortgages to guarantee mid-term debts on Brazilian and Thai businesses.

#### 5 - OTHER COMMITMENTS

As part of the agreement signed with Danish group DLF, Vilmorin & Cie has given a guarantee on the purchasing volumes until 2016 to this company.

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

Within the context of its operations to dispose of the companies Flora Frey and Carl Sperling, sold on June 30, 2008, and then Suttons on June 30, 2015, provisions were set up as a result of the commitments made for these disposals. The remaining sum of this provision on June 30, 2015 stood at 5.6 million Euros.

### NOTE 32: TRANSACTIONS BETWEEN RELATED PARTIES

#### 1 - ASSOCIATED COMPANIES

These are companies in which Vilmorin & Cie 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 - RELATED PARTIES WITH A SIGNIFICANT INFLUENCE ON VILMORIN & CIE

Vilmorin & Cie 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 30, 2015

In millions of Euros	Assets	Liabilities
Operating debts and receivables	2.1	40.2
Financial debts and receivables	-	-
<b>Total</b>	<b>2.1</b>	<b>40.2</b>

##### 2.2 - CHARGES AND INCOME FOR FISCAL YEAR 2014-2015

In millions of Euros	Charges	Income
Purchases and sales of goods	-86.6	4.4
Corporate allocations	-12.0	5.0
Other operating charges and income	-26.8	1.8
Financial charges and income	- 0.3	0.3
<b>Total</b>	<b>-125.7</b>	<b>11.5</b>

#### 3 - REMUNERATION OF THE EXECUTIVE COMMITTEE

In millions of Euros	06.30.15	06.30.14	06.30.13
Global amount of remunerations and benefits paid to the Executive Committee:			
> Short-term benefits	1.9	1.8	1.7
> Benefits paid out after employment	-	-	-
> Other long-term benefits	-	-	-
> Severance pay	1.1	1.1	1.0
> Payment through shares	-	-	-
> Directors' fees paid to the Executive Committee	-	-	-

The Executive Committee comprised six members during fiscal year 2014-2015, as opposed to five in 2013-2014.

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



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

The total amount of benefits funded for severance pay for the Executive Committee stood at 1.1 million Euros on June 30, 2015, including employer's welfare contributions.

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

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

## 4 - FURTHER INFORMATION

### 4.1 - GROUP LIMAGRAIN CORPORATE ALLOCATIONS

Corporate allocations are billed by Groupe Limagrain Holding to the subsidiaries of Vilmorin & Cie and to the subsidiaries of Groupe Limagrain on a proportional basis of budgeted expenses. The amount billed came to 14.5 million Euros.

Four keys are applied to calculate the allocations invoiced depending on the nature of services:

- An "activity" key (revenue from ordinary activities and margin on cost of sales),
- An "information systems" key (number of licenses),
- A "research" key (research and development costs),
- A "human resources" key (payroll).

### 4.2 - VILMORIN & CIE CORPORATE ALLOCATIONS

In the same way, Vilmorin & Cie invoices corporate allocations to all its subsidiaries and to the subsidiaries of Group Limagrain according to the same criteria as the Group Limagrain allocations mentioned above. The total invoiced came to 36 million Euros.

### 4.3 - ALLOCATION OF THE SEED RESEARCH PROGRAM COSTS

Moreover, Vilmorin & Cie also invoices for services of a scientific nature for the seed companies in the Vilmorin & Cie group (Field seed and Vegetable seed divisions) that work on the professional market.

The aggregate amount invoiced to the subsidiaries came to 15.1 million Euros. The criteria applied homogeneously throughout Vilmorin & Cie to calculate these allocations for services of a scientific nature take into account research and development costs.

### 4.4 - CASH FLOW AGREEMENTS AND POOLING OF EXCHANGE RISKS

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

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

### 4.5 - OTHER OPERATIONS

Other operations correspond to current commercial transactions made on the basis of market prices.

## NOTE 33: POTENTIAL LIABILITIES

As they run their businesses, Vilmorin & Cie's operating companies are exposed to claims on the products they have sold, and such claims are generally covered by their insurance policies.

## NOTE 34: EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTS

The main events occurring after the closing of the accounts are as follows:

### ■ Creation of a research joint venture in Canada and purchase of a minority stake in Canterra Seeds (Canada)

At the beginning of July 2015, Vilmorin & Cie and Canterra Seeds created a joint venture, Limagrain Cereals Research Canada, specialized in the development and breeding\* of cereals, and located in Saskatoon (Province of Saskatchewan, Canada).

Held 70% by Vilmorin & Cie and 30% by Canterra Seeds, the new joint venture will ultimately bring significant added value to western Canadian agriculture, by developing new varieties of cereals, with a specific focus on wheat, using the most advanced technologies currently available.

Beyond this joint venture, Vilmorin & Cie has taken up a minority stake of 30% in Canterra Seeds, through a capital stock increase.

### ■ Creation of a joint venture in China

During the summer of 2015, Vilmorin & Cie obtained all the necessary authorizations from the Chinese authorities for the creation of a joint venture for the production and distribution of corn seeds, for which it has signed an agreement with the company Anhui Hengji Seeds; Vilmorin & Cie holds 45% of the capital of this new structure.

## 5.3. CONSOLIDATION SCOPE

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method	
FIELD SEEDS						
Biogemma SAS	France	1 rue Edouard Colonne - 75001 Paris	412 514 366	55.01	55.01	GI
Biogemma USA Corp	United States	2331 230th Street 50014 - AMES IA		100.00	55.01	GI
Genoplante-Valor SAS	France	28 rue du Docteur Finlay - 75015 Paris	439 202 821	25.00	22.00	EM
1 - LIMAGRAIN EUROPE						
Limagrain Sunflowers INC	United States	71 West Kentucky Avenue - Woodland. CA 95695		100.00	100.00	GI
GIE Semences de Brie	France	RD 402 - 77390 Chaumes-en-Brie	388 147 845	50.00	47.60	EM
Limagrain A/S	Denmark	Erhvervsbyvej 13 - 8700 Horsens		100.00	95.20	GI
Limagrain Central Europe Cereals Sro	Czech Republic	Praha 9 - Podedvorska 755/5 - 19800 - Kyje		100.00	95.20	GI
Limagrain Central Europe SE	France	Biopôle Clermont-Limagne Rue Henri Mondor - 63360 Saint-Beauzire	438 205 320	99.99	95.19	GI
Limagrain Belgium NV	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove		100.00	95.20	GI
Limagrain d.o.o Beograd	Serbia	Radnicka 30A - Novia Sad 21000		100.00	95.20	GI
Limagrain Europe SA	France	Biopôle Clermont-Limagne Rue Henri Mondor - 63360 Saint-Beauzire	542 009 824	95.20	95.20	GI
Limagrain GmbH	Germany	Am Griewenkamp 2 - Edemissen - D 31234		100.00	95.20	GI
Limagrain Iberica SA	Spain	Ctra Pamplona - Huesca Km 12 - Elorz - Navarra 31470		100.00	95.20	GI
Limagrain Italia SPA	Italy	Via Caduti sul Lavoro n°5 43011 Busseto (Pr)		100.00	95.20	GI
Limagrain Hungary Kft	Hungary	Gyar street 2 - H-2040 Budaors		100.00	95.20	GI
Limagrain Moldova srl	Moldova	Bd. Stefan Cel Mare 162 - MD - Chisinau 2004		100.00	95.20	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 - 4411 RB Rilland		100.00	95.20	GI
Limagrain RU	Russia	Yankovskogo str 169 - Novokuznechnaya str 40 350015 Krasnodar		100.00	95.20	GI
Limagrain Tohum Islah ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 Kozyatagi-Erenkoy - Istanbul 34742		67.00	63.79	GI
Limagrain UK Limited	United Kingdom	Market Rasen - LN7 6DT Rothwell - Lincolnshire		100.00	95.20	GI
Limagrain Ukraine LLC	Ukraine	Pavlivska 10 Street Off. 7 01054 Kiev		100.00	95.20	GI
Seedline NV	Belgium	5 rue du Quai - 8581 Avelgem-Kerkhove		100.00	95.20	GI
Soltis SAS	France	Domaine de Sandreau - 31700 Mondonville-Blagnac	420 327 231	50.00	47.60	EM
Unisigma GIE	France	2 rue Petit Sorri - 60480 Froissy	317 760 668	46.00	43.79	EM
2 - AGRELIANT						
AgReliant Genetics LLC	United States	1122 East 169th Street - Westfield. IN 46074		50.00	50.00	EM
AgReliant Genetics Inc	Canada	6836 Pain Court Line RR1 - Ontario N0P 1Z0		50.00	50.00	EM
3 - LIMAGRAIN ASIA						
Bisco Bio Sciences Private Ltd	India	Ashoka My Home chambers - # 1-8-201 to 203 Plot no 208. 209 - SP Road - Secunderabad Hyderabad. 500 003		99.99	99.99	GI
Shanxi Limagrains Special Crops R&D Company Limited	China	Room 501. Crop Research Institute. Shanxi Academy of Agriculture and Science. No.81. Longcheng street - 030006 Taiyuan City		77.50	77.50	GI
Seed Asia Cambodia Limited	Cambodia	Camma Building No. 101A. Second floor. Room No. 02. Street 289. Sangkat Boeung Kak I. Khan Toul Kak Phnom Penh		100.00	100.00	GI
Seed Asia International Limited	Hong-Kong	Suite 2303. 23rd Floor. Great Eagle Centre. 23 Harbour Road. Wan Chai. Hong-Kong		100.00	100.00	GI
Seed Asia Co Limited	Thailand	161/1 SG Tower. 15th Floor. Soi Mahadlekluang 3. Rajdamri Rd.. Lumpini. Pathumwan. 10330 Bangkok		100.00	100.00	GI

