

*Annual report*

**2010** **2011**



*Annual report*  
**2010 2011**

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# PROFILE >

***The fourth largest player worldwide, Vilmorin creates vegetable and field seeds with high added value, helping to satisfy food needs better.***

*Deploying its activity on dependable, regularly expanding markets, Vilmorin is No. 2 worldwide for vegetable seeds, and holds top competitive positions in field seeds*

*Guided by a responsible vision of its development, Vilmorin relies on its capacity to innovate and its dynamic international growth to strengthen its market shares sustainably.*

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

- > Sales of 1,192 million Euros in fiscal year 2010-2011.
- > Growing internationalization of business with 45% of sales made outside Europe in 2010-2011.
- > Strong capacity for innovation (15.2% of sales of seeds in 2010-2011) contributing to the launch of 200 new seed varieties every year.
- > The expertise and commitment of nearly 5,800 employees in the world (average yearly headcount).

2010-2011 SALES FOR EACH DIVISION



2010-2011 SALES FOR EACH GEOGRAPHICAL ZONE



## VEGETABLE SEEDS

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

## FIELD SEEDS

Four strategic crops (corn, straw cereals, rapeseed, sunflower) for farmers mainly on the European and American markets

## GARDEN PRODUCTS

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

# MESSAGE > FROM THE BOARD

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*“In an economic and financial environment which is growing tense once again, we have every confidence in Vilmorin’s capacity to pursue its growth.”*



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

## *Strong growth and implementation of our strategic orientations have carried our fiscal year for 2010-2011 forward*

With sales up more than 12% with current data and a group share of net income of 91 million Euros, **development of our activities and our profitability both in vegetable and field seeds have reached a level never before attained**. These excellent results are not only due to the favorable context of agricultural markets and the extraordinary capital gains recorded from the disposal of our minority stakes in China. The virtuous circle of innovation combined with proximity to our markets and the capacity of our organization to adapt to an evolving environment no doubt form the basis for these performances. As a result of these achievements, and in accordance with our dynamic policy of distributing profits, **we are proposing a dividend of 1.50 Euros per share to the General Meeting, up more than 6% compared with last year**.

The market for seeds continues to grow, pulled forward by the increasing needs for food, the legitimate requirement for innovation of our farmer customers and producers, and the emergence of new agricultural powers. In this context, **Asia and South America already represent priority areas for investment**. We therefore pursued the internationalization of our corn activities over this past year, building a solid base for deployment in Brazil. The next stage in the medium term will be to introduce genetically modified seeds developed from our own technologies, and this is vital to achieve our global ambitions with this crop.

The perspective of significantly improving the agronomic qualities of wheat is a fundamental long-term lever for growth. We now have the platform necessary and solid assets to **take up position as the world reference for this crop**. Both in our vegetable and our field seeds activities, which are the pillars of Vilmorin's current growth, our research teams are capable of rising to the challenge and associating their talent with the know-how and dynamism of our sales forces to succeed with this long-term goal.

In an economic and financial environment which is growing tense once again, **we have very confidence in Vilmorin's capacity to pursue its growth**. The road to success in our strategic ambitions will be smoother if we can preserve our development model and enrich the links we have with everyone – employees, clients, industrial and financial partners and shareholders – who accompany us in the construction of the future of your company.







# GOVERNANCE

08

*Presentation of the Board and how it functions*

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*Management and control bodies*

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*Agreements with corporate officers and  
economic interests of the management bodies*





# GOVERNANCE >

## Presentation of the Board and how it functions

### > PRESENTATION OF THE BOARD

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

Name (age)	Function	Main activities	Term of office	Background
	<b>Gérard RENARD</b> (63) Chairman	Farmer Vice-Chairman of Groupe Limagrain	● 1998 ➡ 2008 ☒ 2011	Educated in agronomic science and agriculture, Gérard RENARD, as well as his duties at Vilmorin, is also President of the Puy-de-Dôme Chamber of Agriculture and a member of the Auvergne Regional Chamber of Agriculture committee.
	<b>Joël ARNAUD</b> (52) Member of the Board	Farmer Vice-Chairman of Groupe Limagrain	● 2006 ➡ 2008 ☒ 2011	Joël ARNAUD joined the Groupe Limagrain Board in 1990, becoming Vice-Chairman in 1992, and is Chairman of the Field seeds division. Furthermore his national responsibilities in France involve chairing the FNPSMS (National Federation of Corn and Sorghum Seed Producers) and a position on the Board of the AGPM (General Association of Corn Producers).
	<b>Philippe AYMARD</b> (51) Member of the Board	Farmer Member of the Groupe Limagrain Board	● 2006 ➡ 2008 ☒ 2011	As a member of the Groupe Limagrain Board since 1995, Philippe AYMARD has specific responsibilities to supervise the Garden products division. He plays an important role in the cereals sector, and also participates in organizing the defense of the interests of regional cereal farmers. Moreover he has been a member of the Vilmorin Consultative Committee for Shareholders since its creation in June 2010.
	<b>Daniel CHÉRON</b> (60) Member of the Board Member of the Audit and Risk Management Committee	Corporate CEO of Groupe Limagrain	● 2004 ➡ 2008 ☒ 2011	A graduate in economics, Daniel CHÉRON joined Groupe Limagrain in 1976. After holding several different operational positions of responsibility in the subsidiaries, both in the Vegetables and Field seeds divisions, he became Deputy Corporate CEO in 1996, and then Corporate CEO in 2006.
	<b>Jean-Yves FOUCAULT</b> (56) Member of the Board Member of the Audit and Risk Management Committee	Farmer 1 <sup>st</sup> Vice-Chairman of Groupe Limagrain	● 2006 ➡ 2010 ◆ 2013	After beginning his professional career in consultancy and agricultural training, Jean-Yves FOUCAULT started and developed his own farm. He joined the Groupe Limagrain Board in 2000, and is today 1 <sup>st</sup> Vice-Chairman of the Group, and board member of a local Crédit Agricole bank.

Name (age)	Function	Main activities	Term of office	Background
	<b>François HEYRAUD</b> (54) <b>Member of the Board</b>	Farmer Member of the Groupe Limagrain Board	<ul style="list-style-type: none"> <li>● 2000</li> <li>➡ 2008</li> <li>☒ 2011</li> </ul>	After several years on the boards of different companies in the group, François HEYRAUD was elected to the Groupe Limagrain Board in 1984. Today he is also Chairman of the Bakery products division of Groupe Limagrain. He has also been a member of the Vilmorin Consultative Committee for Shareholders since its creation in June 2010.
	<b>Didier MIRATON</b> (53) <b>Independent Member of the Board</b> <b>Chairman of the Audit and Risk Management Committee</b>		<ul style="list-style-type: none"> <li>● 2007</li> <li>➡ 2010</li> <li>◆ 2013</li> </ul>	Didier MIRATON, a government civil engineer, held several different management functions in the Michelin Group as of 1982, and was a member of the General Management team for Michelin from 2007 until 2011.
	<b>Pierre PAGESSE</b> (64) <b>Member of the Board</b> <b>Member of the Audit and Risk Management Committee</b>	Farmer Chairman of Groupe Limagrain	<ul style="list-style-type: none"> <li>● 2006</li> <li>➡ 2008</li> <li>◆ 2011</li> </ul>	As well as being Chairman of Groupe Limagrain since 1992, Pierre PAGESSE is Vice-Chairman of GIS Biotechnologies vertes (public-private research partner in plant genomics*), a member of the board of Arvalis (Plant Institute) and is also on the board of the University of Auvergne. He is also Chairman of momagri (movement for a world organization for agriculture).
	<b>Pascal VIGUIER</b> (47) <b>Member of the Board</b>	Farmer Member of the Groupe Limagrain Board	<ul style="list-style-type: none"> <li>● 2007</li> <li>➡ 2010</li> <li>◆ 2013</li> </ul>	Pascal VIGUIER became a Groupe Limagrain Board member in 1999, and has held terms of office in the Vegetable and Field seeds divisions. Today he is Chairman of the Cereal Ingredients division of Groupe Limagrain. He has also been a member of the Puy-de-Dôme Young Farmers Committee.

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

## GOVERNANCE

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### LIMAGRAIN, REFERENCE SHAREHOLDER

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

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

Limagrain is structured around a holding company, Groupe Limagrain Holding (GLH), a joint stock company in which the Société Coopérative Limagrain is the majority shareholder, with approximately 3,500 co-operative farm members on June 30<sup>th</sup> 2011. 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)\* in order to contribute to its development.

Limagrain held 72.42% of Vilmorin's capital stock on June 30<sup>th</sup> 2011. The Group is willing to consider lowering this rate depending on market opportunities and with the objective of developing the interests of Vilmorin.

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

### GOVERNANCE CODE

Respecting the recommendation of the European Commission of February 15<sup>th</sup> 2005, Vilmorin opened up its Board of Directors in December 2007 to integrate

an independent director. The 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. Some of the AFEP/MEDEF recommendations have been directly applied such as the remuneration of the corporate representatives and the implementation of an Audit and Risk Management Committee.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors has fixed the medium-term objective of analyzing whether and how to gradually implement all the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin.

### > HOW THE BOARD OF DIRECTORS OPERATES

The Board of Directors meets regularly. Meetings are convened by written notice to attend from the Chairman, and are held at the head office or any other place fixed in the notice. During fiscal year 2010-2011, the Board of Directors for Vilmorin met six times; the attendance rate for the Board of Directors was 89%. Vilmorin'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.

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

- an analysis and approval of the orientations presented by the Executive Committee for the medium-term plan;
- confirmation of the objectives of the Vegetable and Field seeds divisions both in terms of international development and research investments;
- implementation of the Group development plan, in particular on South American and Asian markets;
- closing of the corporate and consolidated financial statements for the first semester and fiscal year of 2010-2011;
- approval of the budget for the fiscal year 2011-2012;
- appointment of Vilmorin's new CEO.

## Management and control bodies

### > THE GENERAL MANAGEMENT

Vilmorin's General Management is the responsibility of the Chairman of the Board, Gérard RENARD. In compliance with the information disclosed during the second semester of 2011, the Board appointed Emmanuel ROUGIER to succeed Adrian HUIGE as CEO after his resignation.

The Board has expressed its gratitude to Adrian Huige for his personal commitment and for the quality of the results obtained during his term of office. Vilmorin has asked him to continue to contribute his vast experience as an advisor to the Board and to chair the Board of certain subsidiaries in the Group such as Hazera Genetics and AgReliant.

Emmanuel ROUGIER, 58 years old, has been Chief Operations Officer for Vilmorin since 2009 with more than 15 years' experience in the group's main activities, and will thus pursue the implementation of Vilmorin's strategy and long-term development.

### > THE EXECUTIVE COMMITTEE

Vilmorin's Executive Committee is chaired by Emmanuel ROUGIER.

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

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



The Executive Committee, from left to right (standing):  
Alain PERRIN: VP for the Field seeds division  
Jean-Christophe GOUACHE: VP for the Vegetable seeds division (seated)  
Arnaud DELTOUR: VP for the Garden products division  
Emmanuel ROUGIER: Chief Executive Officer  
Daniel JACQUEMOND: Chief Financial Officer

### > THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Board of Directors has consolidated its work by setting up an Audit and Risk Management Committee at the beginning of 2010, chaired by its independent Director, and under the exclusive and collective responsibility of the members of the Board. Daniel CHÉRON, Jean-Yves FOUCAULT and Pierre PAGESSE are also members of this committee.

This specialized committee is responsible in particular for monitoring the preparation of financial information, the efficiency of all internal control and risk management systems and legal control of the accounts by the statutory and external auditors. During fiscal year 2010-2011, it looked into the financial statements for the first semester, the risk of technological dependence and financial risks.

The work of the Audit and Risk Management Committee is presented on Page 89.

## GOVERNANCE

*Agreements with corporate officers and economic interests of the management bodies***> STOCK OPTIONS, STOCK PURCHASING, VOTING RIGHTS, AGREEMENTS WITH CORPORATE OFFICERS**

The members of the Board of Directors each hold three Vilmorin shares. No operation or agreement has been 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.

**> TOKEN PAYMENTS OR ALLOWANCES PAID TO CORPORATE OFFICERS**

Following the resolution approved by the Annual General Meeting of shareholders on December 17<sup>th</sup> 2010, the Board of Directors has decided to allocate all the token payments for attendance (20,000 Euros) to Didier MIRATON, the independent Director.

It will propose to the Annual General Meeting of December 14<sup>th</sup> 2011 to increase the token payments for attendance by 3% for the fiscal year 2010-2011.

Daniel CHÉRON, member of the Board, is also a salaried member of Groupe Limagrain, the reference shareholder of Vilmorin, and thus it should be noted that the proportion of gross remuneration paid for the functions he held specifically for Vilmorin in 2010-2011 amounted to 144,300 Euros, including a variable part of 36,700 Euros. The total commitments concerning end of career allowances for Daniel CHÉRON on June 30<sup>th</sup> 2011 came to 211,500 Euros.

Adrian HUIGE, CEO, held a contract of mandate since January 2009 and received an allocation for the fiscal year 2010-2011 of 217,500 Euros.

**> REMUNERATION OF MEMBERS OF THE MANAGEMENT BODIES**

In 2010-2011, the sum of remunerations and income in kind made to members of the Executive Committee, comprising six members, came to 1.7 million Euros. Moreover, the total amount funded to retirement benefits of members of the Executive Committee came to one million Euros on June 30<sup>th</sup> 2011.

**CONFLICTS OF INTEREST**

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

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

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

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

**STATUTORY AUDITORS****Incumbent statutory auditors****> KPMG AUDIT, Département de KPMG SA**

1, cours Valmy – 92923 Paris la Défense Cedex – France  
Represented by Mme Catherine PORTA

**Date of renewal:** 2008

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

**> VISAS 4 Commissariat**

56, boulevard Gustave Flaubert –  
63010 Clermont-Ferrand – France  
Represented by Mme Corinne BESSON

**Date of renewal:** 2005

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

**Substitute Statutory Auditors****> M. Denis MARANGE**

1, cours Valmy – 92923 Paris la Défense Cedex – France  
**Date appointed:** 2008

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

**> M. Olivier DELARUE**

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

**Date of renewal:** 2005

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





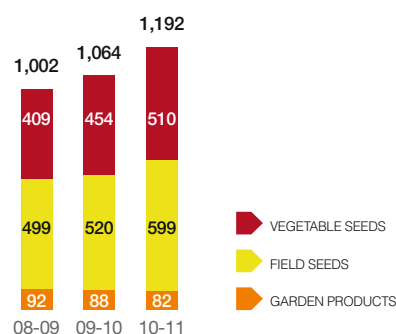


# **KEY FIGURES**

# KEY FIGURES

## EVOLUTION OF SALES (in M€) (REVENUE FROM ORDINARY ACTIVITIES)

In a favorable agricultural environment, Vilmorin has shown historic growth in its business over fiscal year 2010-2011, marked by highly dynamic progression for the Vegetable and Field seeds divisions, with market share gains.



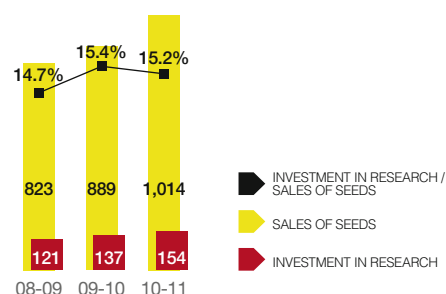
## GEOGRAPHICAL ANALYSIS OF SALES (as a %)

In 2010-2011 Vilmorin achieved a significant proportion of its sales on markets outside Europe, fixing South America and Asia as priority zones for growth.