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method
<b>4 - LIMAGRAIN CEREAL SEEDS</b>					
Australian Grain Technologies Pty Ltd	Australia	University of Adelaide - Waite campus building 4B 1 Waite Road - 5064 Urrbrae S.A.	32.77	32.77	EM
Limagrains Cereal Seeds LLC	United States	Corporation service Company - 2711 Centerville Road. Suite 400 - Wilmington 19808 - Delaware	65.00	65.00	GI
<b>5 - LIMAGRAIN SOUTH AMERICA</b>					
Limagrains Argentina SA	Argentina	Calle Esmeralda 130 4to piso - Buenos Aires	91.27	91.27	GI
Limagrains Brasil SA	Brazil	Rua Pasteur. Nº 463. 7º Andar - Conjunto 701. Sala C - Bairro Água Verde. Estado do Paraná CEP 80250-104 Curitiba	100.00	100.00	GI
Limagrains Chile Limitada	Chile	Rosas - 1190 Santiago de Chile	100.00	100.00	GI
<b>6 - LIMAGRAIN AFRICA</b>					
Link Seed Proprietary Limited	South Africa	Suite A Regal House - 7 Montrose Park Boulevard 3201 Victoria Country Club Estate Pietermaritzburg	80.00	80.00	GI
Seed Co Limited	Zimbabwe	1st Floor. S.A.Z. Building. Northend Park. Borrowdale - Harare	30.38	30.38	EM
<b>VEGETABLE SEEDS</b>					
Bio Seeds BV	Netherlands	Agro Business Park 90 - 3808 PW Wageningen	24.95	24.95	EM
Limagrains (Beijing) Agricultural Technical Service Co Ltd	China	Room 2511. Beifangmingzhu Building - No 188 Litang Road. Dongxiakouzheng. Changping District - Beijing	100.00	100.00	GI
<b>7 - HM.CLAUSE</b>					
Alliance Semillas de Argentina SA	Argentina	Pavon 1478 - Capital Federal CP 1151 - Buenos Aires	100.00	100.00	GI
Alliance Semillas Sociedad Anonima	Chile	Casa Matriz - Hendaya 27 - Oficina 201 Las Condas Santiago	100.00	100.00	GI
Century Seeds Private Limited	India	31 III rd. floor. Anandvan block A/6 Paschim Vihar. 110063 New Delhi	100.00	99.97	GI
HM.CLAUSE SA	France	Rue Louis Saillant - ZI La Motte 26800 Portes-les-Valence 435 480 546	99.97	99.97	GI
HM.CLAUSE (Thailand) Co. Ltd	Thailand	182/1 Soi Kengcun (Nanglinchee 6). Nanglinchee Road. Tungmahamek - 10120 Sathorn. Bangkok	100.00	99.97	GI
HM.CLAUSE Brasil Comercio de Sementes Ltda	Brazil	Rue Guapuruvu. 177 - Térreo - Condomínio Alphaville Empresarial - CEP 13098-322 Campinas - Sao Paulo	100.00	99.97	GI
HM.CLAUSE India Private Limited	India	6-98/4 Sy No. 563/Part. Gowdavelli Village. Medchal Mandal. Ranga Reddy District. 501401 Telangana State	100.00	99.97	GI
HM.CLAUSE Italia S.P.A.	Italy	Via Emilia 11 - 10078 Venaria Real	100.00	99.97	GI
Clause Maghreb EURL	Algeria	Villa n°192 Quartier Amara 2 - Lotissement Alioua Fodhil Chéraga - 16002 - Alger	100.00	99.97	GI
HM.CLAUSE Polska Sp. z o.o.	Poland	ul. Zbicka 32A - Krzeczowice	100.00	99.97	GI
HM.CLAUSE Iberica. SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera - Almeria 04745	100.00	99.97	GI
HM.CLAUSE Inc.	United States	555. Codoni avenue - 95352 Modesto (California)	100.00	100.00	GI
HM.CLAUSE Kenya Limited	Kenya	C/o unit A - Nairobi business park. Ngong Road PO box 10643 - 00100 Nairobi	100.00	99.97	GI
Henderson Seed Group Pty. Ltd. Trading AS Clause Pacific	Australia	165. Templestowe - Road Lower Templestowe Victoria 3107 - 3105 Bulleen Victoria	100.00	99.97	GI
HM.CLAUSE Tohumculuk Tarim Sanayi ve Ticaret Anonim Sirketi	Turkey	Tarim Mah. Aspendos Bulvari - No: 106/B Kurt Ishani. Muratpasa - 07200 Antalya	100.00	99.97	GI
HM.CLAUSE Guatemala. Sociedad Anónima	Guatemala	Condominio Empresarial Cortijo III Bodega 913. 20 Calle 25-55 Zona 12. Guatemala City	100.00	99.97	GI

Name	Country	Head Office	% Voting rights	% Interest	Consolidation method	
Tropical Development and Investment Company Limited	Vietnam	Suite 1319, Level 13, Kumho Asiana Plaza, No. 39, Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City	100.00	99.97	GI	
Ica Seeds S.A.C.	Peru	Fundo la Viña S/N Caserio La Poruma Ica	100.00	100.00	GI	
Plant Development Australia PTY. LTD.	Australia	165, Templestowe Road - Templestowe - Lower - VIC 3107	100.00	99.97	GI	
PT Clause Indonesia LLC	Indonesia	Jl Mayjend Bambang Sugeng Ruko Capung - Indah - Sejahtera no 1-3 - Lingkungan Santan Kelurahan Sumberejo Kacamatan Mertoyudan Magelang Jawa Tengah 56172	100.00	99.97	GI	
Semillas Harris Moran Mexicana	Mexico	Blvd. V. Carranza 2378-A - Parque industrial R.A.S.A. Mexicali, BC Mexico CP	100.00	100.00	GI	
8 - HAZERA						
Hazera Agriculture Technology & Services (Beijing) Co Ltd	China	Room 601-602, Tower D, Java Millenium Place No. 18 Jianguomenwai Dajie, Chaoyang District 100022 - Beijing	100.00	100.00	GI	
Hazera Seeds do Brasil Ltda	Brazil	Rua Américo Brasiliense, 458 CEP: 13025-230 Campinas São Paulo	100.00	100.00	GI	
Hazera España 90 SA	Spain	Paseo de la Castellana 259 B - 28046 Madrid	100.00	100.00	GI	
Hazera Seeds Ltd	Israel	Brurim Farm MP - 79837 Shikmim	100.00	100.00	GI	
Hazera Seeds Hellas Commercial SA	Greece	64 Lisikratous str. & Kekropos, Municipality of Kallithea - 17674 Athens	100.00	100.00	GI	
Hazera Holding International BV	Israel	Koningslaan, 34 - 1075AD Amsterdam - Pays-Bas	100.00	100.00	GI	
Hazera Seeds Mexico SA	Mexico	Calle Trapani No 4732 Local A - Edificio Plaza Palermo - Palermo Residencial - 80104 - Culiacan - Sinaloa	100.00	100.00	GI	
Hazera Seeds USA Inc	United States	32 Loockerman Sq, Suite L 100 – Dover - Delaware	100.00	100.00	GI	
Hazera Tohumculuk Ve Ticaret AS	Turkey	Hüsrev Gerede Cd. Ömer Rüstü Pasa Sk. No.12 Sisli - Istanbul	100.00	100.00	GI	
Hazera Seeds BV	Netherlands	Schanseind 27 BP28 - 4921 Pm Made	100.00	100.00	GI	
Hazera Seeds Germany GmbH	Germany	2 Am Griewenkamp - D31234 Edemissen	100.00	100.00	GI	
Hazera Seeds Uk Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT Rothwell	100.00	100.00	GI	
Hazera Seeds SA Ltd	South Africa	121 Boshoff Street - 0181 - New Muckleneuk	100.00	100.00	GI	
Hazera Poland SP.Z.o.o.	Poland	Ul. Marywilska 34 I - 03-228 - Warszawa	100.00	100.00	GI	
Hazera Ukraine LLC	Ukraine	Office # 101 - Strategichne shose 16 Str – 03680 - Kiev	100.00	100.00	GI	
9 - VILMORIN						
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 Pendik Istanbul 34903	100.00	99.95	GI	
Semillas Shamrock Internacional	Mexico	Blvd Adolfo Lopez Mateos - 1530 Pte Celaya 38040 Mexico	100.00	100.00	GI	
Shamrock Seed Company	United States	3 Harris Place - 93901 - 4593 Salinas (California)	100.00	100.00	GI	
Vilmorin Atlas SARL	Morocco	158 boulevard Abdellah Ben Yacine - 20300 Casablanca	70.00	69.97	GI	
Vilmorin do Brasil Comercio de Sementes Ltda	Brazil	Av. José Bonifacio, 354 - Jardim Flamboyant 13.091 - 140 CAMPINAS.SP	100.00	99.95	GI	
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 - 03006 Alicante	99.91	99.86	GI	
Vilmorin Inc	United States	2551 North Dragon - 85745 Tucson Arizona	100.00	100.00	GI	
Vilmorin Italia SRL	Italy	Centergross CP 97 - Blocco 22 Via dei Notai 123 - 40050 Funo	100.00	99.95	GI	
Vilmorin OOO	Russia	Gruzinskiy val ulitsa 11, building 3, office 21 123056, Moscow	100.00	99.95	GI	
Vilmorin SA	France	Route du Manoir - 49250 La Méritré	562 050 864	99.95	99.95	GI

Name	Country	Head Office		% Voting rights	% Interest	Consolidation method
<b>10 - MIKADO KYOWA SEED</b>						
Dalian Mikado International Seed Co Ltd	China	Room 2702 - Liangjiu International Building 150-0036 TOKYO		80.00	77.09	GI
Mikado Kyowa K.K.	Japan	1-4-11 Ohnodai - Midori-ku 267-0056 Chiba City, Chiba Pref.		100.00	96.36	GI
<b>GARDEN PRODUCTS AND HOLDINGS</b>						
DLF France SAS	France	ZA Les Pains - Les Alleuds - 49320 Brissac Quince	432 004 679	33.33	33.33	EM
<b>11 - VILMORIN JARDIN</b>						
C.H. Van Den Berg BV	Netherlands	Nijverheidsweg 1 - (1693) Am Wervershoof		100.00	99.99	GI
Vilmorin Bahçe Urunleri Anonim Sirketi	Turkey	Güzelyali bati sahili, Ciftlik sok n°9 34903 Pendik Istanbul		100.00	99.99	GI
Vilmorin Garden Sp. zo.o.	Poland	ul. Ks.P. Wawrzyniaka 2 - 62-052 - Komorniki		100.00	99.99	GI
Vilmorin Jardin SA	France	ZI De Tharabie Parc des Chesnes. 65. rue de Luzais - 38291 St Quentin Fallavier	959 503 111	99.99	99.99	GI
<b>HOLDINGS &amp; BIOTECHNOLOGIES</b>						
Genective SA	France	Biopôle Clermont-Limagne - Rue Henri Mondor 63360 Saint-Beauzire	513 533 612	50.00	40.00	EM
Limagrain (Beijing) Business Consulting Co Ltd	China	Room 1805. Beifangmingzhu Building. n°188 Litang Road. Dongxiaokouzheng Changping District. Beijing 102218		100.00	100.00	GI
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai. Midori-ku – 267-0056 Chiba-shi		85.45	85.45	GI
VCC Japan KK	Japan	1-4-11 Ohnodai. Midori-ku – 267-0056 Chiba-shi		100.00	100.00	GI
Vilmorin & Cie SA	France	4 Quai de la Mégisserie – 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin Hong-Kong Ltd	China	Level 54. Hopewell Centre 183 Queen's Road East Hong-Kong		100.00	100.00	GI
Vilmorin 2014 (Holdings) Ltd	United Kingdom	Woodview road – Paignton - Devon - TQ4 7NG		100.00	100.00	GI
Gemstar SAS	France	Biopôle Clermont-Limagne - Rue Henri Mondor 63360 Saint-Beauzire	523 301 976	80.00	80.00	GI
Vilmorin USA Corp	United States	2711 Centerville Road. Suite 400 County of Newcastle - Wilmington 19808 - Delaware		100.00	100.00	GI
Vilmorin Singapore PTE Ltd	Singapore	80 Raffles Place - #32-01 UOB Plaza - 048624 Singapore		100.00	100.00	GI

**Consolidation method:** GI: global integration EM: equity method





THE PEPPER PROMETEO OWES ITS SUCCESS TO ITS EXCELLENT ADAPTATION TO LOCAL CLIMATE CONDITIONS AND TO A HIGH COMMERCIAL YIELD FOR GROWERS.

## VILMORIN & CIE AND ITS SHAREHOLDERS

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# 6.1. INFORMATION ON THE COMPANY

## 6.1.1. NAME, HEAD OFFICE AND ADMINISTRATIVE OFFICES

- Name: Vilmorin & Cie.
- Head Office: 4 quai de la Mégisserie – 75001 Paris – France.
- Administrative offices: CS 20001 Saint Beauzire  
63360 Gerzat - France
- Jurisdiction: French jurisdiction.

## 6.1.2. 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.

## 6.1.3. DATE OF CREATION AND DURATION OF THE COMPANY

The Company was created on March 2, 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 27, 1990).
- Modification of name to Vilmorin & Cie (EGM June 29, 1993).
- Modification of name to Vilmorin Clause & Cie (EGM December 9, 1997).
- Modification of name to Vilmorin & Cie (EGM July 3, 2006).

Various other modifications to the by-laws have been adopted, and in particular the following:

- Modification of management system (EGM March 16, 1998), to adopt the system of Board of Directors, replacing the Board of Management and Board of Trustees.
- Modification of the by-laws in compliance with the French law of January 15, 2001 governing new economic regulations (EGM December 3, 2002).
- Update of the by-laws (EGM December 11, 2008).

The duration of the company is 99 years, unless it is extended or cut short by an Extraordinary General Meeting of the Shareholders.

## 6.1.4. OBJECT OF THE COMPANY

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

- to acquire a stake, and to participate in any company in which it thinks it may have an interest,
- to make rational and profitable use of the resources pooled by its subsidiaries and to take any civil or commercial measures for this purpose,
- to co-ordinate and develop the activity of its subsidiaries by setting up missions to provide them with monitoring and control,
- to provide its subsidiaries, or any other persons, with the means to improve their management, reduce their overheads and facilitate the distribution of their products,
- to carry out research on the subject of plants and all processes that can be applied to plant improvement and the development of new varieties,
- to exploit and sell any knowledge thus acquired, any patents, and any new plant varieties, in whatever form, directly or indirectly, or by granting a license for use or any other form,
- to acquire stakes in whatever form, interest and participation in any company, group or enterprise, whether French or of another nationality, which has a similar object or that is liable to help it develop its own business.

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

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

It may act, directly or indirectly, on its own behalf or on behalf of a third party, and either alone or in association, as a shareholder, or as a company, with any other company, or physical or moral entity, and proceed with operations that comply with its object, either directly or indirectly, whether in France or in another country, and in whatever form.

### 6.1.5. COMPANY TRADE REGISTER

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

N° SIRET: 377 913 728 00020.

N° SIREN: 377 913 728.

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

### 6.1.6. FISCAL YEAR

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

### 6.1.7. CONSULTATION OF LEGAL DOCUMENTS

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

### 6.1.8. TRIBUNALS FOR REFERRAL OF LITIGATION

Tribunal de Commerce de Paris.

## 6.2. CAPITAL STOCK and shareholders

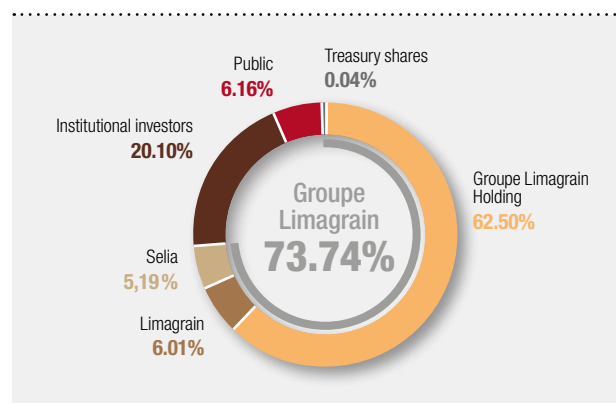
### 6.2.1. CAPITAL STOCK

The capital stock, on June 30, 2015, stood at 317,717,005.50 Euros divided up into 20,833,902 shares each with a nominal value of 15.25 Euros, fully paid up.

Vilmorin & Cie's reference shareholder, Groupe Limagrain (cf. page 65) directly or indirectly holds 73.74% of its capital stock.

20.1% of the capital stock is held by institutional investors, of whom nearly 48% are based outside France (United States, United Kingdom, Singapore, Scandinavia, Germany, etc.). Almost 11,500 individual Vilmorin & Cie shareholders, owning either registered or bearer shares hold 6.16% of the capital stock.

#### 6.2.1.1. ANALYSIS OF CAPITAL STOCK ON JUNE 30, 2015



#### 6.2.1.2. ANALYSIS OF THE CAPITAL STOCK AND VOTING RIGHTS ON JUNE 30, 2015

	Single vote shares	Double vote shares	% of capital stock	Total number of votes	% of total number of votes <sup>(1)</sup>
Groupe Limagrain Holding	234,537	12,786,325	62.50%	25,807,187	71.86%
Limagrain	50,995	1,200,460	6.01%	2,451,915	6.83%
Sella	37,922	1,043,628	5.19%	2,125,178	5.92%
Treasury shares	8,120	-	0.04%	-	-
Directors	6	18	-	42	-
<b>Groupe Limagrain</b>	<b>331,580</b>	<b>15,030,431</b>	<b>73.74%</b>	<b>30,384,322</b>	<b>84.60%</b>
<b>Public</b>	<b>5,414,162</b>	<b>57,729</b>	<b>26.26%</b>	<b>5,529,620</b>	<b>15.40%</b>
<b>Total</b>	<b>5,745,742</b>	<b>15,088,160</b>	<b>100.00%</b>	<b>35,913,942</b>	<b>100.00%</b>

(1) The difference between theoretical voting rights and votes that may be exercised in General Meetings is not significant.

- Capital stock and voting rights held by the different administrative and management structures: not significant.
- Stock and voting rights held by the employees, directly or indirectly: not significant.
- Declaration of transactions entered into by executives: in compliance with article L.621-18-2 of the French Monetary and Financial Code, Groupe Limagrain Holding (GLH) has declared it acquired 1,340,224 shares during the fiscal year 2014-2015. Coopérative Limagrain acquired 160,217 shares during the course of fiscal year 2014-2015.
- Declaration of a shareholders' agreement: within the framework of the intervention of the Strategic Investment Fund (SIF) <sup>(2)</sup> in the equity of Groupe Limagrain Holding (GLH), in March 2010, Coopérative Limagrain, the SIF and GLH came to a shareholders' agreement concerning their participations in the capital stock of GLH and Vilmorin & Cie. Within the framework of a reserved capital stock increase, the SIF subscribed to 1,074,498 new GLH shares, representing 13.93% of the capital stock and voting rights of GLH and 1,071,429 GLH bonds redeemable as Vilmorin & Cie shares. This agreement has been disclosed to the AMF <sup>(3)</sup>.

agreement concerning their participations in the capital stock of GLH and Vilmorin & Cie. Within the framework of a reserved capital stock increase, the SIF subscribed to 1,074,498 new GLH shares, representing 13.93% of the capital stock and voting rights of GLH and 1,071,429 GLH bonds redeemable as Vilmorin & Cie shares. This agreement has been disclosed to the AMF <sup>(3)</sup>.

- Collective commitments to preserve shares: two collective commitments to preserve shares were recorded on October 15 and 22, 2009 in compliance with article 885 I bis of the French Tax Code. These two commitments were signed for an initial duration of two years and are renewable by tacit agreement for an indefinite duration. On the date they were signed, the commitments concerned 2,715,003 shares, representing 20.3% of the financial rights and 28.7% of the voting rights. Two riders to these commitments were written on October 22, 2010, and duly

(2) Today Bpifrance.

(3) This agreement can be consulted on: [www.amf-france.org](http://www.amf-france.org)

registered, in order to take account of the increase in the capital stock made on April 15, 2010. The commitments are now based on 3,540,003 shares.

- Potential capital stock: Vilmorin & Cie diversified the nature of its resources by issuing a debenture loan at the end of fiscal year 2007-2008, with an option to convert and/or exchange the bonds into new or existing shares, with a total value of

150 million Euros. On July 1, 2015, this financial instrument matured, and had been mostly repaid and partially converted (refer to Note 22.2.2 of the consolidated financial statements).

- Non-issued authorized capital stock: none, as no commitment to raise the stock had been made.
- Shares non-representative of the capital stock: none.
- Stock options: none.

### 6.2.1.3. EVOLUTION OF THE CAPITAL STOCK

Decision and date	Nature of the capital increase	Nominal amount and premium per share	Capital stock raised to	Total number of shares
03.02.90	Creation of the 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	Conversion 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 bank	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
From November 96 to 06.30.97	177 warrants exchanged corresponding to 59 shares	FRF 300 + Premium of FRF 180	FRF 890,332,200	2,967,774
From July 97 to 06.30.98	93 warrants exchanged corresponding to 31 shares	FRF 300 + Premium of FRF 180	FRF 890,341,500	2,967,805
From July 98 to 06.30.99	927 warrants exchanged corresponding to 309 shares	FRF 300 + Premium of FRF 180	FRF 890,434,200	2,968,114
From July 99 to 06.30.00	336 warrants exchanged corresponding to 112 shares	FRF 300 + Premium of FRF 180	FRF 890,467,800	2,968,226
From July 00 to 06.30.01	662,301 warrants exchanged corresponding to 220,767 shares	FRF 300	FRF 956,697,900	3,188,993
	Conversion of the nominal unit value to €45,75 using FRF 319,944 of the legal reserves	+ Premium of FRF 180	€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
04.13.10	3,826,244 new shares issued with pre-emptive shareholder rights	€15.25	€262,576,040.25	17,218,101
01.21.13	Creation of 1,721,810 shares by the allocation of free shares	€15.25	€288,833,642.75	18,939,911
01.19.15	Creation of 1,893,991 shares through the allotment of free shares	€15.25	€317,717,005.50	20,833,902

#### 6.2.1.4. MODIFICATIONS OCCURRING IN THE BREAKDOWN OF THE CAPITAL STOCK OVER THE COURSE OF THE LAST THREE FISCAL YEARS

	06.30.13			06.30.14			06.30.15		
	Number of shares	% of capital	% of the total number of voting rights	Number of shares	% of capital	% of the total number of voting rights	Number of shares	% of capital	% of the total number of voting rights
Groupe Limagrain Holding	11,680,638	61.67	68.36	11,680,638	61.67	71.59	13,020,862	62.50	71.86
Limagrain	1,091,328	5.76	7.13	1,091,328	5.76	6.37	1,251,455	6.01	6.82
Sella	948,753	5.01	6.53	983,228	5.19	5.94	1,081,550	5.19	5.92
Treasury shares	3,784	0.02	-	1,967	0.01	-	8,120	0.04	-
Public and various	5,215,408	27.54	17.98	5,182,750	27.36	16.09	5,471,915	26.26	15.40
<b>Total</b>	<b>18,939,911</b>	<b>100.00</b>	<b>100.00</b>	<b>18,939,911</b>	<b>100.00</b>	<b>100.00</b>	<b>20,833,902</b>	<b>100.00</b>	<b>100.00</b>

#### 6.2.2. NOTIFICATION OF CROSSING THE THRESHOLD

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

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

At the same time, and with the aim of monitoring the composition of its shareholders, the company is authorized to make full use of legal recommendations for the identification of holders of

shares which grant immediate or subsequent voting rights in its shareholders' meetings.