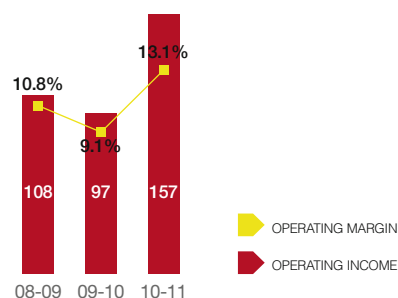
## INVESTMENT IN RESEARCH (in M€)

In compliance with its strategic orientations, in 2010-2011 Vilmorin intensified its research programs both in conventional plant breeding\* and biotechnology\*.



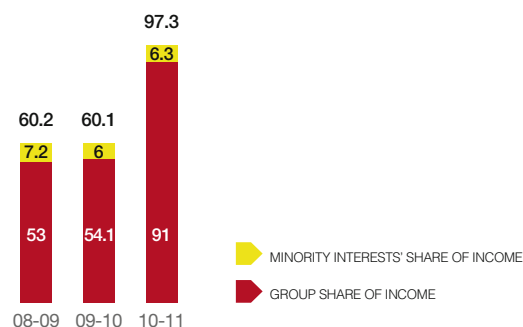
## EVOLUTION OF THE OPERATING INCOME AND THE OPERATING MARGIN (as a % of sales)

Extraordinary items excluded, the operating margin for fiscal year 2010-2011 grew considerably (+ 4 percentage points) compared with the previous fiscal year.



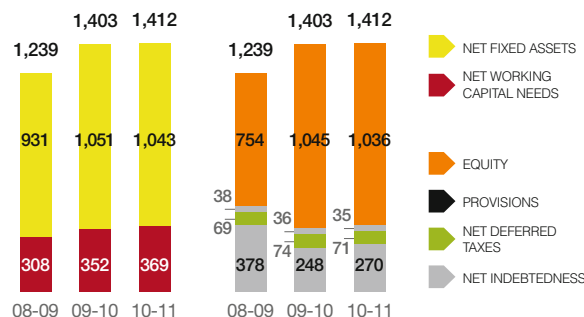
### EVOLUTION OF INCOME (in M€)

Net income on June 30<sup>th</sup> 2011 came to 97.3 million Euros, a big increase compared to the previous fiscal year, with the Group share benefitting from the net capital gains from the sale of minority stakes.



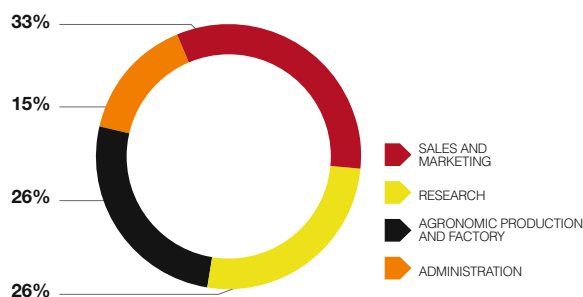
### BALANCE SHEET STRUCTURE ON JUNE 30<sup>TH</sup> (in M€)

On June 30<sup>th</sup> 2011 Vilmorin's financial situation was solid, with longer maturity of its funding lines providing a strong capacity for external growth.



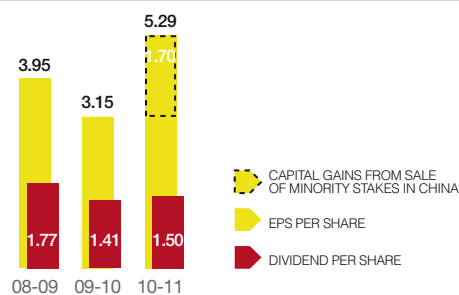
### BREAKDOWN OF PERMANENT STAFF ACCORDING TO FUNCTION (as a %)

During fiscal year 2010-2011 Vilmorin employed a permanent headcount of 5,106, mainly working in research and sales.



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

In keeping with its policy of distributing its results, Vilmorin is paying out a dividend of 1.50 Euros per share for 2010-2011, corresponding to a distribution rate of its group share net income of 43% (excluding extraordinary items).



NB: calculated on the basis of 13,391,857 shares for 2008-2009 and 17,218,101 shares for 2009-2010 and 2010-2011.





# ACTIVITIES

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

23

*Vegetable seeds*

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*Field seeds in Europe*

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*Field seeds in North America*

32

*New development platforms*

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*Garden products*

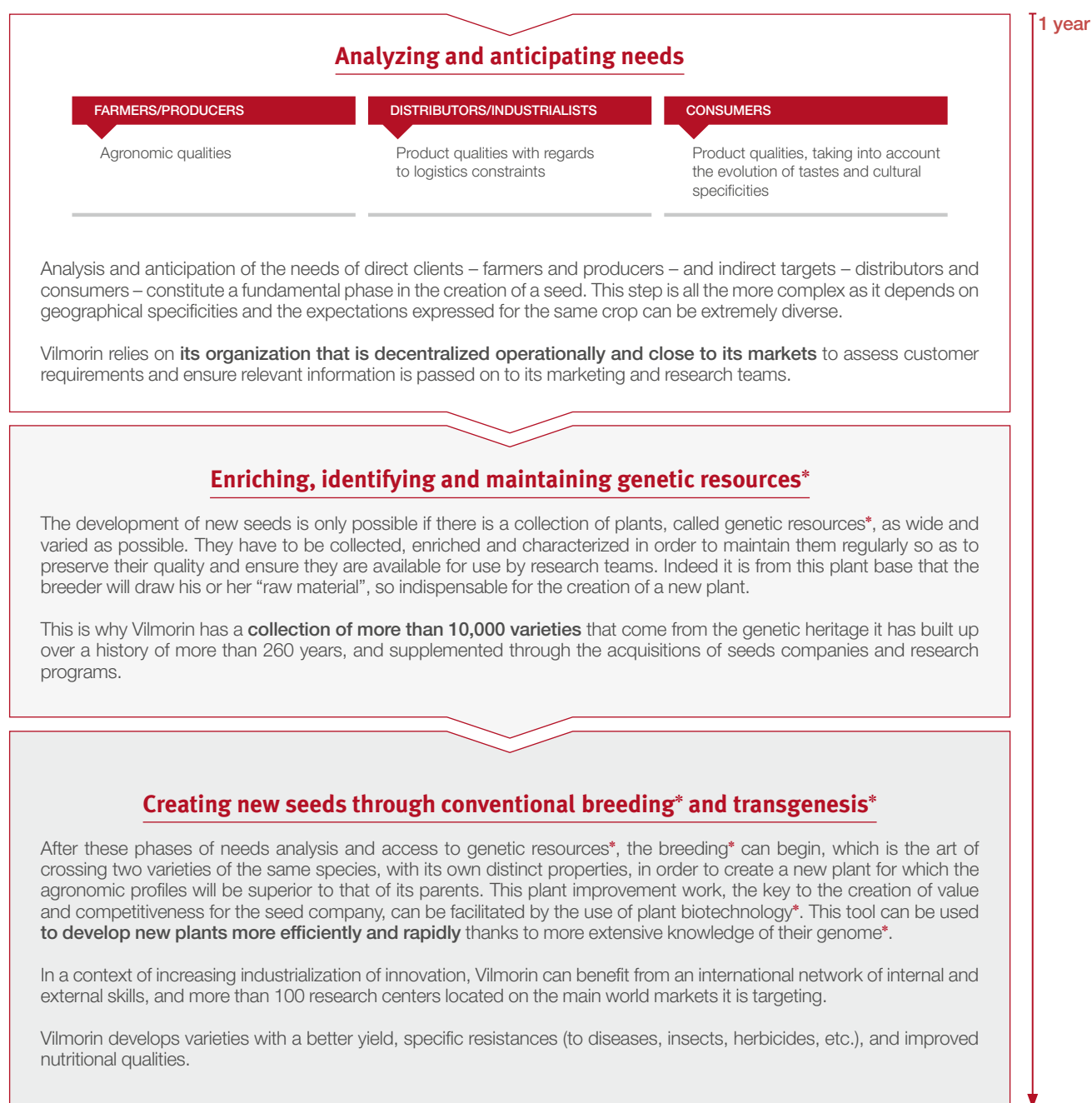
# ACTIVITIES >

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

### > HISTORICAL EXPERTISE

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

### PROCESS IN THE DEVELOPMENT OF A SEED



### 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

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.

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

### Optimizing seed quality in the factory

Processing concerns the phases of preparation (sorting, cleaning, drying) and seed treatment (applications of phytosanitary products used to protect the plant against certain parasites or diseases), as well as packaging and storing.

Vilmorin makes full use of the **irreplaceable expertise of its teams, modern industrial equipment**, and standardized controls to guarantee product quality.

### Distributing seeds to international production and agricultural markets

In order to work in close contact with its customers, almost all Vilmorin's subsidiaries sell seeds through distributors, co-operatives and sometimes directly to the end users.

Vilmorin has **a portfolio of strong brands**, each with specific positioning.

Sales teams represent more than 30% of the company's headcount.

10 years

**It takes seven to ten years to finalize the creation process of a seed**

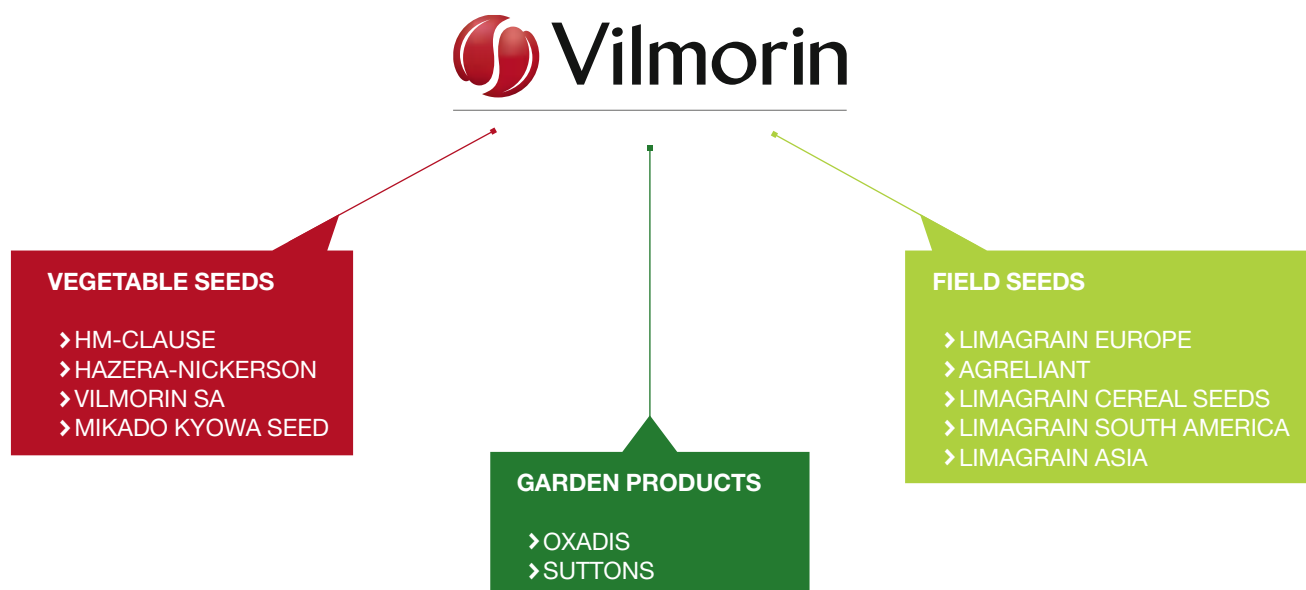
## ACTIVITIES

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### > DECENTRALIZED OPERATIONAL ORGANIZATION

Vilmorin's operational organization is structured around three divisions. Each of them is segmented into different Business Units, which each bear responsibility for a specific development strategy defined in accordance with species category and geographical zones, benefiting from dedicated organization.

This choice of proximity management guarantees excellent knowledge of markets and exemplary reactivity, making Vilmorin truly special. At the same time corporate services such as the scientific strategy, the external growth policy and finance are all centralized.





## Vegetable seeds

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

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

### ➤ KEY INDICATORS 2010-2011

- No. 2 worldwide (tomato, melon, carrot, onion, sweet pepper, etc.).
- Contribution to consolidated sales: 510.3 million Euros (+ 7.7% like for like).
- Sales from proprietary varieties\*: 90%.
- Investment in research: 68 million Euros.
- Number of employees: 2,699.

### ➤ ORGANIZATION IN BUSINESS UNITS, TO COVER ITS HIGHLY SEGMENTED MARKETS EFFICIENTLY

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

### MAIN VEGETABLE SEED BRANDS



### ➤ 2010-2011: ANOTHER YEAR OF STRONG GROWTH IN SALES

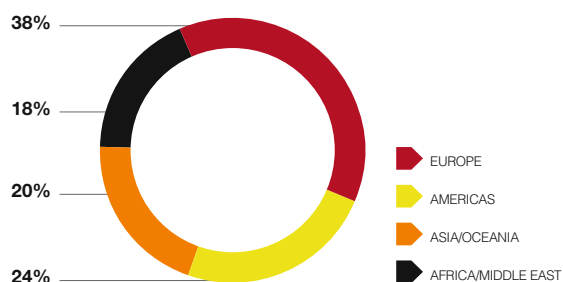
#### RECURRING ORGANIC GROWTH

This fiscal year the Vegetable seeds division once again achieved truly excellent growth directly due to the technical performance of its products, the fine commercial cover of its target markets and the drive of all the Business Units. As a result market shares were gained (North and South America, Mediterranean basin and Asia) particularly for crops with high added value.

This year, the world market has continued to progress globally, with performances varying considerably depending on the zones. Thus countries in the Middle East suffered a slowdown in their growth, as a direct influence of the Arab political crises. The earthquakes and nuclear incidents occurring in March 2011 in Japan did not result in the loss of human lives from Mikado Kyowa Seed, or any significant damage to the equipment and installations. Thanks to the great response and commitment of the company's employees, its activity progressed continuously, without any drop in sales or profitability for fiscal year 2010-2011.

## ACTIVITIES

### GEOGRAPHICAL ANALYSIS OF SALES



### THE FRUIT OF A TARGETED EXTERNAL GROWTH POLICY

The recent acquisitions and implantations achieved in key areas (Turkey, Algeria, Greece, Morocco, etc.) and strategic crops (tomato, sweet corn, onion, lettuce, etc.) have proven to be wise and now provide true growth opportunities. Vilmorin has made considerable inroads in these new markets because of the greater use of commercial seeds, the efficient sales organizations set in place and the high quality of the product line-up.

In order to keep up these trends in coming years, Vilmorin has intensified research programs while increasing resources devoted to sales and marketing development in order to improve how we cover our target zones.

### > OBJECTIVES FOR 2011-2012

- > Achieve, as we have in previous years, average growth in sales comparable to the estimated trend in growth for the vegetable seeds market.
- > Control the sanitary and political crises affecting the vegetable production chain in the spring of 2011.
- > Stay on the look-out for any external growth opportunities, including targeted operations that strengthen our positions in research and our commercial presence in strategic zones, particularly in Asia.
- > Use the new Business Units organization to reinforce synergy between the companies, and particularly between the research programs.

### > A CONSTANTLY PROGRESSING MARKET

The value of the world market for vegetable seeds was estimated to be at around 4.9 billion dollars in 2010, corresponding to an average annual growth of 6% since 2006. (Sources: P. Mc Dougall)

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

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

## A MARKET MADE UP OF MANY HIGH ADDED VALUE NICHES

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

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

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

The vegetable seeds market is highly sensitive to the technical performance of seeds. Indeed the variety the grower chooses will determine the quality and added value of his or her production.

It is therefore a strategic choice, above all driven by economic considerations, and by the criteria of yield, resistance to disease and suitability to trends in consumption.