Following the constitution of the *Banque Publique d'Investissement*, BPI Groupe, a public investment bank for the industrial and commercial sectors (ex EPIC OSEO) declared that on July 12, 2013, it had indirectly gone above the thresholds of 5% of Vilmorin & Cie's capital stock and voting rights, through Bpifrance Participations SA, a company which it holds indirectly through the company BPI Groupe SA, and that on this same date, it held 1,467,858 shares of Vilmorin & Cie representing the same number of voting rights, i.e. 7.75% of the company's capital stock and 5.05% of its voting rights.

The *Caisse des Dépôts et Consignations* declared that it held directly and indirectly, through CDC Entreprises Valeurs Moyennes and Bpifrance Participations SA, 1,882,834 shares and voting rights, i.e. 9.94% of the company's capital stock and 6.48% of its voting rights. No further declaration has been brought to the attention of Vilmorin & Cie.

### 6.2.3. FINANCIAL AUTHORIZATIONS GRANTED BY THE ANNUAL GENERAL MEETING OF DECEMBER 10, 2014

In order to provide Vilmorin & Cie with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 10, 2014 authorized the Board of Directors:

- to issue bonds or other assimilated debt securities (fourteenth resolution),
- to issue, with or without pre-emptive subscription rights, shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities (seventeenth and eighteenth resolutions).

The nineteenth resolution grants the Board of Directors the possibility to make use of the seventeenth and eighteenth resolutions, for a period of 12 months.

The Annual General Meeting of December 10, 2014 also authorized the Board of Directors to issue, without pre-emptive subscription rights, ordinary shares and/or securities providing access immediately or when due, to company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, private placement (twentieth resolution).

The total nominal amount of these issues may not exceed 500 million Euros, as presented in the twenty-first resolution.

## 6.3. VILMORIN & CIE'S SHARES

### 6.3.1. SHARE DATA SHEET

- Date of introduction to the second market of the Paris stock exchange: November 3, 1993.
- Place of quotation: Euronext Paris. Compartment A.
- Eligible for SRD (Deferred Settlement Order) since February 26, 2008.
- Euronext indices: Cac Mid & Small, Cac All-Tradable, Cac All Share.
- ISIN code: FR 0000052516 (RIN).
- Eligible for PEA (share savings plan).
- ICB nomenclature sector: Farming & Fishing.
- Number of shares: 20,833,902
- Close of the fiscal year on June 30.

### 6.3.2. MANAGEMENT AND LIQUIDITY OF THE SHARES

Natixis Securities is responsible for running Vilmorin & Cie's liquidity contract. This contract complies with the AMAFI deontology charter of September 20, 2008, approved by the AMF (authority governing the French stock markets) on October 1, 2008.

Assets that appear on the liquidity account:

At the beginning of the contract:

- number of shares: 7,989
- in cash: 68,037.90 Euros

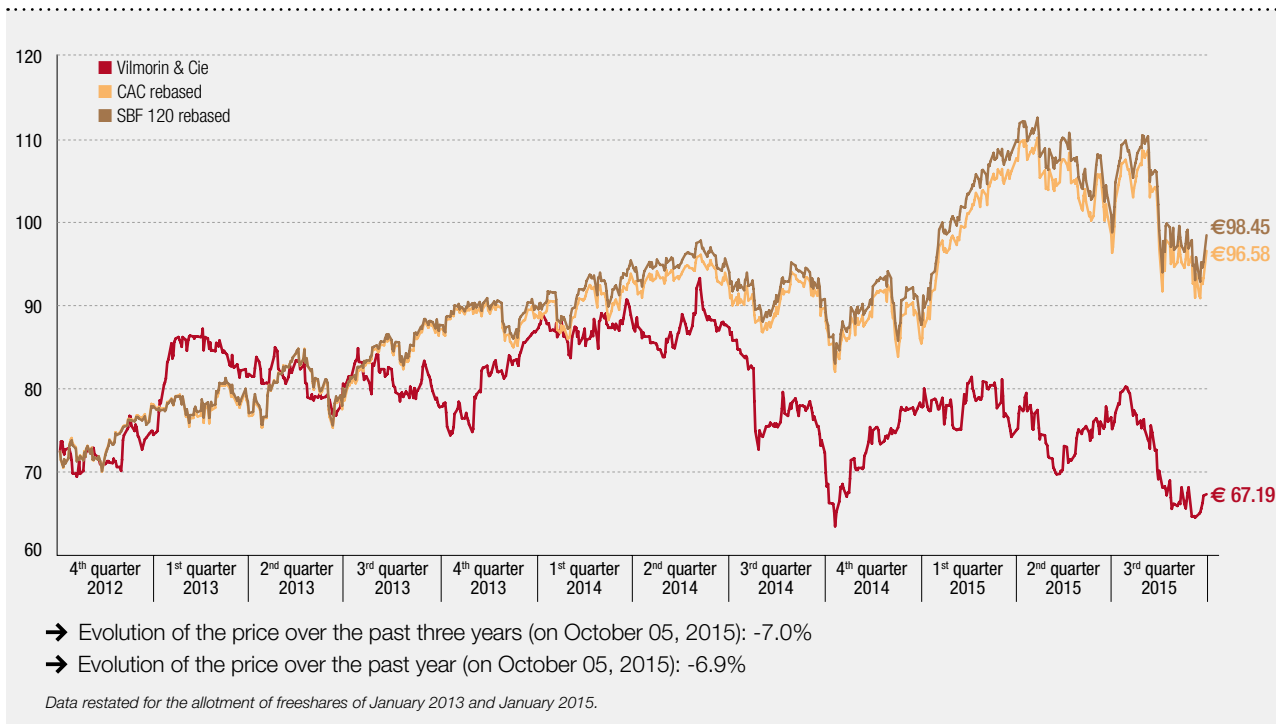
On June 30, 2015:

- number of shares: 8,120
- in cash: 274,673.39 Euros

### 6.3.3. PERFORMANCE OF THE SHARES

During fiscal year 2014-2015, Vilmorin & Cie's share price fell, as a consequence of the unfavorable market context for the field seeds business. As a defensive, long-term security investment, the stock nevertheless reflects low sensitivity to the economic environment and also the relevance of the company's long-term strategy.

#### 6.3.3.1. EVOLUTION OF THE QUOTED PRICE OF VILMORIN & CIE'S SHARES VS CAC 40/SBF 120 REBASED OVER 3 YEARS





### 6.3.3.2. SHARE SCORECARD REPORT <sup>(1)</sup>

	12-13	13-14	14-15
<b>DAILY AVERAGE OF TRANSACTIONS</b>			
> number of shares	6,227	6,976	<b>6,945</b>
> thousands of Euros	552.56	657.21	<b>562.64</b>
<b>MAXIMA AND MINIMA</b>			
> highest rate	100.25	105.00	<b>98.76</b>
> lowest rate	74.09	84.60	<b>69.64</b>
Closing rate of the fiscal year in Euros	<b>89.55</b>	<b>98.68</b>	<b>75.37</b>
Net yield per share % <sup>(2)</sup>	2.17%	1.84%	<b>1.67%</b>

(1) Historical data (not restated for the allotment of free shares).

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

### 6.3.3.3. QUANTITIES EXCHANGED AND EVOLUTION OF VALUES OVER THE LAST 18 MONTHS <sup>(1)</sup>

Date	Number of shares exchanged	Capital stock exchanged (M€)	Highest recorded rate (€)	Lowest recorded rate (€)
<b>2014</b>				
April	157,001	15.179	102.00	94.60
May	73,041	7.076	99.97	93.48
June	103,592	10.343	105.00	97.01
July	173,646	15.951	98.82	86.12
August	231,217	19.368	89.24	81.47
September	77,389	6.729	88.97	84.52
October	168,105	12.895	83.52	71.05
November	54,296	4.422	84.50	78.68
December	100,732	8.485	85.50	82.50
<b>2015</b>				
January	156,949	12.860	88.00	75.66
February	172,623	13.324	81.40	75.00
March	232,189	18.350	81.12	75.53
April	133,117	10.145	79.47	73.85
May	169,288	12.094	74.30	69.64
June	128,249	9.573	76.36	71.86
July	118,847	9.201	80.20	75.11
August	109,896	7.910	76.25	67.10
September	99,935	6.582	68.00	64.35

(1) Historical data (not restated for the allotment of free shares).

A capital stock increase through the free allotment of shares at the rate of one new share for ten old shares was made in January 2013. The share price was mechanically divided by 1.10 as of this date.

Similarly, a capital stock increase through the free allotment of shares at the rate of one new share for ten old shares was made in January 2015. The share price was mechanically divided by 1.10 as of this date.

#### 6.3.3.4. INTERVENTIONS OF THE COMPANY WITH REGARD TO ITS OWN SHARES (TREASURY SHARES)

The Annual General Meeting of December 10, 2014, in compliance with the provisions of articles L.225-209 et seq. of the French Commercial Code, of title IV of Book II of the General Regulations of the Autorité des Marchés Financiers and the application instructions of regulation No. 2273/2003 of the European Commission of December 22, 2003, granted the Board of Directors, in the thirteenth resolution, the powers to intervene by purchasing or selling its own shares on the stock market at a maximum price of 130 Euros per share, with the number of shares thus acquired being limited to a ceiling of 1 million shares, representing a maximum potential commitment of 130 million Euros. This purchasing program is authorized for a maximum period of 18 months.

During fiscal year ending June 30, 2015, the company conducted, either directly or indirectly, the following operations:

- number of shares purchased = 124,003
- average purchasing price = 80.06 Euros
- number of shares sold = 118,054
- average selling price = 79.54 Euros,

- number of treasury shares held on June 30, 2015: 8,120 corresponding to less than 0.1% of the capital stock, at a purchasing value of 606,408.72 Euros, which is an average unit price of 74.68 Euros.

It is proposed to the Annual General Meeting of December 11, 2015 to authorize the Board of Directors, for a maximum period of 18 months, to buy or to sell treasury shares in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, with the aim of:

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

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

- the maximum purchasing price is fixed at 110 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at 1 million shares representing a maximum potential commitment of 110 million Euros.