## INNOVATION DRIVING THE MARKET

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

## A COMPETITIVE MARKET THAT HAS BECOME CONCENTRATED

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

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

COMPANIES	COUNTRIES	SALES OF VEGETABLE SEEDS (IN M€)
Monsanto	United States	596
<b>Vilmorin</b>	<b>France</b>	<b>510</b>
Syngenta	Switzerland	406
Nunhems (Bayer Crop Science)	Germany	273
Sakata	Japan	211

Sources: internal and company disclosures

## ACTIVITIES

## Field seeds activity in Europe

The field seeds activities – cereals and oilseed crops – are grouped in a single Business Unit, a subsidiary held 80% by Vilmorin. Through its distribution networks that vary according to the country and crop sold, its customer target is farmers.

### > KEY INDICATORS 2010-2011

- > No. 1 in Europe for straw cereal seeds.
- > No. 3 in Europe for corn seeds.
- > Contribution to consolidated sales 2010-2011 (Limagrain Europe and its subsidiaries): 425.6 million Euros (+ 15.4% like for like).
- > Number of employees: 1,311.

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

#### A BALANCED PRODUCT RANGE SEGMENTED IN RELATION TO STRATEGIC INTERESTS

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

- > Strategic crops for which it holds strong competitive positions: corn, straw cereals (wheat and barley), rape and sunflower.
- > Support crops: complements to the strategic crops range. For these species, research efforts are limited and production is carried out by sub-contractors through partnerships such as that developed with DLF, the leader for the forage segment.
- > Other crops (amenity grasses, cotton, beet, etc.), distributed according to market opportunities, complete the line-up.

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

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

- > Sunflower, which is very similar to corn, is developing fast, especially in Eastern Europe and in Turkey.
- > Straw cereals (wheat and barley), sold through two different distribution circuits, have varieties with a life cycle that is longer than average. Their profitability, which is indirectly influenced by the prices of agricultural raw materials, is lower than for other strategic crops, and can vary from one year to the next. However the long-term outlook for the creation of value is encouraging, with the perspective of developing GMO\* and hybrid\* wheat. This is a strategic development that will lead to an improvement of crop yield and the general quality of the plant, for which Vilmorin is well placed and has the resources to succeed. This strategic priority is presented on page 45.

### A DISTINCTIVE MARKETING AND SALES APPROACH

The marketing strategy adopted for field seeds in Europe is also one of the key factors in Vilmorin's success. In corn for example, the company has fine-tuned the segmentation of its range according to two criteria:

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

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

### MAIN FIELD SEED BRANDS IN EUROPE



Advanta ®: brand registered  
by Advanta Netherlands  
Holdings BV



### > AN EXCELLENT FISCAL YEAR 2010-2011

On June 30<sup>th</sup> 2011, sales for the Business Unit came to 425.6 million Euros, up more than 15% compared with fiscal year 2009-2010, and above the objectives fixed.

The implementation and deployment of the structure in the form of a Business Unit is bearing its fruit, optimizing logistics and benefiting from a more global approach to the different segments.

Moreover, in a context of favorable agricultural markets, marked by the progression of cultivated acreage for cereals and an upward trend of raw material prices, all the strategic species comprising its line-up improved their performances.

### SUNFLOWER: RECURRING SUCCESS

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

### RAPESEED: A VERY GOOD CAMPAIGN, FOLLOWING ON FROM THE PREVIOUS FISCAL YEAR

Vilmorin is continuing to gain new market shares and this year again improved its sales of this profitable crop by more than 20%, a remarkable performance since cultivated acreage for rapeseed dropped by more than 3% in 2010 (Source: OilWorld). These fine results are due to the technical performance of products, particularly on the hybrid\* variety segment.

### CORN: A SIGNIFICANT INCREASE IN ACTIVITY

Sales increased very dynamically for this crop, faster than the increase in volume for the corn market in Europe, overall estimated to be nearly 7% (Source: Eurostat). Market shares were achieved, particularly in Northern Europe.

While maintaining a cautious approach to financial risks (customer solvency, currency, etc.) in Eastern Europe, Vilmorin is continuing to redeploy in this zone and is increasing its sales, particularly in Russia and Ukraine. Eastern Europe is a high potential zone and the priority is to continue to develop here.

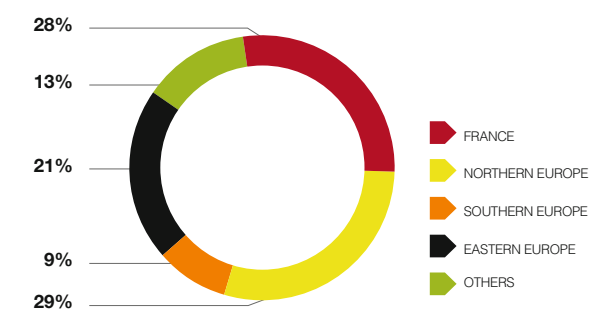
### STRAW CEREALS: A RETURN TO GROWTH

In a favorable agricultural environment marked by greater use by farmers of commercial seeds, sales of certified seeds for straw cereals (wheat, barley) in the “long marketing channel” have been progressing appreciably this past year.

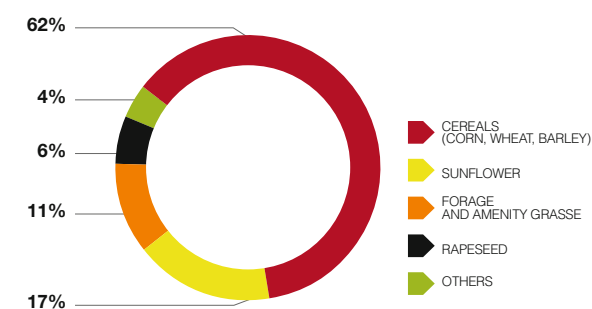
Delegation of varieties to agricultural cooperatives (so-called “short marketing channel”) fell back somewhat as a result of the fact farmers have been using more commercial seeds.

In order to consolidate its future development, throughout the fiscal year Vilmorin pursued its upstream research programs (molecular marking\* and transgenesis\*) and breeding\* for its strategic crops.

### GEOGRAPHICAL ANALYSIS OF SALES (EXCLUDING ROYALTIES)



### ANALYSIS OF SALES PER CROP (EXCLUDING ROYALTIES)



## ACTIVITIES

### > OBJECTIVES FOR 2011-2012

- > Continue to gain market shares in rapeseed and sunflower.
- > Adapt demand to corn seed supply lower than production plan objectives.
- > Pursue development on the grain corn segment.
- > Pursue deployment in Eastern Europe and continue to set up new sites in this strategic area.
- > Encourage development of the new Business Units in field seeds internationally.
- > Contribute to the deployment of the new field seeds research organization.

### > A BUOYANT MARKET

Dominated by corn, straw cereals and two fast developing oil crops, rape and sunflower, the European market has experienced moderate growth in recent years with trends varying between the cultivated crops and increased acreage of set-aside.

#### EVOLUTION OF CULTIVATED ACREAGE IN THE EUROPEAN UNION 27

	ACREAGE 2010-2011	EVOLUTION OVER THE PAST YEAR
Total corn	14.1	+ 6.5%
> Grain corn	8.5	+ 8.2%
> Silage corn	5.6	+ 4.1%
Wheat	23.2	+ 1%
Sunflower	4.1	+ 8.3%
Rapeseed	6.6	- 3.6%

Sources: OilWorld, Stratégies grains and FNPSMS

#### MARGINAL ACREAGE OF GM\* CROPS

Growing, selling and importing genetically modified plants are subject to European directives, and regulations. To date only two GM\* varieties are authorized for growing and selling in the European Union, whereas more than twenty types of transgenic corn, soybean, cotton and spring rape, and certain combinations, are authorized for import.

Certain member states have nevertheless suspended authorization to grow GM\* crops, triggering the safeguard clause provided in EU law. This is specifically the case of France, Germany, Italy, Hungary, Austria, Greece and Luxembourg. A procedure for member states to opt to grow GM\* crops in their country has been proposed by the European commission and is currently

being discussed. Consequently, GMO\* were only marginally grown in Europe in 2010 with 90,000 hectares (mainly in Spain, the Czech Republic, Portugal, Poland and Slovakia), i.e. less than 1% of world acreage, down 3,5% this year (Source: ISAAA 2011).

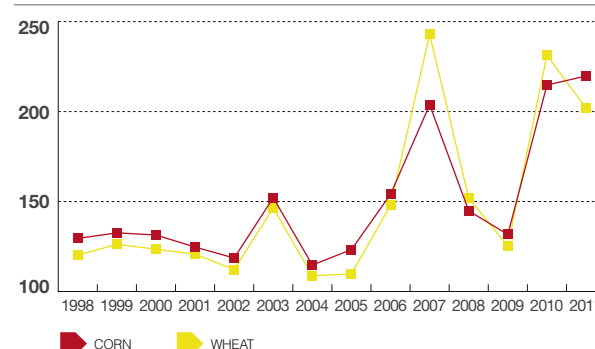
Like its main competitors, this context has no direct impact on Vilmorin, which does not currently generate many sales from genetically modified varieties in Europe. Nevertheless, convinced that these markets will open up in the medium term, Vilmorin is running specific research programs with the aim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

#### PERSISTENT FLUCTUATING PRICES OF AGRICULTURAL RAW MATERIALS

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

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

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



Sources: Cereals market, France Agrimer

#### THE COMPETITIVE PANORAMA (EUROPEAN UNION 27)

	STRAW CEREALS	CORN	SUNFLOWER	RAPESEED
N°1	Vilmorin	Pioneer	Syngenta	Monsanto
N°2	KWS	KWS	Pioneer	NPZ Lembke
N°3	RAGT	Vilmorin	Vilmorin	Vilmorin
N°4	–	Monsanto	Euralis	DSV

Sources: Internal estimates



## Field seeds activity in North America

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

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

### ➤ KEY INDICATORS FOR 2010-2011

- No. 4 on the North American market for corn seeds.
- Contribution to consolidated sales in 2010-2011 (at 100%): 342.2 million Euros (+ 11.6% like for like).
- Number of employees consolidated (at 100%): 772.

### ➤ SPECIFIC POSITIONING ON THE NORTH AMERICAN MARKET

#### HIGH ADDED VALUE SEEDS

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

These options concern two possibilities:

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

#### AN ORIGINAL SALES POLICY, ANOTHER KEY FACTOR IN SUCCESS

By devoting more than half of its staff to a first rate sales team, AgReliant can cover 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 six reputable brands for the different geographical sectors that extensively cover the Corn Belt, the heart of the American market.

#### FIELD SEED BRANDS IN NORTH AMERICA



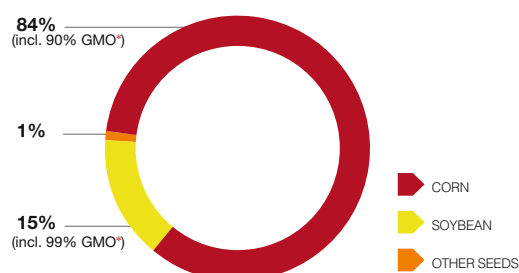
#### ➤ IN SPITE OF A DIFFICULT CLIMATIC CONTEXT, AGRELIANT ACHIEVED A YEAR OF TRULY FINE PERFORMANCES

In spite of highly contrasting climatic conditions (drought, flooding and late snow in certain states) in the United States that disturbed the commercial campaign, this year once again AgReliant showed remarkable health, marked by significant sales growth of more than 11% like for like.

This rise, higher than what the market achieved on average, is mainly due to an increase in the proportion of GM\* products in sales. 90% of AgReliant's sales of corn seeds come from genetically modified varieties. This proportion reaches 99% for soybean seeds. This trend reflects the company's capacity to anticipate rapid changes occurring in the market and to create value by regularly launching novel products. It is accompanied by sustained commercial investment (recruitment of sales engineers, training, etc.) to optimize the efficiency of the sales force and to provide even greater assistance to farmer customers in a business sector where technical knowledge is so important.

## ACTIVITIES

### ANALYSIS OF SALES PER CROP



### > OBJECTIVES FOR 2011-2012

- Intensify sales of products with high added value.
- Continue to develop by giving a strong push to investment in upstream research, particularly in molecular marking\*.
- Adapt industrial plant to the technological evolutions of products.
- Adapt demand to corn seed supply lower than production plan objectives.

### > A PROGRESSING MARKET

Over the first semester of 2011, the North American seed market was marked by a rise in corn acreage (37.3 million hectares) estimated to be 5% and a drop in soybean acreage (30.3 million hectares) of 3% (Source: USDA 2011). This growth should continue as a result of the development perspectives offered by genetically modified seeds and the increasing agrofuels market.

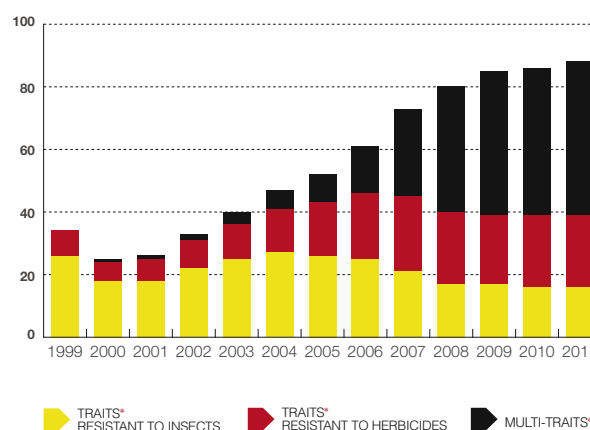
### GENETICALLY MODIFIED PLANTS: A VIRTUOUS GROWTH CIRCLE

With an acreage of 67 million hectares in 2010, which is almost half the acreage in the world, the United States is by far the biggest producer of genetically modified plants. Their proportion is increasing regularly, and today they cover 86% of corn acreage, more than 90% of soybean acreage, and 95% of sugar beet acreage in the United States.

Varieties integrating several resistance traits\* are being used more and more, and today represent a significant share of the market estimated to be 49% of GM\* corn acreage (Source: ISAAA and USDA 2011).

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

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



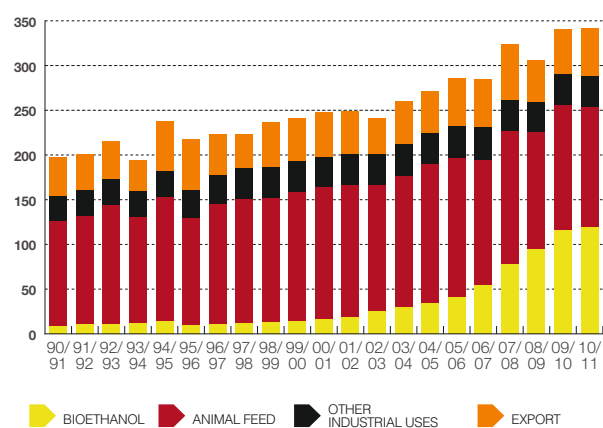
Source: USDA 2011



## IMPETUS FOR CORN PRODUCTION GIVEN BY AGROFUELS

Since 2000 corn acreage in the United States has risen considerably particularly because of demand from bioethanol factories. In 2011, almost 39% of applications for corn have been devoted to this market.

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



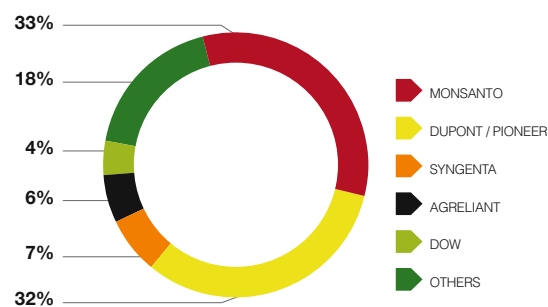
Source: USDA 2011

## A CONCENTRATED COMPETITIVE ENVIRONMENT

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

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

## ESTIMATE OF MARKET SHARES IN CORN SEEDS (SPRING 2010)



Source: internal estimates

## ACTIVITIES

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### *New development platforms*

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Capitalizing on its expertise in field seeds and on the well-tried robustness of its development model, in 2010 Vilmorin set as its objective to internationalize its positions in corn and wheat on new, fast-growing markets. The three priority areas for development and sustainable establishment in the Field seeds division are the corn markets of Brazil and Asia, and wheat in the United States.

The first steps in this ambitious action plan were to set up new Business Units on these different markets to act as development platforms. Acquisitions have been made in 2010 and 2011 and research partnerships signed to establish the conditions and assets required to deploy activities. Although sales are not significant for the moment, they will progress fast in coming years, through organic and external growth.

#### > THE CORN MARKET IN BRAZIL

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

On top of this strategic benefit, this area, and particularly Brazil, now offers high potential for the development of field seeds. Corn is grown here widely, with rapidly increasing use of genetically modified varieties. Brazil is the 4<sup>th</sup> largest seeds market in the world and the 2<sup>nd</sup> largest in the world for GM\* corn acreage, with an adoption rate of 56%.

Significant progress, through acquisitions, has been made to set up the conditions necessary for Vilmorin to develop. The objective is ambitious, with the target of a 10% market share in corn in 5 years time, from a line-up comprising conventional and novel genetically modified seeds, combining genetic resources\* and proprietary technologies. Limagrain South America, a new Business Unit in the Field seeds division, is the structure responsible for deploying these activities.

Accordingly, during the course of fiscal year 2010-2011 Vilmorin acquired the corn assets of the company Sementes Guerra, which are now owned by Limagrain Guerra do Brasil, of which Vilmorin holds 70% of the capital stock.

A family group founded in 1979 and based in Pato Branco (state of Parana), Sementes Guerra achieved corn sales of around 10 million Euros in 2010. The main assets of the company comprise breeding\* programs, genetic resources\*, production plant and a sales network.

Furthermore, during the summer of 2011 Vilmorin finalized acquisition of Brasmilho's assets dedicated to corn and sorghum seeds. Based in Goiânia, (state of Goiás), Brasmilho owns top quality genetic resources\*, a seed production and treatment factory and a sales network covering the central area of the country. In 2010 these activities represented sales of 10 million Euros. Initially Vilmorin has purchased a majority stake of 85% in Brasmilho and in accordance with the agreements signed, will hold 100% by the end of 2012.

#### OBJECTIVES FOR 2011-2012

- > Already in fiscal year 2011-2012 to sell conventional and GM\* varieties of corn.
- > Extend access to local genetic resources\* through partnerships or acquisitions of research programs.

#### > THE FIELD SEEDS MARKET IN ASIA

The Asian market, the third largest seeds market in the world, characterized by a continuous population increase and changes in its consumption patterns, is progressing very fast. Vilmorin has defined the priority areas for action and investment as China and India. Activity is being developed by the Limagrain Asia Business Unit teams based in Hyderabad (India) and Beijing (China).

Vilmorin's long-term growth in this area involves extending current sites through partnerships or acquisitions. Just as in other regions of the world, access to genetic resources\* is a key step in development. Growth of the field seeds activity in China and India will first be achieved through selling corn seeds with high added value, and subsequently through the introduction of GM\* varieties that best meet the challenge of yield improvement.

## CHINA

China is a major producer of cereals, in second place worldwide 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.

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

Given this context, direct implantations and partnerships with large local seeds companies remain the two privileged options for Vilmorin's development policy in this area.

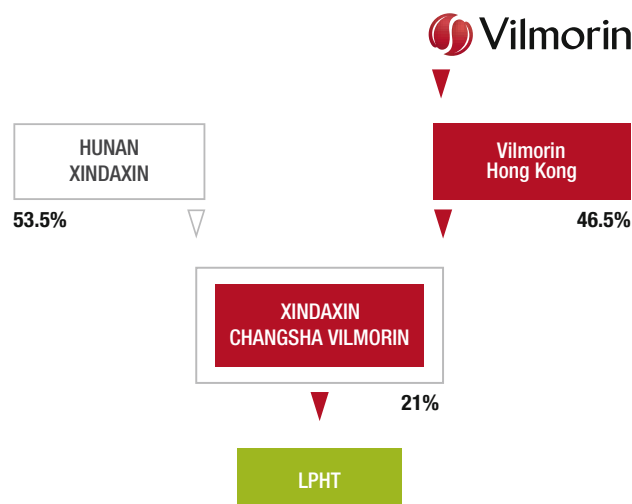
There are three corn research centers to be able to select seeds that are suited to local agronomic conditions. A first variety has thus recently been registered nationally, which is a tangible sign of the efficiency of local research programs.

At the same time, Vilmorin has benefitted from its partnership with Longping High-Tech (LPHT) to develop its corn activities. Based in Changsha, in the province of Hunan in the South East of China, LPHT is one of the major Chinese seeds companies with strong positions, particularly in hybrid\* rice.

Wishing to position its cooperation with LPHT on a more operational level, and adapt its current organization to changes that have occurred in the Chinese agricultural sector, in 2010-2011 Vilmorin sold to the Chinese investment company Hunan Xindaxin Co. Ltd all the shares it held (46.5% of the capital stock) in their common holding that owned a 21% stake in LPHT.

At the same time as this operation, Vilmorin and LPHT have defined a framework agreement which lays down the guidelines for a partnership that will focus on field seeds, in particular corn. The objective of this partnership will be to develop new hybrid\* corn seeds for the Chinese market, and for their production and distribution. This agreement will also require prior approval from Chinese administration.

### PREVIOUS CO-OPERATION SET-UP WITH LPHT



## ACTIVITIES

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### INDIA

In a country where self-sufficiency in food is a major challenge, the Indian seed market is evolving very fast. It is characterized by average annual growth estimated to be greater than 10% over the past 5 years, with a trend towards greater concentration of the numerous local seeds companies, and a rate of commercial seed use by farmers gradually improving. This market is estimated to be worth nearly one billion dollars, of which Vilmorin considers that approximately 100 million dollars are accessible.

In this context, Vilmorin is building up a field seeds activity from its subsidiary Atash Seeds whose assets it purchased in 2009-2010. Atash Seeds has gene pools and research programs mainly dealing with corn and sunflower, and also a plant biotechnology\* laboratory, based in Hyderabad. This preliminary set-up is due to be consolidated in the short-term.

### OBJECTIVES FOR 2011-2012

- Finalize and sign the implementation of commercial partnerships in China.
- Make a structuring acquisition in India in order to extend the already existing organization, particularly for corn research.
- Pursue corn research work already undertaken in the present organization.

### ➤ MARKET FOR WHEAT IN NORTH AMERICA

Vilmorin now has a structure to build up its development as a priority on the North American market for wheat, at the same time and independently as its corn business, run by AgReliant.

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

The operation set up in 2009-2010 involves scientific co-operation with certain American universities, a portfolio of diversified genetic resources\* adapted to local climate conditions, privileged access to Arcadia's innovative technologies and a sales network in the main American production areas. The local team is a key factor in the success of the project, and comprises experts in wheat who are highly mobilized to develop this new market which remains undervalued today.

While North America is the main market for development, the longer-term mission of this wheat Business Unit is to acquire a more international dimension, in particular in Australia. The economic and scientific partnership established with Australian Grain Technologies, the Australian leader for breeding\*, developing and distributing novel cereal varieties is a fundamental aspect for deployment in this area.

### STRATEGIC OBJECTIVES

- Distribute conventional wheat seeds in the short-term.
- In a longer-term horizon, Develop and launch GM\* wheat varieties optimizing the use of nitrogen and that are drought tolerant.

## Garden products

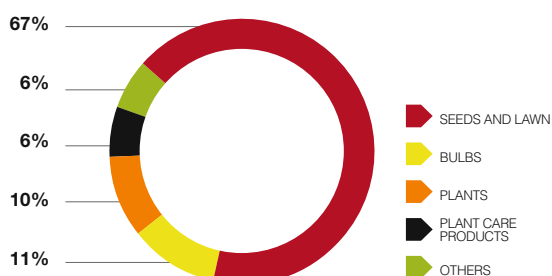
Vilmorin offers home gardeners a range of garden products mainly comprising vegetable and flower seeds, bulbs and plant care products. Represented on the main European gardening markets, its customers comprise garden centers, DIY stores and supermarkets, along with amateur gardeners who buy directly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

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

### > KEY INDICATORS FOR 2010-2011

- > Contribution to consolidated sales: 81.9 million Euros (- 5.3% like for like).
- > Number of employees: 471.

### ANALYSIS OF SALES PER FAMILY PRODUCT



### MAIN GARDEN PRODUCTS BRANDS



### FISCAL YEAR 2010-2011 HIT BY UNFAVORABLE MARKET CONDITIONS

Restated for currency fluctuations and scope, sales reached 81.9 million Euros, down 5.3% compared with the previous year, reflecting a drop in activity for the two companies in the division.

Global business was affected by a difficult economic environment both in France and the United Kingdom which had a negative impact on the market for gardening and the consumption of garden products. In this context competitive tensions grew between the different players on the market, putting pressure on prices.

Product innovations and advertising to the general public were not enough to boost this year's depressed market.

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

### > OBJECTIVES FOR 2011-2012

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





# STRATEGY

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*Historic growth opportunities driven  
by the challenges of the market*

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leadership positions*

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*Three strategic priorities to accelerate growth*

# STRATEGY >

## *Historic growth opportunities driven by the challenges of the market*

Vilmorin is above all positioned on the food market. The company innovates to develop vegetable and field seeds with high added value in order to contribute to meeting the world's food needs better. The seeds market has been regularly growing by 6% per year since 2006 (Source: P. Mc Dougall), as a result of several complementary factors.

### > THE INCREASE IN THE NEEDS FOR AGRICULTURAL RAW MATERIALS

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

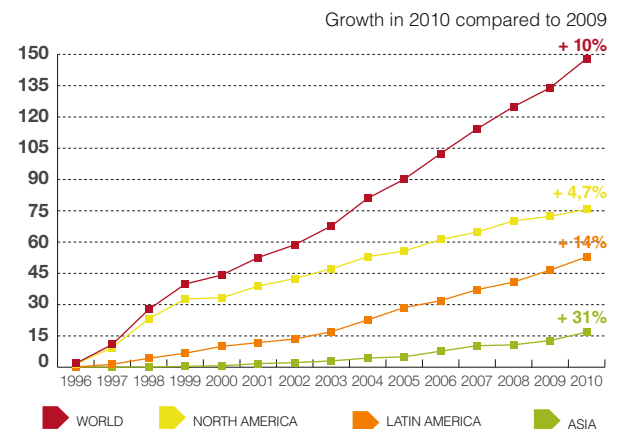
The United Nations Food and Agriculture Organization (FAO) thus considers that in order to feed 9 billion people by the year 2050, food production will need to be increased by 70%. Since there has been little increase until now in the arable land available (aggregate annual growth rate between 2004 and 2009 of -0.1%) any increase in yields and crop intensity from current arable land would represent considerable leverage. In this sense, an increase in the yields of cereals, that form the world's staple diet, will play a preponderant role. It will rely on progress achieved through plant breeding\*, an improvement in growing practices and the use of input, which will nevertheless be more limited in a regulatory context that is growing more and more constrictive.

### > THE RELENTLESS INCREASE IN THE USE OF GENETICALLY MODIFIED SEEDS

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

This market is thus expanding fast in volume, but also in value. This increase is linked to the increase in acreage devoted to GM\* crops, the integration of several traits\* within the same variety, and the introduction of new traits\* onto the market. Genetically modified seeds can be sold at a price 50% to 100% above that of conventional seeds, depending on their technical input.

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



Source: ISAAA 2011

### > A RECURRING INCREASE IN THE USE OF COMMERCIAL SEEDS

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

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



## ► THE DEVELOPMENT OF INDUSTRIAL APPLICATIONS FOR AGRICULTURAL PRODUCTION

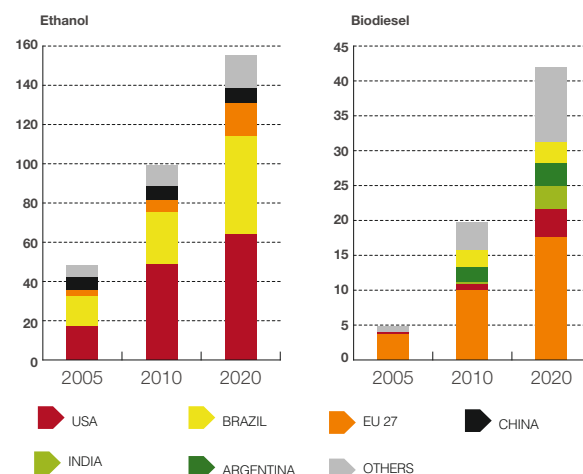
Parallel to the market for food, markets that exploit agricultural raw materials for industrial purposes continue to make headway, strengthening the potential for growth of the seeds market.

This especially concerns agrofuels – including ethanol (produced from corn, mainly in North and South America) and biodiesel (obtained from oilseed rape, mainly in Europe) – and the development of plant chemistry (also known as “green chemistry”), in particular with the market of biodegradable plastics.

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

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

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



Source: FAO. Agricultural perspectives for 2011-2020

## STRATEGY

## *A specific development model to reinforce world leadership positions*

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

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

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

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

### INNOVATING TO MEET THE NEEDS OF EACH PLAYER IN THE SUPPLY CHAIN

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

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

### ACCELERATING THE BREEDING\* PROCESS BY USING PLANT BIOTECHNOLOGY\*

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

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

The breeder gains precious time by identifying the plants of interest early and more efficiently, according to the breeding\* objectives. Furthermore, this acceleration of the time it takes to create a new variety ensures that research can react faster to evolutions in demand. Investment in biotechnology\* today represents 20% of the research budget and has continued to progress significantly during the course of fiscal year 2010-2011. It will also grow in years to come, as the company improves its financial profile.

This trend is being accompanied by a progressive resizing of research, in the form of skills platforms, in order to meet the needs of changes occurring in the breeding\* profession. With the increase in the number of data to handle and the integration of new skills (genomics\*, molecular biology, bioinformatics, etc.) today's breeder has to manage multi-disciplinary project teams working in a network. This organization makes sure that different existing techniques and skills will be applied more systematically and with better cost controls.

## PLANT BIOTECHNOLOGY\*: CONTINUOUS PROGRESS



### KEY INDICATORS FOR 2010-2011

- 15.2% of seeds sales invested in research including almost 80% devoted to conventional breeding\*.
- 154 million Euros invested in research in absolute value.
- 220 million Euros invested in research including funding in the form of partnerships.
- Two hundred new varieties created every year.
- Sales from proprietary\* varieties of 90% in vegetable seeds and around 2/3 in field seeds.

### MULTIDISCIPLINARY INTERNATIONAL ORGANIZATION

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

- **Almost 100 research stations and more than 1,300 researchers and technicians all over the world** all contribute to upstream research and conventional breeding\* in vegetable and field seeds. Structured in the form of skills platforms, this organization helps to optimize the process of plant breeding\*.

Field seeds research was reorganized during the course of fiscal year 2010-2011. This concerns research programs run by Vilmorin. The aim is to encourage and optimize the use of resources within each of the Business Units (circulation of genetic bases, faster integration of work dealing with the development of biotechnology\*, etc.) in order to accompany and accelerate the international development of Vilmorin's field seeds activities.

Research managers in charge of each strategic crop and each of the main biotechnology\* domains have been appointed and are now responsible for the deployment of this new organization.