## 6.3.4. DIVIDENDS AND PROFIT DISTRIBUTION POLICY

### 6.3.4.1. DIVIDENDS OVER THE LAST FIVE FISCAL YEARS AND DISTRIBUTION POLICY <sup>(1)</sup>

The net dividend per share proposed to the Annual General Meeting of December 11, 2015 is 1.57 Euros, down in nominal value compared to the previous fiscal year, but corresponding to an increase in the distribution rate.

	10-11	11-12	12-13	13-14	14-15
Number of shares receiving dividend	17,212,812	17,216,087	18,937,257	18,937,956	20,833,902 <sup>(2)</sup>
Net dividend (in Euros)	1.50	1.65	1.65	1.65	1.57
Distribution rate	28.4%	35.3%	31.5%	37.2%	44.8%

(1) Historical data (not restated for the allotment of free shares).

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

### 6.3.4.2. TAX REGULATIONS (ON SEPTEMBER 28, 2015)

#### DIVIDENDS CLAIM LIMIT

The legal limit is 5 years from the date when the payment claimant is informed, or should have been informed, of the facts enabling him or her to make the claim. After this date, unclaimed dividends are paid to the State by the company.

#### French residents

Dividends received by individuals who are tax residents of France are subject (unless exempt) to the progressive income tax scale after application of a 40% allowance, where relevant.

Nevertheless, before taxation on the tax scale, these dividends are subject to a 21% prepayment of income tax. This prepayment can be offset against the taxes of the following year and, in the case of a tax surplus, can be refunded.

Nevertheless, upon their request, physical persons belonging to fiscal households for which the reference fiscal income for the year before last is less than 50,000 Euros (single persons, widows or divorcees) or 75,000 Euros (couple) may request exemption from this prepayment.

Whatever their fiscal status (common law or option), the dividends are also subject to a welfare tax contribution at the global rate of 15.5%.

#### Non-French residents

Dividends received by non-French residents have tax withheld at source, the rate of which varies as follows:

- 21% for dividends received by individuals residing fiscally in another member state of the European Union (EU), or in Iceland, Norway or Liechtenstein;
- 30% for dividends received by individuals residing fiscally outside the EU, or in a state other than Iceland, Norway or Liechtenstein;
- 75% for dividends received by individuals who are tax residents in non-cooperating states or territories.

This withholding of tax is definitive in France and is usable in principle for a tax credit in the country of residence of the person receiving the distributed revenues.

Nevertheless, in cases where an international convention is applicable, the amount withheld may be reduced, or even not applied at all.

### 6.3.4.3. FREE ALLOTMENT OF SHARES

The Board of Directors of Vilmorin & Cie, acting by delegation of the Joint Annual Meeting of Shareholders held on December 10, 2014, decided the free allotment of shares at the rate of one new share for ten old shares held.

Attribution operations began on Monday January 19, 2015 and concerned all shares held at the close of trading on the Paris stock market on Friday January 16, 2015. Any shareholder having acquired shares before that date benefitted from this allotment of shares.

The 1,893,991 new shares were assimilated to old shares as of January 19, 2015.

Vilmorin & Cie, which had already made a first free allotment of shares in January 2013, thus reaffirms its commitment to pursuing privileged relations with its individual Shareholders, who are both faithful and committed to the long term.

### 6.3.5. SERVICING OF THE SHARES

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

BNP Paribas Securities Services  
Les Grands Moulins de Pantin  
CTS – Service relations actionnaires  
9, rue du Débarcadère  
F-93 761 Pantin Cedex

Tel:

- For French shareholders: 0826 109 119
- For other shareholders: +33 (0)155 774 057

Fax: +33 (0)155 773 417

[www.planetshares.bnpparibas.com](http://www.planetshares.bnpparibas.com)

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

## 6.4. INFORMATION POLICY

### 6.4.1. KEEPING IN TOUCH

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

#### 6.4.1.1. PUBLICATIONS AVAILABLE TO ALL THE FINANCIAL COMMUNITY

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

##### ANNUAL REPORT

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

##### THE WEBSITE

All the information published by Vilmorin & Cie is accessible on its website: **www.vilmorin.info**. The aim of this website is to inform all the financial community on the financial performances of Vilmorin & Cie, but also on its activities, strategy, perspectives and news. Apart from all the regulatory financial information, there are areas of interest for journalists, analysts, investors and individual shareholders so they can find the information that is of interest to them in particular.

This information concerns, for example, presentations of the company, regulatory information, financial analyses, evolution of the share value, financial presentations, press files, letters to the shareholders, etc. Presentations of the sales figures are also published on the website after meetings, and also interviews with executives when results are disclosed. The site can be consulted in English or in French.

#### 6.4.1.2. RELATIONS WITH ANALYSTS, INSTITUTIONAL INVESTORS AND THE PRESS

In 2014-2015, eight financial analyst companies followed the share price: CM-CIC Securities, Kepler Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Natixis, Oddo Midcap, Portzamparc and Société Générale.

##### INFORMATIONAL MEETINGS AND SITE VISITS

Six informational meetings held for investors, analysts and journalists were organized in 2014-2015 concurrently with the disclosure of the results for the fiscal year and the first semester.

In particular, Vilmorin & Cie organized a visit to its Vegetable seeds facilities in Spain. 9 journalists and analysts were able to discover, in April 2015, the Business Units HM.CLAUSE and Vilmorin that have sites in Spain, the leading European market for vegetable seeds in terms of value.

In June 2015, Vilmorin & Cie also organized a day in Anjou (France) for its institutional investors, on the site of the Business Unit Vilmorin. Part from the company's facilities, this day was an opportunity to present Vilmorin & Cie's development strategy to the 7 institutional investors present.

##### TELEPHONE CONFERENCES

Vilmorin & Cie organized three telephone conferences and presentations in 2014-2015 at the same time as the disclosure of its quarterly sales. Commented presentations can be consulted in French on the Vilmorin & Cie website.

##### MEETINGS WITH INVESTORS

During the course of fiscal year 2014-2015 Vilmorin & Cie participated in ten meetings with investors and analysts in the form of conferences or roadshows, including several outside France (New York, London, Milan, Frankfurt, etc.).

##### PRESS FILE

The press file for journalists is regularly updated for the company's main financial disclosures.

##### MEMBERSHIP OF CLIFF

At the beginning of 2015, Vilmorin & Cie became a member of CLIFF, the French association of financial communications professionals.

### 6.4.1.3. RELATIONS WITH INDIVIDUAL SHAREHOLDERS

Vilmorin & Cie 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 30, 2015, the total of individual shareholders of either nominative or bearer shares stood at nearly 11,500.

#### PUBLICATIONS

##### Letters to the shareholders

Several thousand issues of the letter to the shareholders are printed for each issue. Three letters were published during the past fiscal year, providing information on the financial results, development perspectives, news files and information on the stock market. During the Actionaria fair, a letter with a more pedagogical vocation presenting innovation, a pillar of Vilmorin & Cie's strategy, was handed out to shareholders who visited the stand. This topic was subsequently explored in the following letters, along with a focus on Vilmorin & Cie's other strategic crops.

##### The shareholder's guide

Every year Vilmorin & Cie publishes a shareholder's guide, the content of which is more concise than the annual report. Apart from presenting the company's activity and strategy, it presents five good reasons for becoming a Vilmorin & Cie shareholder.

The shareholder's guide is handed out at the Annual General Meeting and sent out by mail to almost 1,000 individual shareholders. It is also available on request from the company's finance department.

##### L'Essentiel

This summary document provides a brief overview of Vilmorin & Cie's business activity, its development model and track record on the Paris stock market. It is handed out at the Actionaria Fair and shareholders' meetings, and can be consulted and downloaded on Vilmorin & Cie's website.

#### MEETINGS

##### Thematic conference

Organized for the first time in September 2014, the thematic conference is organized for current and also potential shareholders who wish to delve deeper into one of Vilmorin & Cie's strategic topics. For the first conference, Vilmorin & Cie chose to present the topic of genetic engineering in plant improvement. This conference will be organized again in 2015-2016.

##### Shareholders' meetings

In 2014-2015, Vilmorin & Cie met more than 500 shareholders who participated in three meetings organized in Marseille, Reims and Lyon. The company will continue to organize these privileged moments of exchange with its shareholders during the course of 2015-2016. They provide an opportunity to present the company, its business activity and its strategy, while answering numerous questions.

##### Actionaria Fair

Vilmorin & Cie, a faithful participant in the Actionaria Fair in Paris, was present for the tenth consecutive year at this event in November 2014, with very positive results once again both in terms of participation and the quality of the exchanges.

It is an important event in the company's communication strategy with regard to individual shareholders, and Vilmorin & Cie's management, financial communication team and members of the Consultative Committee for shareholders were all present. This year's Actionaria was marked by Vilmorin & Cie's presence at the Chairmen's Agora and a Midcap conference on the theme of "Midcaps, for prudent investors or speculative gamblers?". The company will be present once again for the 2015 fair.

##### Annual General Meetings of Shareholders

Vilmorin & Cie's Annual General Meeting, a highlight in its relations with its shareholders, is a time of listening and exchanging, shared with the Board of Directors. The shareholders can thus participate actively in the group's important decisions by voting, whatever the number of shares held.

As of 2014, Vilmorin & Cie provides its shareholders with the possibility of voting on the Internet, before the annual General Meeting, on the secure platform VOTACCESS. Shareholders who so wished could also benefit from an electronic notification, i.e. to receive their invitation to attend the Annual General Meeting by e-mail. This new option, which enabled Vilmorin & Cie to achieve a record level of participation, will be renewed in 2015.

The Annual General Meeting deliberating on the annual financial statements for 2014-2015 will take place on December 11, 2015 in Paris.

#### → Convening registered shareholders

Shareholders who have held registered shares for at least one month at the date 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 expense.

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

#### → Conditions of attendance

Any shareholder can attend General Meetings, whether personally or by proxy, in the conditions laid down by law, upon justification of his or her identity and ownership of the shares:

- either by nominative registration,
- or by registration of an ownership certificate issued thereby, in accordance with regulations in force, attached to a posted ballot, a voting proxy form or a request for admittance card prepared in the name of the shareholder or the shareholder's nominee. The period during which these formalities must be accomplished expires on the second working day before the date of the General Meeting at midnight, Paris time<sup>(1)</sup>.

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

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

#### → Voting rights accompanying the shares

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

Nevertheless, double voting rights compared to other shares, in proportion to the stock they represent, are granted to any shares fully paid up and held nominatively for four years at least with the same shareholder's name (decision of the General Meeting of July 22, 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 allotted free of charge to a shareholder by virtue of former shares which provide this right.

#### → Rules for representation and placing items or draft resolutions on the agenda

##### ■ Rules for representation

Shareholders may be represented not only by another shareholder, spouse or civil partner, but also by any other person (physical person or legal entity) of his or her choice (Article L.225-106, I-al 2). This freedom to choose one's representative is accompanied by the need for the representative to obtain all necessary information to avoid any conflict of interest that might arise between the representative and his or her mandator.