- **Strategic partnerships and international cooperation agreements** are pursued and strengthened all the time, enriching upstream research. During the course of fiscal year 2010-2011, Vilmorin extended its strategic alliance with the laboratory Arcadia Biosciences, an American company specialized in the development

of technologies and products for agriculture that are more respectful of the environment and human health. After the agreement signed last year concerning privileged access to the gene optimizing the use of nitrogen by wheat, Vilmorin now holds exclusive world access to the gene for drought tolerance. The combined effect of Arcadia's innovative technology and Vilmorin's genetic resources\* will lead to the development of high yield wheat. This wheat will require around half the input of nitrogen compared to conventional crops and will offer economic benefits to farmers, contributing to greater respect for the environment, in particular through reduced use of fertilizers and water.

Vilmorin's research organization has always been reliant on historical partnerships:

- **Keygene (Netherlands):** experts in genomics\* applied to vegetable plants, and in which Vilmorin has held a stake since 2001 in partnership with the Dutch seed companies Enza Zaden and Rijk Zwaan, and the Japanese seed company Takii.
- **Biogemma (France):** European specialists in field crop plant biotechnology\*, held in partnership with the seed companies Euralis and RAGT and the financial institutes for the oilseed and protein chain (Sofiprotéol) and the cereal chain (Unigrains).
- **Australian Grain Technologies (Australia):** Australian leader for breeding\*, developing and distributing novel cereal varieties. Vilmorin holds a stake of more than 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 and Euralis, specialized in sunflower research.

- Vilmorin's researchers also work in association with public and private research institutes: GIS Biotechnologies Vertes (France), INRA (France), CIRAD (France), CSIRO (Australia), CAAS (China), University of Davis (United States), HRI (United Kingdom), Hebrew University (Jerusalem, Israel),

## STRATEGY

Aro-Volcani Centre (Israel), John Innes Centre (United Kingdom), Max Planck Institute (Germany), PRI (Netherlands), Crop and Food Research (New Zealand), CRC (Canada), Evogene (Israel), Yissum, subsidiary of the University of Jerusalem (Israel), Collectis (France), etc.

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

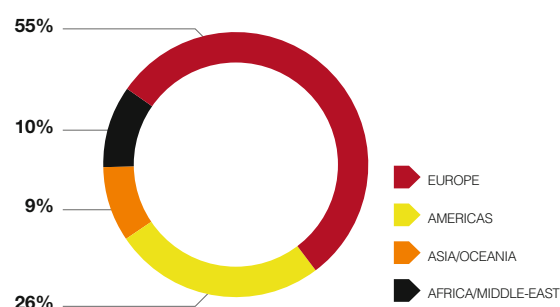
Within a worldwide market, the internationalization of Vilmorin's activities is the driving force behind its development. It is underpinned by a combination of organic and external growth involving acquisitions, strategic alliances and partnerships.

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

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

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

### GEOGRAPHICAL ANALYSIS OF SALES



### > ACQUISITIONS ENCOURAGED BY A DISTINCTIVE EXTERNAL GROWTH STRATEGY

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

## MAIN DEVELOPMENT OPERATIONS (1993-2011)

	SALES	ACQUISITIONS	DIVESTMENTS
1993 (introduction to the Paris stock market)	<b>€184 million</b>		
1994		Suttons (United Kingdom)	
1996		Clause (France) and Harris Moran (United States)	
1998		Nickerson Zwaan (Netherlands)	
2000		Keygene <sup>(1)</sup> (Netherlands) et Kyowa (Japan) AgReliant <sup>(3)</sup> in partnership with KWS	
2002			Elidia (France)
2003		Hazera Genetics (Israel)	
2005			Ferry Morse (United States)
2006		Mikado (Japan) Limagrain field seeds activities (Europe and the United States) Avesthagen <sup>(1)</sup> (India)	
2007		LPHT <sup>(1)</sup> (China)	
2008		Global Genetics <sup>(2)</sup> (United States) Australian Grain Technologies <sup>(1)</sup> (Australia)	Flora Frey (Germany)
2009		LSL Biotechnologies – LSL Plant Science <sup>(2)</sup> (Mexico) Genefresh <sup>(2)</sup> (United States) K&B Development <sup>(2)</sup> (United States) Gentropic <sup>(2)</sup> (Guatemala)	
2010		Clovis Matton (Belgium) Dahico (United States) Field seeds assets <sup>(2)</sup> of Avesthagen (India) Arcadia Biosciences <sup>(1)</sup> (United States) Su Tarim (Turkey) DonMario Semillas <sup>(3)</sup> (Argentina) Mesa Maize (United States), Trinity Growers (United Kingdom) BSF Ag Research <sup>(2)</sup> , Genesis Seed Research <sup>(2)</sup> , Trio Research, Trigen <sup>(2)</sup> (United States)	
2011	<b>€1.2 billion</b>	Sementes Guerra (Brazil) <sup>(1)(2)</sup> , Brasmilho (Brazil) <sup>(2)</sup>	LPHT <sup>(1)</sup> (China)

(1) Minority stakes or research partnerships.

(2) Isolated assets (intangible, inventories, personnel in some cases).

(3) Joint venture.

## STRATEGY

## Three strategic priorities to accelerate growth

Vilmorin is pursuing its development plan both in vegetable seeds and field seeds. Building from a solid financial structure, reinforced in October 2010 by a capital stock increase of 200 million Euros, and then the closing of a syndicated loan deal of 300 million Euros, Vilmorin is working to accelerate its growth according to three strategic priorities.

### > VEGETABLE SEEDS: MAINTAIN WORLD LEADERSHIP

The development of Vilmorin's Vegetable seeds division, No. 2 worldwide on this market, is reliant on a combination of organic and external growth. It will be pursued, supported by its organization in Business Units, with an emphasis on certain main orientations.

### OPTIMIZE INDUSTRIAL PLANT AND INTENSIFY BIOTECHNOLOGY\* PLATFORMS

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

Linked to evolutions in the world consumption of vegetables, the development of the vegetable seed market mainly depends on capacity to develop novel seeds. Mastering biotechnology\*, particularly molecular marking\*, contributes directly to the acceleration of plant breeding\* and is now a vital tool for breeders. Research investment allocated to this technique will therefore be intensified in coming years.

### ACHIEVING TARGETED EXTERNAL GROWTH OPERATIONS ON DEVELOPING MARKETS

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

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

Even though there is no doubt we must be present in China, given the size of its market (almost 50% of world vegetable production), it is a country we should approach gradually and cautiously, given the stakes involved in protecting intellectual property. Vilmorin's presence and development are materialized through the breeding\* stations and distribution networks of all its Vegetable division Business Units. The sales for 2010-2011 of ten million Euros remain modest when compared with the group overall, but they were nevertheless considerably higher than in previous years.

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

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

The world market for corn is divided between grain corn (more than 90% of world acreage) and forage corn, a European particularity. In a context where its competitive positions in corn are becoming more and more international, Vilmorin needs to strengthen its presence on the first segment. Research programs have been deployed to launch novel products in existing line-ups that meet farmers' needs. The varieties recently launched in Europe already appear promising.

## SELLING PROPRIETARY GENETICALLY MODIFIED VARIETIES

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

- So-called first generation: with insect and herbicide resistance traits\*, intended primarily for potential GMO\* markets (Europe and Asia) and as a complement to GMO\* traits\* for corn currently licensed in on other markets.
- So-called second generation: improving yield, integrating better tolerance to drought, and resistance to mycotoxins\*, intended for the world market.

## DEVELOPING ON THE BRAZILIAN MARKET

While Vilmorin has historically been present on the corn market in Europe, and in North America through its joint venture with AgReliant, the South American market, and Brazil in particular, also represents a new area for strategic development through its current size and growth potential.

In order to create genetically modified varieties that are adapted to the expectations of local farmers, Vilmorin is exploiting all its expertise by ultimately combining local and international genetic resources\*, that are compatible with proprietary technologies. As the first step in its ambitious world development plan, in 2010 Vilmorin set up a development platform and signed partnership agreements with local seeds companies that have genetic resources\* and high quality industrial equipment: Sementes Guerra and more recently Brasmilho.

## WHEAT: INTERNATIONALIZING EUROPEAN LEADERSHIP

Although it is the most widely grown cereal in the world (223 million hectares grown in 2011), wheat is suffering from low world stocks and a drop in its yield. A lack in any major innovation in this crop, and the really low use of commercial seeds are the reasons for this situation, which is leading to a serious risk for the world food balance. The seeds sector is thus working to come up with more efficient seeds, guaranteeing a better yield.

As the leader in Europe, empowered by its historical expertise and high-quality genetic resources\* associated with specialized partners, Vilmorin has all the assets at its disposal to stand out as the world reference in this strategic crop. Its strategy relies on the constitution of genetic resources\* that are perfectly adapted to local conditions, access to innovative technologies and the establishment of new sales networks.

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

- signing a strategic and technological partnership agreement with the biotechnology\* company Arcadia Biosciences based in Davis (California). This agreement provides access to nitrogen use efficiency and drought tolerance genes. This long-term collaboration is a vital component in the world development plan, and will enable us to develop seeds that are more innovative and environmentally friendly, by associating these technologies with local genetic resources\*;
- the establishment of wheat development platform – Limagrain Cereal Seeds (LCS) – a joint venture between Vilmorin (which holds 65% of the capital stock) and Arcadia Biosciences (holding the remaining 35% of the capital stock). Based in Fort Collins (Colorado) its vocation is to operate worldwide;
- launching scientific collaboration programs with certain American universities;
- building up a diversified portfolio of genetic resources\* that are adapted to local climate conditions, and running, right from the start, its own sales network in the main zones of American production.







# DEVELOPMENT AND RESPONSIBILITY

48

*Mastering innovation and sharing access to knowledge*

50

*Promoting employee involvement*

54

*Contributing to the development of the social  
and economic environment*

56

*Developing business while limiting its impact  
on the environment*

58

*Anticipating by assessing and limiting risks*

# DEVELOPMENT > AND RESPONSIBILITY

*Vilmorin's ambition is to pursue its expansion and consolidate its performances in order to reinforce its position as the fourth largest seeds company in the world.*

*Its development strategy is conducted respecting five main responsibilities regarding research and innovation, management, social and economic contribution, respect for the environment and risk management.*

## **Mastering innovation and sharing access to knowledge**

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

### **> BENEFITING FROM PLANT BIOTECHNOLOGY\* WITHIN THE FRAMEWORK OF THE MOST STRINGENT LEGISLATION**

As part of its innovation process, Vilmorin utilizes plant biotechnology\* to support work in breeding\*. Transgenesis\*, used to create genetically modified plants, is a technique used to introduce new traits\* in a plant that were not possible to integrate using the conventional possibilities offered by plant improvement. It is part of the continual progress being made in plant breeding\* techniques, and is used to develop more and more sophisticated plants, as close as possible to market expectations.

All this research work, whether performed in a laboratory or an open field, is governed by European and international legislation and regulations. Thus in the European Union, which has some of the strictest legislation in the world, authorization is only granted after deliberation by independent expert committees certifying that the use of technologies are without risk for health or the environment. Once these authorizations have been granted, the crops are subject to strict environmental and sanitary monitoring.

### **> SHARING ACCESS TO KNOWLEDGE FOR GREATER BIODIVERSITY**

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

In order to protect this heritage and ensure a return on investment, seeds companies have opted for a protection system for their varieties from two possibilities:

### **THE PROPRIETARY VARIETY PROTECTION CERTIFICATE (PVPC)**

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

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

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

## PATENTS

Patents grant the seeds producer authorization for exclusive use of the invention for a limited number of years and on a defined geographical territory.

In return, all information concerning this invention is made available to the general public.

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

These two systems of intellectual protection are obliged to co-exist in practice since a plant variety can only be protected by a PVPC and a plant can only be patented. This interaction creates difficulties and constitutes a fundamental question which is still under debate in international organizations such as the ESA (European Seed Association) and the ISF (International Seed Federation).

## MOVING FORWARD WITH DISCUSSIONS ON REGULATIONS

Vilmorin is represented in the professional seeds federations and plays an active role in current exchanges, particularly those concerning access to patented material for use in plant breeding\*.

Its position, which is shared by other European seeds companies, is to defend the widest possible access to all existing genetic resources\* and advocates clarification of the limits of patentability in order to correct abuse of the use of patents, which do not tolerate the principle of the breeder's exemption.

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

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

## DEVELOPMENT AND RESPONSIBILITY

## Promoting employee involvement

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

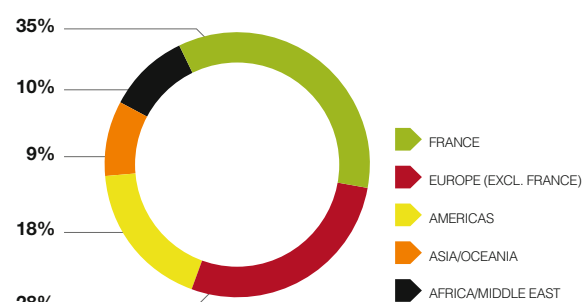
The main guiding principles of human resource management are defined by the Executive Committee after examining the proposals and achievements of the human resource managers in the main companies in the group, who come together for corporate human resources committee meetings. Since Vilmorin has more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

### PERMANENT STAFF: KEY FIGURES

	09-10	10-11
<b>Divisions</b>		
Vegetable seeds	2,560	<b>2,699</b>
Field seeds	1,730	<b>1,812</b>
Garden products	477	<b>471</b>
Holding	103	<b>124</b>
<b>Geographical zones</b>		
France	1,710	<b>1,805</b>
Non-France	3,160	<b>3,301</b>
<b>Gender</b>		
Men	3,093	<b>3,231</b>
Women	1,777	<b>1,875</b>
<b>Categories</b>		
Management <sup>(1)</sup>	1,387	<b>1,450</b>
Non-management	3,483	<b>3,656</b>

(1) A manager is considered to be any employee with a minimum of 5 years' studies.

### GEOGRAPHICAL ANALYSIS OF PERMANENT EMPLOYEES



### ABSENTEEISM

Absenteeism is defined as being all the working days where staff are absent for reasons other than paid holidays, time in lieu, training courses and union representation. This rate was 7.9 days per employee in 2010-2011, mainly due to the increase in sick and maternity leave.

	09-10	10-11
Sick leave	20,368	<b>25,155</b>
Maternity leave	7,004	<b>9,046</b>
Exceptional leave	714	<b>722</b>
Others	4,733	<b>5,354</b>
Number of days per employee	6.7	<b>7.9</b>
<b>Total number of days of absenteeism</b>	<b>32,820</b>	<b>40,277</b>

### STAFF TURNOVER

383 employees left Vilmorin during fiscal year 2010-2011 representing a turnover rate of 7.5%, stable compared with 2009-2010.

	09-10	10-11
Retired	66	<b>56</b>
Resigned	111	<b>184</b>
Discharged	127	<b>81</b>
Others	63	<b>62</b>
<b>Total number of employees</b>	<b>367</b>	<b>383</b>

**DISABILITY**

In 2010-2011, there were forty disabled workers in the company's headcount.

**ADOPTING INTERNATIONAL CAREER MANAGEMENT****ANTICIPATING HUMAN RESOURCE NEEDS**

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

Deployment of this approach was pursued over fiscal year 2010-2011 with a target population comprising executives, managers and experts. Their competences, potential and professional orientation were all assessed and analyzed with the aim of setting up individual or collective development plans, in relation to Vilmorin's objectives.

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

**A PRO-ACTIVE INTERNATIONAL RECRUITMENT POLICY**

Relations and communication with higher education are kept up by the main operating companies in their own countries. Corporate Human Resources are also involved in the recruitment process and draw up a list of correspondents responsible for relations with international schools and universities, implement communication tools and work closely with these institutes through their active participation in certain educational programs.

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

**ENCOURAGING INTERNATIONAL MOBILITY**

As a result of the increasing international dimension of Vilmorin, international mobility is of major importance for the company. Therefore in order to encourage this

mobility, and improve the existing provisions, expatriation conditions were reviewed over the course of this fiscal year. This analysis was conducted by a working group set up specifically for this purpose, and was based on the needs expressed by expatriates and market conditions.

The status and existing measures for accompaniment were thus improved and now involve several conditions for mobility, integration and the return of colleagues to their country of origin. For example, these different incentives involve intercultural and language training for the employee and his or her family, covering removal expenses, return trips and accommodation rent, tax assistance, a commitment to reintegrate the employee at the end of the expatriation period, and an expatriation bonus.

In 2010-2011 Vilmorin had 62 expatriate employees.

**PURSUING A DYNAMIC SOCIAL POLICY****ENCOURAGING THE EMPLOYABILITY OF SENIOR EMPLOYEES**

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

The object of this signed agreement is:

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

Several measures have been defined, including a mid-career interview to discuss employment perspectives, support and training initiatives, organize an optional preventive medical examination and implement action plans in each company in order to improve the working conditions of senior employees.

## DEVELOPMENT AND RESPONSIBILITY

Human Resource Managers, tutors and sponsors were trained over fiscal year 2010-2011 to accompany and facilitate the deployment of these measures in each company. Initial assessment of these measures will be made in fiscal year 2011-2012.

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

#### > PROFIT-SHARING AND SAVINGS SCHEMES: A PROACTIVE APPROACH

Profit-sharing that goes beyond legal requirements, is applied in each company, and whatever the hierarchy or profession.

They comprise a proportion based on the performances of the group and another based on those of the subsidiary. They are mainly calculated on the basis of operating income, adopted as the best indicator of performance. This measure, which is of French origin, has been extended to most companies outside France. Almost 3.2% of the payroll was thus devoted to profit-sharing in 2010-2011. The group's profit-sharing agreement was renegotiated during this past fiscal year for application as of 2011-2012 in Vilmorin's subsidiaries, including those that have recently joined the scope, where more than 50% of the capital stock is held.

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

#### EVOLUTION OF COLLECTIVE PROFIT-SHARING

	COLLECTIVE PROFIT-SHARING (IN K€)
08-09	4,524
09-10	6,889
<b>10-11</b>	<b>9,250</b>

#### A NEW COLLECTIVE PENSION SAVINGS PLAN

Acknowledging new regulatory provisions in France, conditions for a new collective pensions savings plan (PERCO) were defined during the course of this past fiscal year. This plan will be implemented for fiscal year 2011-2012 as an employer's contribution to accompany employees in their efforts to save for their retirement. The entry rights and the management fees are covered by the company. Moreover this plan benefits from attractive tax conditions.

#### DEVELOPING SKILLS

Nearly half the companies run training programs that go beyond legal requirements. 1.7 million Euros were spent on training in fiscal year 2010-2011, corresponding to 39,047 hours. The training schemes mainly involve adaptation to the workstation, and the evolution or consolidation of the function held.

#### TRAINING EXPENDITURE AND HOURS

	TRAINING EXPENDITURE (IN M€)	TRAINING HOURS
08-09	1.5	35,128
09-10	1.3	42,348
<b>10-11</b>	<b>1.7</b>	<b>39,047</b>

The company's social policy is an essential aspect of human resources management, and an agreement on professional equality is planned for negotiation with Vilmorin's social partners during the course of fiscal year 2011-2012.

## IMPROVING HEALTH AND SAFETY: PREVENTION AS THE GUIDING PRINCIPLE

One of the objectives of the risk management policy, described on page 89, is to implement standards in terms of personal health and safety which are applicable to all the Vilmorin sites.

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

## ➤ ENCOURAGING SOCIAL DIALOGUE AND COMMUNICATION

### INDIVIDUALIZED ACCOMPANIMENT

It is estimated that 70% of employees have an annual individual interview with their line manager. Using guidelines set down by the HR manager in each company, this interview involves:

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

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

### FACILITATING THE INTEGRATION OF NEW MANAGERS

During the course of fiscal year 2010-2011 induction sessions were set up for managers who had recently joined the group. They are intended for employees with one to three years of seniority in the company, and who have more than five years further education,

or who have equivalent experience. Over these two days, they meet members of the Executive Committee, exchange with employees who have experience of mobility, and they visit some of the group's sites. The aim is to encourage their integration in the group in terms of how they understand both its activities and strategy, and the resources they have available in each Business Unit (HR development policy, communication tools, etc.). Three induction sessions, each with between 30 and 35 managers, were organized in 2010-2011.

### A EUROPEAN WORKS COUNCIL

A European works council representing the different companies in the group meets twice a year to promote information for the employees, and dialog between the group's management and employee representatives for the group's European companies. During fiscal year 2010-2011, 50 company agreements were negotiated, with 49 being signed, dealing mainly with salaries, profit sharing and working conditions.

### TOOLS AND EVENTS TO ENCOURAGE INTERNAL COMMUNICATION

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

Different seminars and conventions are organized every year for the top executives, the executive managers, the sales and marketing teams and the researchers. They provide the opportunity to exchange experiences, with direct and privileged contact with the general management of Vilmorin, and can contribute to performance assessment where certain employees stand out in terms of performance.

Intranet networks have also been developed in recent years, particularly in certain companies whose teams are scattered over several sites.

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

## DEVELOPMENT AND RESPONSIBILITY

*Contributing to the development of the social and economic environment***> RESTORING THE STRATEGIC POSITION OF AGRICULTURE AND ESTABLISHING EFFICIENT WORLD REGULATION OF THE AGRICULTURAL SECTOR**

As agricultural markets become more and more global, ever-greater economic and social pressure is being put on farmers. This pressure is being exacerbated today by the excessive volatility of prices 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 2 billion inhabitants by the year 2030, true regulation of this sector is indispensable. Its fundamental objective will be to prevent the crises generated by the deregulation of the markets and excessive speculation.

The conclusion of the agriculture ministers at the G20 in June 2011 has helped to place food security at the heart of the world's economic challenges. Strong commitments were made to increase agricultural production and also to strengthen information and political co-ordination.

It is within this context that for several years Vilmorin has been actively supporting initiatives that attempt to control and restrict the volatility of agricultural prices. And one such example is Vilmorin's support for momagri, movement for a world organization of agriculture.

Founded in 2005 at the initiative of French farmers, momagri's objective is to promote a regulated liberalization of agricultural markets by creating new evaluation tools and by drawing up proposals for an agricultural and international food policy.

Bringing together figures from agriculture, humanitarian bodies, health, defense and business, momagri cooperates with a variety of international bodies, think tanks\* and agricultural organizations in different countries.

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

> A think tank\*, which was created in 2005: this is a lobbying group that determines its actions and proposals mainly on the basis of a novel economic model. This model, for the first time, describes the specific nature of the agricultural sector and the close correlation between the unregulated liberalization of agricultural exchanges and the increased volatility of prices.

It is now fully recognized by academics internationally, by politicians (European Parliament) and within international organizations (IMF and FAO).

> An agricultural rating agency, set up in 2009: this agency works from the premises of momagri's economic model and its specific indicators to conduct technical analyses for the assessment of agricultural policies and practices. Its first indicators will be made public at the end of the year 2011.

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



## ➤ TARGETED INITIATIVES TO SUPPORT SOCIAL AND HUMANITARIAN PROJECTS

Vilmorin's and its subsidiaries regularly participate in different social and humanitarian projects, playing a positive role in the development of their social environment. For example, the following projects were run in fiscal year 2010-2011:

### VILMORIN GIVES SUPPORT TO THE EARTHQUAKE VICTIMS IN JAPAN

After the earthquakes and the unprecedented tsunami that hit Japan in March 2011, Vilmorin donated 2 million yen to the Japanese Red Cross to help the victims and their families. In addition to this donation Mikado Kyowa Seed paid 1.2 million yen to help vegetable producers located in the area directly struck by the catastrophe.

### OXADIS JOINS THE FIGHT AGAINST HUNGER

Starting in January 2011, Oxadis has chosen to support a Non-Governmental Organization whose main mission is to fight against hunger in the world by donating part of the profits made on high rotation bean seed products sold under two different brands: Vilmorin (varieties Oxinel, Skipper and Delinel) and Vita (varieties Cordon Bleu, Nickel and Novirea). For every box of beans sold, Oxadis will donate 0.30 Euros to the association to fund its food security program in more than 50 countries.

## HAZERA ENCOURAGES SOCIAL REINTEGRATION THROUGH AGRICULTURE

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

### VILMORIN CONTRIBUTES TO THE FUNDING OF A SOLIDARITY MISSION IN BENIN

Vilmorin participated in funding a one-month solidarity mission imagined and organized by a team of French guides and scouts. The "Compagnons Mikado" comprising 6 young people of 18 and 19 contributed to the development of a farm-school based in the village of Kakanitchoé in Benin in conjunction with the association SAIN (Integrated Agricultural Solidarity). They also helped to set up an ecotourism center for the discovery of medicinal plants.

## DEVELOPMENT AND RESPONSIBILITY

*Developing business  
while limiting its impact on the environment***> PRESERVING THE ENVIRONMENT THROUGH  
THE DEVELOPMENT OF MORE SOPHISTICATED  
SEEDS**

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

Furthermore, genetically modified plants contribute significantly to diminishing the impact of agricultural production on the environment. Their use means that there is less spraying of chemical products, growing practices become more friendly, and water consumption is limited by developing corn seed varieties that are resistant to hydric stress.

**> CONTRIBUTING TO ENRICHING BIODIVERSITY**

With more than one hundred new varieties registered every year, a genetic heritage\* of more than 10,000 plant varieties collected over the past 260 years, and 5,000 varieties proposed in its commercial line-ups, Vilmorin makes an active contribution to the conservation of biodiversity.

**> LIMITING IMPACT ON THE ENVIRONMENT**

Vilmorin is committed to developing its activity respecting the environment in which it evolves. In particular this involves controlling the use of natural resources, limited pollution and paying special attention to recycling waste.

**LOW CONSUMPTION OF RESOURCES**

➤ **Water:** given the modest surface areas cultivated, in all almost 4,000 hectares for research and 84,000 hectares for seed production throughout the world, Vilmorin consumes very little water.

Consumption was estimated to be around 1.3 million m<sup>3</sup> in 2010-2011. The main sources of consumption are for sanitary purposes and irrigation.

An indication of the vigilance applied is that several companies have set up specific irrigation systems, such as drip irrigation in order to control and limit the quantity of water used.

➤ **Energy:** even though it consumes relatively little energy (around 44 Gwh for fiscal year 2010-2011), Vilmorin regularly invests in measures to limit its consumption.

An example from the field seeds activity is that the heat from the combustion of corncobs (the central part that holds the grain) is used to dry humid corn just after harvesting, leading to a considerable reduction in gas consumption.

➤ **Fuel:** Vilmorin's consumption is very low and represents a minor environmental impact.

## LIMITED POLLUTION

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

- **Air:** dust generated during seed processing is the main source of any pollution. To limit such releases into the air most of Vilmorin's companies have installed systems to filter and capture this dust from seeds.
- **Water:** research activities are organized to limit as much as possible any discharge into water. In the greenhouses, for example, all the fertilizer-based solutions are recycled and flow through a closed circuit. All the more recent stations recycle their wastewater, using wastewater recovery stations.
- **Soil:** the spreading of fertilizers on commercial seed crops, and the agrochemical treatments used, can be a source of soil pollution. Different preventive and corrective actions are taken, including the strict respect of certified products and recommended dosages. Moreover, several of Vilmorin's companies have initiated biological fight\* methods in the greenhouses, leading to a spectacular reduction in the number of sprays. Finally, the development of varieties resistant to insects and viruses, and with fewer needs for fertilizer for growing, means that fewer chemical products are required.

## AN ADVANCED APPROACH TO RECYCLING WASTE

The quantity of waste generated by Vilmorin is estimated to be around 13,000 tons in fiscal year 2010-2011. This waste mainly concerns plant matter, treated seeds or non-hazardous industrial waste. Vilmorin's activity generates very little hazardous waste.

The majority of Vilmorin's companies are careful to recycle as much of their waste as possible. 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. On several of Vilmorin's sites, this sorting is accompanied by specific communication (specific sorting instructions, notices in display areas, etc.) and monthly monitoring in some cases, in order to track the evolution of the tonnage of ultimate waste and the quantity of re-usable waste.

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

## DEVELOPMENT AND RESPONSIBILITY

*Anticipating  
by assessing and limiting risks*

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

**> GRADUALLY REINFORCING INTERNAL CONTROL  
OF RISK MANAGEMENT****WORKING THROUGH A DEDICATED TEAM**

The global risk management policy is implemented through:

- a global risk management steering committee. This committee is in charge of determining risk management orientations, validating methodologies and work and control plans, and reporting to the Executive Committee, and the Audit and Risk Management Committee which is the specialized committee of Vilmorin's Board of Directors;
- an operating coordination committee in charge of deploying a risk policy, defining minimum standards to be respected for each theme identified, and making sure they are applied. This committee works through a network of referral agents who pass on information and help prepare audits in the entities concerned. It is the Finance Managers who steer risk management in each of the Business Units.

This organization reflects the desire for transverse steering of global risk management, and was further developed in fiscal year 2010-2011 by the appointment of a Safety Coordinator, and the designation of the first "risk owners", who are experts in their respective domains (innovation, security, etc.). Their responsibility is to establish a diagnosis on the risk status in the company, alert the competent hierarchical authorities as necessary, and advise them as to the measures to take in order to reduce their criticality\*.

Overall risk management organization is placed under the direct responsibility of the Chief Financial Officer, who is also a member of Vilmorin's Executive Committee.

Reports on this organization are also regularly provided to the Vilmorin Audit and Risk Management Committee.

**LISTING ALL THE RISKS**

With the support of a consultant, in order to guarantee a methodical approach and independent analysis, Vilmorin has mapped all the risks to set down an exhaustive list of potential risks in order of importance.

These risks were then weighted using criteria of frequency, occurrence and impact. In 2010 a summary of this work was presented to the Audit and Risk Management Committee, with identification of the priorities to deal with risks concerning research and intellectual property.

Initial assessment of this work was carried out in fiscal year 2010-2011. The conclusions recommended reinforcement of the procedure to protect intellectual property in the company. In particular this concerns stricter application of the standards defined.

**ENRICHING THE RISK MANAGEMENT MANUAL**

The main areas adopted as being strategic are the safety of persons and property, the GMO\* environment and the protection of intellectual property. In 2010-2011 the information systems security policy and environmental risks were added to the list. All these risks have been defined and presented in a risk management reference manual, the updated version of which will be disseminated to the companies in the group at the beginning of fiscal year 2011-2012, with the following standards set:

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

The standards laid down concern both the safety and health of the personnel, a few hygiene rules, and also industrial safety at the different sites and the protection of property.

Examples of standards:

- One person at each site is responsible for safety issues.
- An annual risk prevention plan for workstations in terms of safety has been implemented for each site, regularly involving more than thirty employees.
- Each workstation is assessed for risks in terms of hygiene and safety.
- All the premises are non-smoking.

- A policy has been adopted to fight against any discrimination in terms of employment and facilitating access to the workstations.
- It is forbidden to employ children under sixteen.

### Strict procedures to preserve varietal purity

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

Examples of standards:

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

### Reinforced protection of intellectual property

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

Examples of standards:

- Each company is to set up an "Intellectual Property Committee" in order to validate the coherence of its intellectual property practices with those defined by Vilmorin.
- The contract of employment for every employee taken on to work in Vilmorin's companies contains clauses dealing with intellectual property.
- Employees working in research and breeding\* are trained in intellectual property and the preservation of legal security in their company and in Vilmorin.