##### ■ Including items or draft resolutions on the agenda of the General Meeting by shareholders and written questions

The possibility of shareholders to include draft resolutions or any item not linked to a draft resolution is subject to their possession of a certain percentage of the capital stock.

The shareholder must accompany his or her request with justification of possession of the percentage of capital stock required, along with a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the company or in the bearer share accounts held by the authorized intermediary. Moreover, any examination of the item or the resolution by the Annual General Meeting is conditional on the transmission by the relevant party of another certificate of securities registration for the same accounts on the second working day (midnight, Paris time) prior to the meeting.

(1) Cf. Fifteenth resolution on page 231.



The request for the inclusion of any agenda items or draft resolutions must be sent to the head office by registered letter with acknowledgement of receipt or by e-mail, and must reach the company at least 25 days before the date of the meeting, but no later than 20 days after the date of the notice to attend the meeting. All requests to include draft resolutions must be accompanied by:

- the text of the draft resolutions,
- where relevant, a brief presentation of the motives,
- a certificate of registered shares justifying that the required capital stock is held.

Any request for the inclusion of an agenda must be accompanied by the motives and a certificate of registered shares justifying that the required capital stock is held.

The Chairman of the Board of Directors must acknowledge receipt of the request for agenda items or draft resolutions, by registered letter or by e-mail, within five days of receiving this request. If draft resolutions are submitted by shareholders, the Members of the Board must meet in order to determine if they should recommend to the Annual General Meeting that these draft resolutions should be adopted or rejected.

Each shareholder may send to the Board of Directors, which will respond during the meeting, any written questions he or she chooses. The questions must be sent by registered letter with acknowledgment of receipt, or by an electronic message sent to the addresses indicated in the notice to attend, at the latest on the fourth working day before the date of the General Meeting, and be accompanied by a certificate of registration for the corresponding shares, either in the nominative share accounts kept by the company or in the bearer share accounts held by the authorized intermediary.

#### THE CONSULTATIVE COMMITTEE FOR SHAREHOLDERS

The Consultative Committee for Shareholders (CCS) was formed in the spring of 2010 with the objective of contributing to the development strategy for individual shareholders, understanding shareholder expectations better and improving on financial communication. The duration of the representatives' mandate is for two years and they may be re-elected twice. One third of the Committee is renewed (every 2 years).

The CCS comprises:

- six individual shareholders representing the shareholders:
  - Jean-Claude BONHOMME (Auvergne – 63),
  - Arnaud BUNEL (Ile-de-France – 75),
  - Jean GERMAN (Ile-de-France – 78),
  - Anne-Valérie LLUCH-BOSCA (Ile-de-France – 91),
  - Caroline MEIGNEN (Picardie – 60),
  - Francine SAUCIER (Ile-de-France – 75).
- and two Directors from Limagrain:
  - Philippe BLATEYRON,
  - François HEYRAUD.

It is managed by:

- Vilmorin & Cie's Chief Financial Officer: Daniel JACQUEMOND,
- the financial communication team: Valérie MONSERAT, Head of Financial Communication and Investor Relations, and Clémence DATURI, Financial Communication Officer and Individual Shareholder Relations.

The Committee met three times during fiscal year 2014-2015 at different sites of the group and at the site of one of Vilmorin & Cie's customers. Its work has helped to make recommendations on communications devoted to individual shareholders (Actionaria Fair, General Meetings, the thematic conference for individual shareholders, etc.) and exchange on topics concerning the group's strategy and perspectives.

#### MEMBERSHIP OF THE INDIVIDUAL INVESTORS' FEDERATION AND INVESTMENT CLUBS (F2IC)

Vilmorin & Cie has been an active member of the Individual Investors' Federation and Investment Clubs (F2IC) since 2005. It participates in shareholder meetings organized by the Federation, and also distributes its letters to shareholder investment clubs.

## 6.4.2. SCHEDULED AGENDA FOR 2015-2016

*The dates are provided as an indication and are subject to modification*

- November 5, 2015:  
Disclosure of sales at the end of the 1<sup>st</sup> quarter<sup>(1)</sup>
- November 20 and 21, 2015:  
Actionaria Fair at the Palais des Congrès in Paris
- December 11, 2015:  
Annual General Meeting of the Shareholders in Paris
- December 15, 2015:  
Detachment of the dividend
- December 17, 2015:  
Payment of the dividend
- Monday March 7, 2016:  
Disclosure of sales and results for the 1<sup>st</sup> semester<sup>(2)</sup>
- Wednesday April 27, 2016:  
Disclosure of sales at the end of the 3<sup>rd</sup> quarter<sup>(1)</sup>
- Monday August 1<sup>st</sup>, 2016:  
Disclosure of sales for the fiscal year<sup>(1)</sup>
- Wednesday October 19, 2016:  
Disclosure of results for the fiscal year<sup>(1)</sup>

<sup>(1)</sup> Disclosure after trading on the Paris stock market

<sup>(2)</sup> Disclosure before trading on the Paris stock market

## 6.4.3. CONTACTS

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# ANNUAL GENERAL MEETING OF DECEMBER 11, 2015

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# 7.1. MEETING AGENDA

## RESOLUTIONS OF AN ORDINARY NATURE

### FIRST RESOLUTION

Approval of the annual corporate financial statements and full discharge to the Board of Directors

### SECOND RESOLUTION

Regulatory agreements

### THIRD RESOLUTION

Application of the profits and distribution of sums deducted from the issue premiums

### FOURTH RESOLUTION

Approval of the annual consolidated financial statements and full discharge to the Board of Directors

### FIFTH RESOLUTION

Fixing the amount for attendance fees

### SIXTH RESOLUTION

Purchase and sale by the company of treasury shares

### SEVENTH RESOLUTION

Issue of bonds and other assimilated debt securities

### EIGHTH RESOLUTION

Decision on the components of the remuneration granted for fiscal year 2014-2015 to Mr. Philippe AYMARD, Chairman and CEO

### NINTH RESOLUTION

Decision on the components of the remuneration granted for fiscal year 2014-2015 to Mr. Emmanuel ROUGIER, CEO delegate

## RESOLUTIONS OF AN EXTRAORDINARY NATURE

### TENTH RESOLUTION

Issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

### ELEVENTH RESOLUTION

Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately and/or when due, to company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares

### TWELFTH RESOLUTION

Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately and/or when due, to the company's capital stock or capital stock in a company in which it directly or indirectly holds more than half the capital stock, private placement under article L. 411-2, II of the French Monetary and Financial Code

### THIRTEENTH RESOLUTION

Global limit of the total amount to be issued

### FOURTEENTH RESOLUTION

Increase in the capital stock reserved for employees

### FIFTEENTH RESOLUTION

Modification of the date when the list of persons authorized to attend General Meetings is established

## RESOLUTION OF AN ORDINARY NATURE

### SIXTEENTH RESOLUTION

Delegation of powers

## 7.2. RESOLUTIONS of an ordinary nature

### FIRST RESOLUTION

#### APPROVAL OF THE ANNUAL CORPORATE FINANCIAL STATEMENTS AND FULL DISCHARGE TO THE BOARD OF DIRECTORS

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements, the Annual General Meeting of Shareholders (AGM) approves the corporate financial statements for the fiscal year closing on June 30, 2015 as presented to the meeting, and the general running of the company as described in the above-mentioned financial statements and reports, and also approves the non-deductible expenses governed by article 39-4 of the French Tax Code.

### SECOND RESOLUTION

#### REGULATORY AGREEMENTS

After hearing the special report of the Statutory Auditors on operations governed by article L.225-38 of the French Commercial Code, the AGM approves the conclusions of the above-mentioned report and the new agreement which is mentioned in it.

### THIRD RESOLUTION

#### APPLICATION OF THE PROFITS AND DISTRIBUTION OF SUMS DEDUCTED FROM THE ISSUE PREMIUMS

The AGM, following the proposal of the members of the Board of Directors, decides to apply the profits of 14,580,442.33 Euros in the following manner:

■ Net profits on June 30, 2015	14,580,442.33 Euros
■ Application to legal reserve	729,022.12 Euros
■ Profits available on June 30, 2015	13,851,420.21 Euros
■ Brought forward	152,777.47 Euros
■ Deduction from the issue premiums	18,705,028.46 Euros
■ Dividends to distribute	32,709,226.14 Euros

The company does not benefit from the distribution of dividends on any treasury shares it holds. Any dividends corresponding to these shares will be added to the sum carried forward.

The dividend is fixed at 1.57 Euros per share.

The AGM decides that the dividends will be detached on December 15, 2015 and will be paid on December 17, 2015.

### FOURTH RESOLUTION

#### APPROVAL OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND FULL DISCHARGE TO THE BOARD OF DIRECTORS

After hearing the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements, the AGM approves the consolidated financial statements for the fiscal year closing on June 30, 2015 as presented to the meeting, and the general running of the group of consolidated companies as described in the above-mentioned financial statements and reports.

As a result they give full discharge to the members of the Board of Directors for their management for fiscal year 2014-2015.

### FIFTH RESOLUTION

#### FIXING THE AMOUNT FOR ATTENDANCE FEES

After acknowledging the report of the Board of Directors, the AGM decides, in compliance with article 24 of the by-laws, to fix the attendance fees for its Directors for fiscal year 2014-2015, at 45,000 Euros.

### SIXTH RESOLUTION

#### PURCHASE AND SALE BY THE COMPANY OF TREASURY SHARES

After acknowledging the report of the Board of Directors, the AGM gives authorization to the Board of Directors, with the faculty of sub-delegation, in compliance with the provisions of article L.225-209 et seq. of the French Commercial Code, of Title IV, Book II of the General Regulation of the Autorité des marchés financiers (authority governing French markets) and the implementing directive of Regulation n°2273/2003 of the European Commission dated December 22<sup>nd</sup> 2003, to purchase or delegate the purchase of the company's shares with the aim of:

- ensuring liquidity and managing the market for shares through a fully independent investment service provider, with whom a liquidity contract has been signed in compliance with applicable legislation,
- handing over shares when rights are exercised with regard to securities that provide access by whatever means, immediately or when due, to company shares,



- holding or handing over shares for the purposes of exchange or payment for external growth operations, in compliance with recognized market practices and regulations in force,
- following any other practice that is authorized or recognized by the Autorité des marchés financiers or any other objective compliant with regulations in force.

The AGM fixes the maximum purchasing price at 110 Euros per share, and fixes the maximum number of shares liable to be purchased at one million shares, representing a maximum potential sum of 110 million Euros, on condition legal limits are also respected.

Shares may be acquired, sold or transferred at any moment, except during periods of public issue of the company's capital stock, and by any means, on the market, outside the market on multilateral negotiation systems, by private agreement, including through blocks of securities or bids, optional mechanisms, derivatives, call options or securities, respecting applicable regulatory conditions.