- Companies must respect valid third party intellectual property rights, particularly in terms of access and usage.

### The security of information systems, an essential component of Vilmorin's protection

Within this domain of requirements, standards are defined in particular for the organization of security, the security of workstations, networks and operations, continuity plans for IT activities and relations with the company's partners.

Examples of standards:

- Any person employed by Vilmorin, as soon as he or she arrives, must receive, read and validate the "Users Handbook for IT Resources"
- Workstations that are taken out of service must undergo a strict procedure to delete all data, or destroy the disk in order to be sure that no confidential information becomes accessible to an external person.
- The Group's systems and data are backed up on a daily basis.
- Financial penalties for failing to respect rules concerning security are defined in contracts signed with partners.
- The IT departments must have an IT continuity plan.

### Prevention of environmental risks

With the objective of limiting the impact of its activities on the environment (cf. page 56), Vilmorin has defined standards that apply to all its sites in the world.

Examples of standards:

- Significant environmental aspects (environmental issues that may have a serious impact on the functioning, the assets or the image of the company, such as the quality of the water or waste management) at sites are identified and are subject to a targeted policy in order to fight against their effects and follow their evolution.
- At each site, a referral agent is appointed to deal with environmental questions, and in particular to monitor significant environmental aspects, local initiatives and possible improvements, etc.
- Any budget request, particularly for maintenance operations, building improvements or site extensions, must take into account any environmental impacts.
- The site must enquire about what happens to any waste generated by its activities. Any waste must be collected selectively, sorted and as far as possible, recycled or valorized.

## DEVELOPMENT AND RESPONSIBILITY

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

### CONTINUING PROGRESS APPROACH

In order to check that the standards defined in the risk management manual are applied, an audit was conducted during the fiscal year including an assessment in the field, an analysis of discrepancies, and written reports. Self-assessments were systematically carried out in order to define standards concerning the security of information systems.

#### > ASSESSING RISKS AND TAKING SUITABLE MEASURES TO CONTROL THEM

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

All the risks are presented in detail in the Chairman's report on the functioning of the Board of Directors and on internal control, on Page 88 of this document.

### RISKS WITH REGARD TO RESEARCH

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

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

- > physical security of the installations, the genetic material, and the know-how (fencing, access restriction, duplication of sources, etc.);
- > protection of secrets and know-how;
- > a suitable intellectual protection policy;
- > bodies that reflect on the relevance of orientations adopted with regard to the competition, market expectations and scientific evolution.

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

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

### RISKS WITH REGARD TO SEED PRODUCTION

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

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

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

## CLIMATE AND WEATHER RISKS

### Diversifying production zones

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

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

### Risks regarding suppliers: lasting relations based on predefined pricing systems

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

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

## THE RISKS INVOLVED IN PROCESSING

### Processing stages

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

### Approved installations

With regard to approved installations, all Vilmorin's businesses, wherever they are located in the world, rigorously respect regulations. For example, activity of Vilmorin SA at its site in La Ménitré (Anjou-France) is subject to approval in several areas, including the storage of combustible materials in covered warehouses, since their volume is greater than 50,000 m<sup>3</sup>.

## DISTRIBUTION RISKS

### Risks regarding clientele: a wide portfolio of customers

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

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

	08-09	09-10	10-11
Weight of the top five customers	4.2	3.3	<b>5.7</b>
Weight of the top ten customers	6.7	5.7	<b>8.1</b>

### Political risks: caution in the choice of locations

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







# BEING A VILMORIN SHAREHOLDER

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# BEING A VILMORIN SHAREHOLDER

## Vilmorin on the stock market

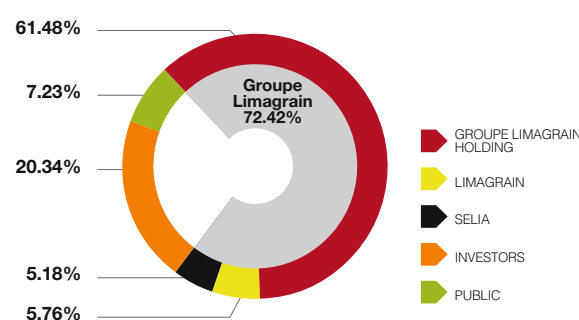
### > THE CAPITAL STOCK AND THE SHAREHOLDERS

#### CAPITAL STOCK

On June 30<sup>th</sup> 2011, the capital stock was 262,576,040.25 Euros, divided into 17,218,101 nominally fully paid up shares of 15.25 Euros.

Limagrain is Vilmorin's reference shareholder and directly or indirectly holds 72.42% of its capital stock

#### ANALYSIS OF THE CAPITAL STOCK ON JUNE 30<sup>TH</sup> 2011



Sources: Euroclear and internal

#### ANALYSIS OF THE CAPITAL STOCK AND VOTING RIGHTS ON JUNE 30<sup>TH</sup> 2011

	SINGLE VOTE SHARES	DOUBLE VOTE SHARES	% OF STOCK	TOTAL NUMBER OF VOTES	% OF THE TOTAL NUMBER OF VOTES
Groupe Limagrain Holding	3,140,796	7,444,888	61.48%	18,030,572	68.16%
Limagrain	100,514	891,603	5.76%	1,883,720	7.12%
Sélia	–	892,503	5.18%	1,785,006	6.75%
Treasury	1,317	–	0.01%	–	20.3%
Directors	6	21	–	48	26.5%
Public	4,738,420	8,033	27.57%	4,754,507	17.97%
<b>Total</b>	<b>7,981,053</b>	<b>9,237,048</b>	<b>100.00%</b>	<b>26,453,832</b>	<b>100.00%</b>

> **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), Vilmorin's reference shareholder, has declared it acquired 18,473 shares of a total value of 1,525,287.32 Euros during the course of fiscal year 2010-2011, and 31,527 shares of a total value of 2,344,679.73 Euros during the 1<sup>st</sup> quarter of 2011-2012.

> **Declaration of shareholder agreements:** within the framework of the intervention of the Strategic Investment Fund (SIF)\* in the equity of Groupe Limagrain Holding (GLH), Coopérative Limagrain, the SIF\* and GLH came to a shareholder's agreement in the capital of the companies GLH and Vilmorin. This agreement has been disclosed to the AMF (authority governing the French stock markets).

> **Collective commitment to preserve shares:** a shareholder recorded two collective commitments

to preserve shares on October 15<sup>th</sup> and 22<sup>nd</sup> 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<sup>nd</sup> 2010, and duly registered, in order to take account of the increase in the capital stock made on April 15<sup>th</sup> 2010. They concern 3,505,003 shares, representing 20.3% of the financial rights and 26.5% of the voting rights.

> **Potential capital stock:** Vilmorin diversified the nature of its resources by issuing a debenture loan at the end of fiscal year 2007-2008, with an option to convert and/or exchange the bonds into new or existing shares, with a total value of 150 million Euros (refer to Note 22.2.2 of the consolidated financial statements).

> **Non-issued authorized stock:** none, as no commitment to raise the stock had been made.

> **Shares non-representative of the stock:** none.

> **Stock options:** none.

## NOTIFICATION OF CROSSING THE THRESHOLD

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

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

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

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

## > VILMORIN'S SHARES

### SHARE DATA SHEET

- Date of introduction to the second market of the Paris stock exchange: November 3<sup>rd</sup> 1993.
- Place of quotation: Euronext Paris. Compartment A.
- Eligible for SRD (Deferred Settlement Order) since February 26<sup>th</sup> 2008.
- Euronext indices: Cac Small, Cac Mid & Small, Cac All-Tradable, Cac All Share.
- ISIN code: FR 0000052516 (RIN).
- Eligible for PEA.
- ICB nomenclature sector: "Farming & Fishing".
- Number of shares: 17,218,101.
- Close of the fiscal year on June 30<sup>th</sup>.

## SERVICING OF THE SHARES

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

### BNP Paribas Securities Services

Les Grands Moulins de Pantin  
9, rue du Débarcadère – 93761 Pantin Cedex – France

Tel.:

For French shareholders: 0826 109 119

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

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

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

## MANAGEMENT AND LIQUIDITY OF THE SHARES

Natixis Securities is responsible for running Vilmorin's liquidity contract. This company complies with the AMAFI deontology charter of September 20<sup>th</sup> 2008, approved by the AMF (authority governing the French stock markets) on October 1<sup>st</sup> 2008.

Assets that appear on the liquidity account

➤ At the beginning of the contract:

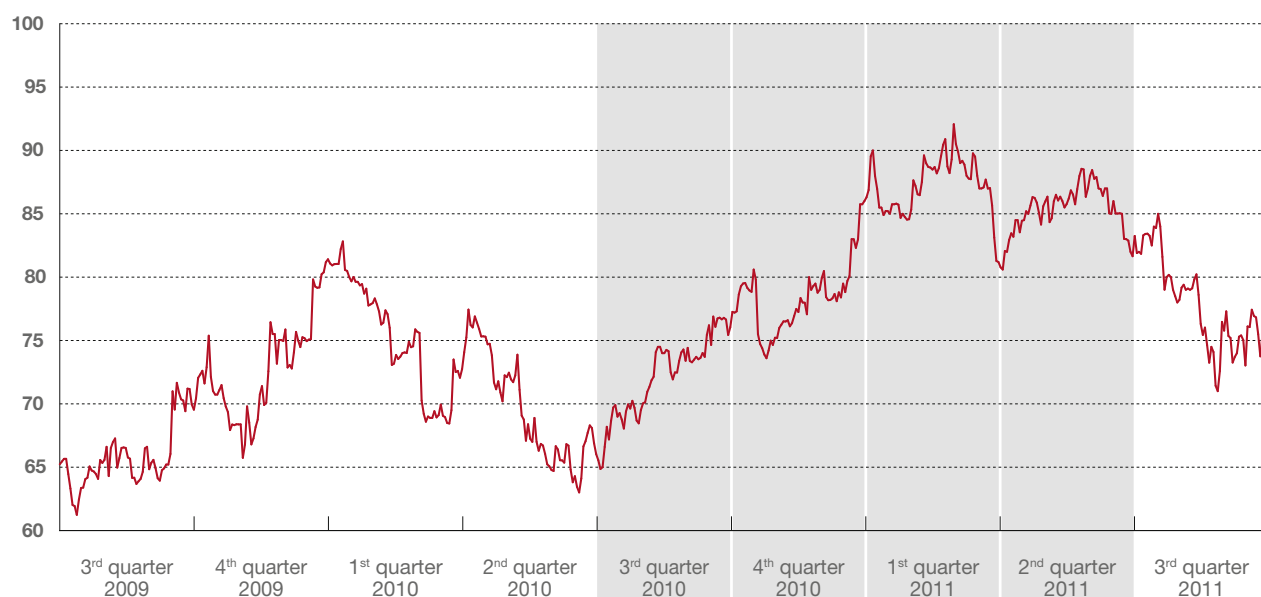
- number of shares: 7,989
- in cash: 68,037.90 Euros

➤ On June 30<sup>th</sup> 2011:

- number of shares: 1,317
- in cash: 545,131,37 Euros

## BEING A VILMORIN SHAREHOLDER

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



Source: Euronext

## &gt; DIVIDENDS OVER THE LAST FIVE FISCAL YEARS AND DISTRIBUTION POLICY

With comparable economic and financial conditions, Vilmorin will do all it can to maintain its profit distribution policy along the lines of previous years. The net dividend per share proposed to the Annual General Meeting of December 14<sup>th</sup> 2011 is 1.50 Euros.

	06-07	07-08	08-09	09-10	10-11
Number of shares receiving dividend	13,391,857	13,384,191	13,387,796	17,217,817	<sup>(1)</sup> 17,218,101
Net dividend (Euros)	1.66	1.66	1.77	1.41	1.50

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

## DIVIDENDS CLAIM LIMIT

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

## TAX REGULATIONS

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

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

It is now possible to opt for a reduced levy of 19% at source on total gross dividends (this option is only of interest to those receiving a high dividend).

Dividends are also subject, whatever their fiscal status (default or option), to a welfare tax contribution of 12.3% on their gross value, deducted at source by the paying establishment.

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

## BEING A VILMORIN SHAREHOLDER

*Informing and exchanging*

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

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

**> PUBLICATIONS AVAILABLE TO ALL THE FINANCIAL COMMUNITY**

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

**ANNUAL REPORT**

The annual report is available both in French and in English on Vilmorin's website, and in printed form in French.

It is updated at the time of the disclosure of the half-yearly financial statements.

**THE WEBSITE**

All the information published by Vilmorin is accessible on its website: [www.vilmorin.info](http://www.vilmorin.info). Apart from all the regulatory financial information, there are three areas of interest respectively for analysts/investors, journalists and individual shareholders so they can find the information that is of interest to them in particular. This information concerns, for example, a presentation of the company, regulatory information, financial analyses, evolution of the share value, financial presentations, press files, letters to the shareholders, etc.

The site can also be consulted in English.

**> RELATIONS WITH INDIVIDUAL SHAREHOLDERS**

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

For this purpose the company takes specific action in favor of individual shareholders. On June 30<sup>th</sup> 2011, the total of individual shareholders of either nominative or bearer shares stood at nearly 6,500.

**LETTERS TO THE SHAREHOLDERS**

The letter to the shareholders is printed in several thousand copies, in French. During the course of fiscal year 2010-2011, four letters were published, including an issue with a more pedagogical vocation, providing information on innovation and a special report on the Annual General Meeting.

**THE SHAREHOLDER'S GUIDE**

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

**ACTIVE MEMBERSHIP OF THE FFCI (FRENCH FEDERATION OF INVESTMENT CLUBS)**

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

**SHAREHOLDERS' MEETINGS**

In 2010-2011 Vilmorin participated in three shareholders' meetings in Strasbourg, Marseille and Toulouse. Vilmorin also ran an informational meeting at the Actionaria Fair in Paris.

**ACTIONARIA FAIR**

Vilmorin, a faithful participant in the Actionaria Fair in Paris, was present for the sixth consecutive year at this event in November 2010, with very fruitful results both in terms of participation and the quality of the contacts.

It is an important event in the company's communication strategy with regard to individual shareholders, and Vilmorin's management and financial communication team were all present. An expert was present at the stand for half a day to answer questions concerning GMOs\*. Altogether 150 people attended the informational meeting on the company and the round table devoted to Midcaps companies, with the participation of Vilmorin.

The company will be present once again for the 2011 Fair.

## THE CONSULTATIVE COMMITTEE FOR SHAREHOLDERS (CCS)

The Consultative Committee for Shareholders was formed in the spring of 2010 with the objective of contributing to the development strategy for individual shareholders, understanding shareholder expectations better and improving on financial communication.

The Committee comprises:

- five individual shareholders representing the shareholders:
  - Arnaud BUNEL,
  - Michel CHIRON,
  - Caroline MEIGNEN,
  - Viviane NEITER,
  - Louis REYNAL DE SAINT MICHEL,
- and two Directors from Vilmorin:
  - Philippe AYMARD,
  - François HEYRAUD.

It is managed by:

- Vilmorin's Chief Financial Officer: Daniel JACQUEMOND,
- the financial communications team:
  - Claire PLANCHE, Financial Communication Officer and Investor Relations, and
  - Claire-Marie SONNIER, Financial Communication Assistant and Individual Shareholder Relations.



From left to right:  
 Claire PLANCHE, Philippe AYMARD, Michel CHIRON, François HEYRAUD, Caroline MEIGNEN, Louis REYNAL DE SAINT MICHEL, Viviane NEITER, Arnaud BUNEL, Claire-Marie SONNIER, Daniel JACQUEMOND

The CCS met three times during fiscal year 2010-2011 at different Vilmorin sites. Its work has helped improve to the presentation of the shareholders meetings, and make recommendations concerning the website, letters to the shareholders and the Annual General Meeting.