This authorization is granted for a period of eighteen months commencing as of the date of this AGM, replacing the authorization granted by the AGM of December 10, 2014 regarding the unused proportion on this date.

The AGM grants full powers to the Board of Directors, with the faculty to delegate, to apply the present authorization, place an order on the stock market, sign any agreements, carry out any formalities and declarations with any organizations, and in more general terms, to do all that is required to implement the decisions it has taken with regard to the present authorization.

The Board of Directors shall inform the AGM of any operations carried out, in compliance with applicable regulations.

## SEVENTH RESOLUTION

### ISSUE OF BONDS AND OTHER ASSIMILATED DEBT SECURITIES

After acknowledging the report of the Board of Directors, the AGM delegates full authority to the Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several

currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 400 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

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

Full authority is granted to the Board of Directors to proceed with these issues in the limits fixed above, in compliance with legal provisions and with the by-laws, and in particular to:

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

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

Within the framework of this resolution, the Board of Directors may, in application of article L.228-40 of the French Commercial Code, delegate to its CEO, or with his agreement, to one or several CEO Delegates, or to one of its members, the powers that it has received for the purpose of the present authorization.

The present authorization is given for a maximum duration of eighteen months. It supersedes the authorization previously granted by the AGM of December 10, 2014.



## EIGHTH RESOLUTION

### DECISION ON THE COMPONENTS OF THE REMUNERATION GRANTED FOR FISCAL YEAR 2014-2015 TO MR. PHILIPPE AYMARD, CHAIRMAN AND CEO

After acknowledging the report of the Board of Directors, which states that Mr. Philippe AYMARD exercises his functions without any compensation, the AGM approves the absence of compensation granted for fiscal year 2014-2015 to Mr. Philippe AYMARD, Chairman and CEO.

## NINTH RESOLUTION

### DECISION ON THE COMPONENTS OF THE REMUNERATION GRANTED FOR FISCAL YEAR 2014-2015 TO MR. EMMANUEL ROUGIER, CEO DELEGATE

After acknowledging the report of the Board of Directors, which states that the total remuneration granted for fiscal year 2014-2015 to Mr. Emmanuel ROUGIER for his mission as CEO delegate came to 338,100 Euros, approves this remuneration including its different components.

## 7.3. RESOLUTIONS

### of an extraordinary nature

#### TENTH RESOLUTION

**ISSUE, WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS, OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS IMMEDIATELY AND/OR WHEN DUE, TO COMPANY SHARES OR TO SHARES IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS MORE THAN HALF THE CAPITAL STOCK, OR DEBT SECURITIES IN PARTICULAR SUCH AS BONDS WITH AN OPTION OF CONVERSION AND/OR EXCHANGE FOR NEW OR EXISTING SHARES**

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors, and in compliance with the provisions of articles L.225-129 and the following of the French Commercial Code, and in particular articles L.225-129-2, L.228-91 to L.228-93, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- delegates to the Board of Directors, for the duration of twenty-four months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, with pre-emptive shareholder subscription rights - with the issue of ordinary shares and/or securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential share and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

- decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation cannot be greater than 300 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the thirteenth resolution be respected.

- decides that the securities issued providing access to ordinary shares in the company may, in particular, consist in debt securities, or be associated to the issue of such securities.

In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 300 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

- decides that in the conditions stipulated by law, the shareholders can exercise their pre-emptive right to subscription, without reduction. Moreover the Board of Directors may institute, for the benefit of the shareholders, a pre-emptive subscription right with deduction which may be exercised proportionately to their rights and within the limit of the number requested.

If subscriptions without reduction, or where appropriate with reduction, have not absorbed all the issue of shares or securities providing access to the capital stock as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

- acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the ordinary shares to which these securities otherwise give the right.

- decides that stock purchase warrants in the company may be issued either by subscription offers, or by free allotment to those who already hold shares.

Where autonomous stock subscription warrants are allocated free, the Board of Directors will be entitled to stipulate that any odd lots of allotment rights are not negotiable, and that the corresponding securities may be sold.

- grants full powers to the Board of Directors to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company,

and to determine how, where relevant, they can be bought back on the stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allocate ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.

■ decides, furthermore, that when securities for issue consist in, or are associated to, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or optional cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.

■ decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.

■ finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

## ELEVENTH RESOLUTION

**ISSUE, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS,  
OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS  
IMMEDIATELY AND/OR WHEN DUE, TO COMPANY SHARES OR SHARES  
IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS  
MORE THAN HALF THE CAPITAL STOCK, OR DEBT SECURITIES  
IN PARTICULAR SUCH AS BONDS WITH AN OPTION OF CONVERSION  
AND/OR EXCHANGE FOR NEW OR EXISTING SHARES**

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of article L.225-129 and the following articles of the French Commercial Code, and in particular articles

L.225-129-2, L.225-135, L.225-136, L.228-91 to L.228-93 of the French Commercial Code, the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

■ delegates to the Board of Directors, for the duration of twenty-four months, commencing as of the date of this AGM, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed - whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, without pre-emptive shareholder subscription rights - with the issue of ordinary shares and securities providing access immediately and/or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables.

The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

■ decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation, cannot be greater than 200 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the thirteenth resolution be respected.

■ decides that the securities issued providing access to ordinary shares in the company may, in particular, consist in debt securities, or be associated to the issue of such securities. In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 200 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

- acknowledges that the present delegation gives full preference to others if the shareholders renounce their pre-emptive right to subscribe the ordinary shares in the company to which these securities, on the basis of this delegation, otherwise give the right.
  - decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution, while granting the Board of Directors the powers to institute, for the benefit of the shareholders, a pre-emptive subscription right with or without deduction which does not grant the right to the creation of negotiable rights.
  - decides that the issue price of the new shares issued will at least be equal to the minimum set in regulatory provisions applied on the date of issue, which today is the weighted average of the quoted price of the company's shares for the last three sessions of the Eurolist Euronext Paris stock market preceding the date this price is fixed, reduced where necessary by the maximum discount of 5% stipulated by legislation in force.
  - decides that the Board of Directors will be responsible, with the faculty of sub-delegation, for fixing the price of issuing ordinary shares or securities granting the right to the company's capital stock.
  - decides that if the subscriptions of shareholders and the public have not absorbed all the issue of shares or securities as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225- 134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.
  - grants full powers to the Board of Directors to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allot ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.
  - decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or facultative cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- When securities for issue consist in, or are associated to debt securities, the Board of Directors will decide whether they are subordinated or not, will fix their rate of interest and how this interest is to be paid, whether they are perpetual floating or not, their fixed or variable price of redemption, with or without premium, the possibility of reducing or increasing the nominal value of the securities, and all other methods of issue and amortization according, in particular, to market conditions and the conditions in which these securities grant the right to shares in the company.
- Where appropriate, the securities to be issued may be associated with warrants granting the right to the allotment, acquisition or subscription of bonds or other debt securities, or may stipulate that the company may issue debt securities, whether fungible treasury bonds or not, to pay for interest that has been suspended by the company, or take the form of complex bonds as defined by the stock market authorities.
- The Board of Directors may decide, during the life cycle of the securities concerned, to modify the provisions presented above, on condition that applicable formalities are respected.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to ensure the successful conclusion of the issues envisaged and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
  - finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.
- If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

## TWELFTH RESOLUTION

### ISSUE, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS, OF ORDINARY SHARES AND/OR SECURITIES PROVIDING ACCESS IMMEDIATELY AND/OR WHEN DUE, TO THE COMPANY'S CAPITAL STOCK OR CAPITAL STOCK IN A COMPANY IN WHICH IT DIRECTLY OR INDIRECTLY HOLDS MORE THAN HALF THE CAPITAL STOCK PRIVATE PLACEMENT UNDER ARTICLE L. 411-2, II OF THE FRENCH MONETARY AND FINANCIAL CODE

After acknowledging the report of the Board of Directors and special report of the Statutory Auditors and in compliance with provisions of article L.225-129 and the following articles of French Commercial Code, and in particular articles L.225-129-2, L.225-135, L.225-136, and L.228-91 et seq., the AGM, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of Shareholders:

- delegates to the Board of Directors, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed with an increase in capital stock, in one or several operations, in the proportion and at the time it deems most opportune, respecting the provisions of article L. 233-32 of the French Commercial Code, whether in France or another country, by private placement under article L. 411-2, II of the French Monetary and Financial Code, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of ordinary shares or securities providing access immediately and/or when due to the company's capital stock, as governed by articles L. 228-91 et seq. of the French Commercial Code and which may be subscribed to either in cash, or by compensation of receivables.

Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

- delegates to the Board of Directors, with the faculty of sub-delegation, in conditions fixed by the law, its authority to proceed with the issue of securities providing access immediately and/or when due to existing or new ordinary shares and/or debt securities of a company in which the company directly or indirectly holds more than half the capital stock, or which directly or indirectly holds more than half the capital stock of the company, on condition that the issues of securities have been approved by the company in which the rights are exercised.
- decides that the maximum nominal amount for capital stock increases that may be effected immediately or when due by

virtue of this delegation is 20% of the capital stock on the day of the decision by the Board of Directors. This amount will be included in the amount of the total ceiling provided for in the thirteenth resolution, or, where relevant, in the total amount of ceilings provided for in resolutions of the same nature which might possibly follow these resolutions during the validity of the present delegation. The nominal amount of shares that are liable to be issued in the case of new financial operations will be added to these ceilings, to preserve the rights of bearers of securities that provide access to the capital stock. In all cases, issues of securities by virtue of the present delegation are legally limited to 20% of the capital stock every year.

- fixes the duration of the validity of the delegation of authority concerned by the present resolution to twenty-six (26) months, starting from the day of this AGM.
- decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution.
- acknowledges that if subscriptions have not absorbed the entire issue, the Board of Directors will be able to limit the amount of the operation to the amount of subscriptions received, on condition that this amount reaches at least three-quarters of the issue initially declared.
- acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the shares to which these securities otherwise give the right.
- decides that the price for the subscription of shares and/or securities issued by virtue of the present delegation will be determined in compliance with the provisions of articles L.225-136 and R 225-119 of the French Commercial Code.
- decides that the Board of Directors, with the faculty of sub-delegation, and in compliance with legislative provisions, will have full powers to exercise the present delegation, in particular to determine the issue dates and conditions, and the form and characteristics of the securities to be created, to fix the issue prices and conditions, to fix the amounts to be issued, to fix the date of entitlement, albeit retroactive, for the securities to be issued, to determine how the issued ordinary shares or other securities should be paid up, and the conditions in which these securities will grant a right to the company's ordinary shares, to set the conditions where appropriate, for their buyback on the Paris stock market and their possible cancellation, to anticipate the possibility to suspend the exercise of share allotment rights

attached to the securities to be issued and to fix the mechanism for the protection of the interests of holders of securities providing future access to the share capital, in compliance with all legal and regulatory provisions.

- decides, moreover, that when the securities to be issued comprise, or are associated with, debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to determine whether they are perpetual floating or not, their remuneration and, where applicable, the compulsory or optional events of suspension or non-payment of interest, their duration and the possibility of a reduction or increase in the nominal value of the securities, and the other issue and amortization methods.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- decides that the Board of Directors may also, with the faculty of sub-delegation, acknowledge the completion of each share capital increase and make any related amendments, and generally enter into any agreement in particular to successfully complete the proposed issues envisaged, taking all steps necessary to carry out any formalities for the issue, the quotation, and for the financial servicing of securities issued pursuant to this delegation and for the exercise of the rights attached thereto.
- finally decides that this delegation cancels and replaces the unused portion of any earlier delegations to the same effect.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of Shareholders on how it has used the authorizations granted in this resolution.

## THIRTEENTH RESOLUTION

### GLOBAL LIMIT OF THE TOTAL AMOUNT TO BE ISSUED

After acknowledging the report of the Board of Directors, the AGM decides that any capital increases resulting from the use of delegations involving the authorization to issue shares and other securities granted in the tenth, eleventh and twelfth resolutions above, whether immediate, deferred or potential, and also any issue of securities according to the provisions of the seventh resolution above, shall not globally exceed the total nominal value of 500 million Euros, or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies; to this sum may be added, where relevant for capital increases as described above, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to the capital stock, in accordance with legal and regulatory provisions.

## FOURTEENTH RESOLUTION

### INCREASE IN THE CAPITAL STOCK RESERVED FOR EMPLOYEES

After hearing the reports of the Board of Directors and the Statutory Auditors, the AGM, deliberating within the framework of article L.225-129-6 of the French Commercial Code, decides to increase the capital stock reserved for employees participating in a company or group savings plan.

The AGM delegates to the Board of Directors the powers necessary to take decisions to proceed with the increase in the capital stock, in one or several operations, in the proportion and at the time it deems most opportune, through the issue of shares in the capital stock or securities providing access to the company's capital stock, without pre-emptive rights to the subscription of shares; the capital increase is reserved for the company's employees still under contract, or those with work contracts in companies that are associated according to the definition of L.225-180 of the French Commercial Code, that participate in the company or group savings plan, and that satisfy any conditions that are laid down by the Board of Directors.



The amount of increase in the capital stock liable to be made through the delegation presented above may not exceed ten million Euros in nominal value; to this sum may be added, where relevant, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to these shares, in accordance with legal provisions in force.

The issue price for new shares, to be fixed by the Board of Directors, cannot be lower by more than 20% than the average rate recorded for the company's shares on the Paris stock market during the legal period and in the conditions laid down by the law in force at the date considered; current legislation states this period to be the twenty days the Paris stock market is open preceding the day of the decision taken by the Board of Directors to fix the date when subscriptions are open.

The Board of Directors is granted full powers, in conditions fixed by the law, to implement this present delegation, now or at a later date, within the limits and methods that it fixes in advance, to:

- determine the companies whose employees may benefit from the issue subscription offer, for the purposes of the present delegation,
- fix the conditions of seniority in particular necessary to benefit from these subscription offers,
- determine the issue dates and methods adopted,
- fix the issue prices and conditions,
- fix the amounts to be issued,
- fix the date of entitlement, albeit retroactive, for the securities to be issued,
- determine how the shares should be paid up and the time granted to the beneficiaries to pay up their subscription,
- decide whether the subscriptions can be made directly and/or indirectly through mutual funds,
- fix, for security issues covered by the present delegation, the methods and conditions of participation in a company or group savings plan, determine their regulations or, for pre-existing plans, modify their regulations.

Finally, the Board of Directors may, where appropriate, deduct any charges from the premium or premiums associated to capital increases, in particular any costs generated by security issues, and more generally to take any useful measures to reach agreements in order to succeed with such issues, record any stock capital increases resulting from an issue made within the framework of the present delegation, and modify the by-laws accordingly.

The present authorization is granted for the maximum duration of twenty-four months. It supersedes the authorization previously granted by the AGM of December 10, 2014.

## FIFTEENTH RESOLUTION

### MODIFICATION OF THE DATE WHEN THE LIST OF PERSONS AUTHORIZED TO ATTEND GENERAL MEETINGS IS ESTABLISHED

After hearing the report of the Board of Directors, the AGM, decides to modify, partially, article 30 of the Company's by-laws which will now be worded as follows:

"Article 30 – Attendance and representation at meetings

.../...

2) Any shareholder may attend a meeting, in person or by proxy, under the conditions set by law, by proving his or her identity and on condition that he/she is registered in the company's books. He/She is entitled to participate in meetings when his or her title to the shares is registered, either in the name of the holder of the shares, or the intermediary recorded on his or her behalf, at least two working days before the meeting at midnight, Paris time, in the form either of a nominative certificate of registered shares, or registered in the account of the bearer shares held by the authorized intermediary. Acknowledgement of registration in the company's books, or accounts of the bearer of the shares, is provided by a participation certificate issued by the representative responsible for the accounts.

.../..."



## 7.4. RESOLUTION

### of an ordinary nature

#### SIXTEENTH RESOLUTION

##### DELEGATION OF POWERS

The AGM grants full powers to the bearer of a copy or extracts of the minutes recording the present deliberations with the aim of completing all legal and administrative formalities as required.



THE YELLOW ONION DORMO, INTENDED FOR THE MARKET OF NORTHERN EUROPE, IS RECOGNIZED FOR ITS RESISTANCE TO EXPORT CONDITIONS AND ITS LONG SHELF LIFE.

## FURTHER INFORMATION

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## 8.1. STATUTORY AUDITORS

### 8.1.1. CONTROL BODIES

#### 8.1.1.1. INCUMBENT STATUTORY AUDITORS

##### KPMG AUDIT, DÉPARTEMENT DE KPMG SA

2, avenue Gambetta - Tour Eqho - CS 60055  
F-92066 Paris La Défense Cedex  
Represented by M. Laurent GENIN  
Date of renewal: 2014  
Date of expiry of term of office: 2020 (AGM deliberating on the financial statements closing on June 30, 2020)

##### VISAS 4 COMMISSARIAT

56, boulevard Gustave Flaubert - F-63010 Clermont-Ferrand  
Represented by M. Claude AUBERT  
Date of renewal: 2011  
Date of expiry of term of office: 2017 (AGM deliberating on the financial statements closing on June 30, 2017)

#### 8.1.1.2. SUBSTITUTE STATUTORY AUDITORS

##### SALUSTRO REYDEL

Immeuble Le Palatin - 3 cours du Triangle  
F-92939 Paris La Défense Cedex  
Date of appointment: 2014  
Date of expiry of term of office: 2020 (AGM deliberating on the financial statements closing on June 30, 2020)

##### M. OLIVIER DELARUE

56, boulevard Gustave Flaubert – F-63010 Clermont-Ferrand  
Date of renewal: 2011  
Date of expiry of term of office: 2017 (AGM deliberating on the financial statements closing on June 30, 2017)

### 8.1.2. FEES OF THE STATUTORY AUDITORS, OTHER AUDITORS AND MEMBERS OF THEIR NETWORK

In Euros	06.30.15			06.30.14		
	KPMG	Visas 4	Total	KPMG	Visas 4	Total
<b>STATUTORY AUDITORS</b>						
Vilmorin & Cie	148,341	34,609	<b>182,950</b>	204,816	41,495	<b>246,311</b>
Globally integrated subsidiaries	797,728	18,951	<b>816,679</b>	854,319	12,770	<b>867,089</b>
<b>OTHER SERVICES</b>						
Legal, fiscal, social	119,974	-	<b>119,974</b>	257,767	-	<b>257,767</b>
<b>Total</b>	<b>1,066,042</b>	<b>53,560</b>	<b>1,119,602</b>	<b>1,316,901</b>	<b>54,265</b>	<b>1,371,166</b>

## 8.2 PUBLICLY AVAILABLE documents

Historical financial information, the annual report, the documents of the Annual General Meetings (Notice of the Meeting, minutes of the AGM) in french, the Company's by-laws and all the components of the "regulated information" as laid down in article 221-1 of the General Regulations of the Autorité des marchés financiers

(in particular press releases, quarterly, half-yearly and yearly disclosures) can be consulted on the website **www.vilmorin.info** in the section Publications. The documents can also be consulted at the head office at: 4 Quai de la Mégisserie - F-75001 PARIS.

## 8.3 INCORPORATION WITH REFERENCE to the financial statements of 2012-2013 and 2013-2014

The following information is included with reference to the "document de référence":

- The activity report, Vilmorin & Cie's consolidated financial statements and the reports of the Statutory Auditors on the consolidated financial statements for fiscal year 2012-2013 as presented on pages 65 thru 76 ad 97 thru 183 of the "document de référence" filed with the Autorité des marchés financiers on November 20, 2013 under the reference D13-1077,
- The activity report, Vilmorin & Cie's consolidated financial statements and the reports of the Statutory Auditors on the consolidated financial statements for fiscal year 2013-2014

as presented on pages 81 thru 93 ad 125 thru 197 of the "document de référence" filed with the Autorité des marchés financiers on October 31, 2014 under the reference D14-1032.

The information included in these documents, other than those referred above, have, where necessary, been replaced and/or updated by information included in the "document de référence" for fiscal year 2014-2015. The documents referred to above, and the Annual Reports in English corresponding to the same fiscal years, are available on the Vilmorin & Cie website, **www.vilmorin.info**, and that of the Autorité des marchés financiers, **www.amf-france.org**.

## 8.4. GLOSSARY

### B

**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.

**BREEDERS:** Companies and professionals who create new varieties.

### C

**CRITICALITY:** Cumulative effect of the probability of a risk occurring and the gravity of the damage it would cause.

### G

**GENETIC RESOURCES:** Group of genes from various plant species.

**GENETICALLY MODIFIED ORGANISM (GMO):** Organism (plant 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.

**GERMPLASM:** Genetic heritage.

### H

**HYBRID:** Heterozygous offspring of two genetically different parents. This conventional breeding 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.

### I

**INPUTS:** Agricultural inputs involve the different products provided to the soil and crops, including in particular, fertilizers, amendments, chemical products, seeds, etc.

### M

**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).

### O

**ORGANOLEPTIC:** Relating to perception by the use of a sensory organ (for example taste and smell).

### S

**SALES FROM PROPRIETARY VARIETIES:** Sales made on varieties coming out of the research programs of Vilmorin & Cie.

**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.

### T

**THINK TANK:** A group or an institution organized for intensive research and solving of problems, especially in the areas of technology, and social or political strategy.

**TRAIT:** Item of the description of the phenotype of a living organism or a species.

**TRAITS:** The expression of a gene or genes providing the plant with resistance to various aggressions from pests, weed-killers, etc. The phenotype is a description of one or more traits.

**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:

- > [www.gnis-pedagogie.org](http://www.gnis-pedagogie.org)
- > [www.larousse.fr](http://www.larousse.fr)
- > Wikipedia
- > Internal. Vilmorin & Cie.



**VILMORIN & CIE**

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