Philippe AYMARD, Director, and a member of the CCS, presented the Committee, its work and how it functions to the Annual General Meeting of shareholders on December 17<sup>th</sup> 2010.

Summary reports on CCS meetings and its charter are available on the company website in the section Individual shareholders.

### To write to the Consultative Committee for Shareholders

**Vilmorin & Cie**  
**Comité Consultatif des Actionnaires**  
 BP 1  
 63720 CHAPPES – FRANCE  
 Email: [cca@vilmorin.info](mailto:cca@vilmorin.info)

### ➤ RELATIONS WITH ANALYSTS, INSTITUTIONAL INVESTORS AND THE PRESS

In 2010-2011, nine financial analysts followed the share price: CM-CIC Securities, Crédit Agricole Cheuvreux, Exane BNP Paribas, Gilbert Dupont, Natixis, Oddo Midcap, Portzamparc, Société Générale and Goldman Sachs.

### INFORMATIONAL MEETINGS AND SITE VISITS

Seven informational meetings held for investors, analysts and journalists were organized in 2010-2011 concurrently with the disclosure of financial information.

Vilmorin also organized a visit to its vegetable seed sites in China.

## BEING A VILMORIN SHAREHOLDER

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### TELEPHONE CONFERENCES

Vilmorin organized four telephone conferences in 2010-2011 at the same time as the disclosure of its quarterly sales. Deferred recordings of these conferences can be consulted in French on the Vilmorin website.

### MEETINGS WITH INVESTORS

During the course of the fiscal year 2010-2011 Vilmorin participated in seventeen meetings with investors and analysts in the form of conferences or road-shows, including many outside France (New York, London, Geneva, etc.).

### PRESS FILE

The press file for journalists is regularly updated for the company's main financial disclosures.

### > SCHEDULED AGENDA FOR 2011-2012 (SUBJECT TO MODIFICATIONS)

- **November 8<sup>th</sup> 2011:** Disclosure of sales for the first quarter\*.
- **November 18<sup>th</sup> and 19<sup>th</sup> 2011:** Actionaria Fair at the Palais des Congrès in Paris.
- **December 14<sup>th</sup> 2011:** Annual General Meeting of the Shareholders in Paris.
- **December 22<sup>nd</sup> 2011:** Payment of the dividend.
- **February 7<sup>th</sup> 2012:** Disclosure of sales for the first semester\*.
- **February 29<sup>th</sup> 2012:** Disclosure of results for the first semester\*.
- **May 3<sup>rd</sup> 2012:** Disclosure of sales at the end of the third quarter\*.
- **August 1<sup>st</sup> 2012:** Disclosure of sales for the year\*.

*\* Disclosure after the end of trading on the Paris stock market.*

### > CONTACTS

**Daniel JACQUEMOND**, Chief Financial Officer  
E-mail: [daniel.jacquemond@vilmorin.info](mailto:daniel.jacquemond@vilmorin.info)

**Claire PLANCHE**, Financial Communication Officer and Investor Relations  
E-mail: [claire.planche@vilmorin.info](mailto:claire.planche@vilmorin.info)

**Claire-Marie SONNIER**, Financial Communication Assistant and Individual Shareholder Relations  
E-mail: [claire-marie.sonnier@vilmorin.info](mailto:claire-marie.sonnier@vilmorin.info)

Tel.: +33 (0)4 73 63 41 95

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



## Participating in General Meetings

### ► INVITATIONS TO NOMINATIVE SHAREHOLDERS TO ATTEND

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

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

### ► CONDITIONS OF ATTENDANCE

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

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

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

### ► VOTING RIGHTS ACCOMPANYING THE SHARES

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

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

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





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and Extraordinary Meeting of December 14<sup>th</sup> 2011*

# FINANCIAL AND > LEGAL INFORMATION

## Legal information

### > INFORMATION OF A GENERAL NATURE

#### NAME, HEAD OFFICE AND ADMINISTRATIVE OFFICES

**Name:**

Vilmorin & Cie.

**Head Office:**

4 quai de la Mégisserie – 75001 Paris – France.

**Administrative offices:**

BP 1 – 63720 Chappes – France.

#### JURISDICTION

French jurisdiction.

#### LEGAL STATUS

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

#### DATE OF CREATION, AND DURATION OF THE COMPANY

The Company was created on March 2<sup>nd</sup> 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<sup>th</sup> 1990).
- > Modification of name to Vilmorin & Cie (EGM June 29<sup>th</sup> 1993).
- > Modification of name to Vilmorin Clause & Cie (EGM December 9<sup>th</sup> 1997).
- > Modification of management system (EGM March 16<sup>th</sup> 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<sup>th</sup> 2001 governing new economic regulations (EGM December 3<sup>rd</sup> 2002).
- > Modification of name to Vilmorin & Cie (EGM July 3<sup>rd</sup> 2006).
- > Modification of the by-laws (EGM December 11<sup>th</sup> 2008).

The duration of the company is 99 years, unless it is extended or cut short by an Extraordinary General Meeting of the shareholders.

#### OBJECT OF THE COMPANY

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

- > to acquire a stake, and to participate in any company in which it thinks it may have an interest;
- > to make rational and profitable use of the resources pooled by its subsidiaries and to take any civil or commercial measures for this purpose;
- > to co-ordinate and develop the activity of its subsidiaries by setting up missions to provide them with monitoring and control;
- > to provide its subsidiaries, or any other persons, with the means to improve their management, reduce their overheads and facilitate the distribution of their products;
- > to carry out research on the subject of plants and all processes that can be applied to plant improvement and the development of new varieties;
- > to exploit and sell any knowledge thus acquired, any patents, and any new plant varieties, in whatever form, directly or indirectly, or by granting a license for use or any other form;
- > to acquire stakes in whatever form, interest and participation in any company, group or enterprise, whether French or of another nationality, which has a similar object or that is liable to help it develop its own business.

In order to attain these corporate objectives, the company 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.

### COMPANY TRADE REGISTER

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

N° SIRET: 377 913 728 00020.

N° SIREN: 377 913 728.

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

### FISCAL YEAR

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

### PLACE WHERE DOCUMENTS CONCERNING THE COMPANY MAY BE CONSULTED

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

### TRIBUNAL FOR REFERRAL OF LITIGATION

Tribunal de Commerce de Paris.

## FINANCIAL AND LEGAL INFORMATION

## &gt; INFORMATION CONCERNING THE CAPITAL STOCK

## EVOLUTION OF THE STOCK

DECISION AND DATE	NATURE OF THE STOCK INCREASE	NOMINAL AMOUNT AND PREMIUM PER SHARE	STOCK RAISED TO	TOTAL NUMBER OF SHARES
03.02.90	Creation of company 2,500 shares issued	FRF 100	FRF 250,000	2,500
06.29.93	3,820,000 shares issued to pay for a partial contribution of assets from Groupe Limagrain Holding	FRF 100	FRF 382,250,000	3,822,500
06.29.93	Equivalent of 1,817,500 shares issued in cash reserved for Groupe Limagrain Holding	FRF 100	FRF 564,000,000	5,640,000
10.04.93	Transfer of shares at nominal price of FRF 100 to shares at FRF 300	FRF 300	FRF 564,000,000	1,880,000
12.17.93	166,700 shares issued reserved for Crédit Lyonnais	FRF 300 + Premium of FRF 6	FRF 614,010,000	2,046,700
11.26.96	921,015 shares issued with stock warrants	FRF 300 + Premium of FRF 170	FRF 890,314,500	2,967,715
11.96 - 06.30.97	177 warrants exchanged corresponding to 59 shares	FRF 300 + Premium of FRF 180	FRF 890,332,200	2,967,774
07.97 - 06.30.98	93 warrants exchanged corresponding to 31 shares	FRF 300 + Premium of FRF 180	FRF 890,341,500	2,967,805
07.98 - 06.30.99	927 warrants exchanged corresponding to 309 shares	FRF 300 + Premium of FRF 180	FRF 890,434,200	2,968,114
07.99 - 06.30.00	336 warrants exchanged corresponding to 112 shares	FRF 300 + Premium of FRF 180	FRF 890,467,800	2,968,226
07.00 - 06.30.01	662,301 warrants exchanged corresponding to 220,767 shares Conversion of the nominal unit value to €45.75 using part of the legal reserves of FRF 319,944	FRF 300 + Premium of FRF 180 –	FRF 956,697,900 €145,896,429.75	3,188,993 3,188,993
01.18.06	Division by 3 of the nominal value of the share from €45.75 to €15.25	€15.25	No modification	9,566,979
07.03.06	3,824,878 shares issued to remunerate a partial contribution of assets made by the company Limagrain Agro-Industrie	€15.25	€204,225,819.25	13,391,857
04.13.10	Issue of 3,826,244 new shares with pre-emptive shareholder subscription rights	€15.25	€262,576,040.25	17,218,101

## MODIFICATIONS OCCURRING IN THE BREAKDOWN OF THE CAPITAL STOCK OVER THE COURSE OF THE LAST THREE FISCAL YEARS

	06.30.09			06.30.10			06.30.11		
	NUMBER OF SHARES	% OF STOCK	VOTING RIGHTS	NUMBER OF SHARES	% OF STOCK	VOTING RIGHTS	NUMBER OF SHARES	% OF STOCK	VOTING RIGHTS
Groupe Limagrain Holding	7,786,304	58.14	60.69	10,567,211	61.37	62.70	<b>10,585,684</b>	<b>61.48</b>	<b>68.16</b>
Limagrain	891,603	6.66	9.49	992,117	5.76	8.33	<b>992,117</b>	<b>5.76</b>	<b>7.12</b>
Sélia	892,503	6.66	9.50	892,503	5.18	7.89	<b>892,503</b>	<b>5.18</b>	<b>6.75</b>
Treasury shares	7,191	0.05	–	219	–	–	<b>1,317</b>	<b>0.01</b>	<b>–</b>
Public and various	3,814,256	28.49	20.32	4,766,051	27.69	21.09	<b>4,746,480</b>	<b>27.57</b>	<b>17.97</b>
<b>Total</b>	<b>13,391,857</b>	<b>100.00</b>	<b>100.00</b>	<b>17,218,101</b>	<b>100.00</b>	<b>100.00</b>	<b>17,218,101</b>	<b>100.00</b>	<b>100.00</b>

## FINANCIAL AUTHORIZATIONS GRANTED BY THE ANNUAL GENERAL MEETING OF DECEMBER 17<sup>TH</sup> 2010

In order to provide Vilmorin with the necessary means to ensure its future development, particularly internationally, the Annual General Meeting of December 17<sup>th</sup> 2010 authorized the Board of Directors to issue, with a maximum nominal value of 250 million Euros:

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

During fiscal year 2010-2011, neither of these delegations was applied.

The Board of Directors will request new financial delegations at the Annual General Meeting of December 14<sup>th</sup> 2011 .

## ➤ INFORMATION CONCERNING THE RATE ON THE STOCK MARKET AND MANAGEMENT OF THE SHARES

### INTERVENTIONS OF THE COMPANY WITH REGARD TO ITS OWN SHARES

The Annual General Meeting of December 17<sup>th</sup> 2010, deliberating on the provisions of articles 241-1 to 241-8 of the General Regulations of the Autorité des Marchés Financiers and the European Regulations No. 2273/2003, which came into force on December 22<sup>nd</sup> 2003, granted the Board of Directors the powers to intervene by purchasing or selling its own shares on the stock market at a maximum price of 150 Euros per share, with the number of shares thus acquired being limited to a ceiling of 1,000,000 shares, representing a maximum potential commitment of 150 million Euros.

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

During the fiscal year ending June 30<sup>th</sup> 2011, the company conducted, either directly or indirectly, the following operations:

- number of shares purchased = 135,078;
- average purchasing price = 81.32 Euros;
- number of shares sold = 133,980;
- average selling price = 81.28 Euros;
- number of treasury shares held on June 30<sup>th</sup> 2011: 1,317 corresponding to less than 0.1% of the stock, at a purchasing value of 109,203.66 Euros, which is an average unit price of 82.92 Euros.

It is proposed to the Annual General Meeting of December 14<sup>th</sup> 2011 to authorize the Board of Directors, for a maximum period of 12 months, to buy or to sell treasury shares in compliance with the provisions of article L225-209 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 120 Euros per share;
- the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 120 million Euros.

\* Prospectus of December 9<sup>th</sup> 2009 registered with the AMF (authority governing the French stock markets)

## FINANCIAL AND LEGAL INFORMATION

## SHARE SCORECARD REPORT

	08-09	09-10	10-11
<b>Daily average of transactions</b>			
Number of shares	17,406	15,600	<b>8,450</b>
Thousands of Euros	1,434.02	1,141.90	<b>681.29</b>
<b>Maxima and minima</b>			
Highest rate	123.50	88.60	<b>93.00</b>
Lowest rate	59.50	63.00	<b>66.75</b>
<b>Closing rate of the fiscal year in Euros</b>	<b>69.63</b>	<b>68.19</b>	<b>85.00</b>
<b>Net yield per share % <sup>(1)</sup></b>	<b>1.39%</b>	<b>2.54%</b>	<b>2.07%</b>

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

(Source: Euronext)

## QUANTITIES EXCHANGED AND EVOLUTION OF VALUES OVER THE LAST 18 MONTHS

YEAR	MONTH	NUMBER OF SHARES EXCHANGED	STOCK EXCHANGED K€	HIGHEST RECORDED RATE €	LOWEST RECORDED RATE €
2010	April	345,343	25,115	77.75	70.10
	May	383,810	25,917	74.74	63.80
	June	397,997	26,148	68.70	63.00
	July	174,949	12,185	72.14	66.75
	August	180,403	13,314	74.96	71.80
	September	232,389	17,880	79.54	73.30
	October	318,694	24,271	81.44	73.30
	November	166,229	13,104	80.48	76.05
	December	239,019	20,173	90.00	78.05
2011	January	158,601	13,753	90.00	83.69
	February	197,901	17,672	93.00	86.60
	March	188,592	15,818	89.60	79.00
	April	71,732	6,143	87.49	84.01
	May	137,656	11,958	88.75	85.00
	June	122,422	10,182	86.35	81.09
	July	176,505	14,056	85.40	75.28
	August	206,310	15,330	77.78	68.80
	September	146,769	10,664	77.49	69.15



## ➤ FURTHER INFORMATION

### INVESTMENT POLICY AND OWNERSHIP OF FIXED ASSETS

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

Thus for fiscal year 2010-2011, tangible investments stood at 39.3 million Euros. Depending on each case, and the operating Business Unit involved, these investments are funded either by bank loans or by cash.

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

### REFERENCE SHAREHOLDERS

Groupe Limagrain, through the companies Limagrain and its subsidiaries Groupe Limagrain Holding and Selia, is Vilmorin's reference shareholder, holding 72.4% of the capital stock (refer to the chapter "How the Board of Directors operates", page 10).

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

### IMPORTANT CONTRACTS OUTSIDE NORMAL BUSINESS ARRANGEMENTS

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

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

### FUNCTIONING OF THE ADMINISTRATION AND MANAGEMENT BODIES

#### Corporate governance

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

#### Information on the Audit Committees and the remuneration committees

During the first semester of 2010, the Board of Directors set up an Audit and Risk Management Committee chaired by its independent Director.

This specialized committee is responsible in particular for insuring that financial information respects the elaboration process, that the risk management systems are efficient and that the Statutory Auditors and other external auditors control the financial statements in compliance with the law. During the course of the fiscal year 2010-2011, it specifically conducted a review of the half-yearly financial statements, the risk of technological dependence and an analysis of financial risks.

Vilmorin does not currently have a remuneration committee.

## FINANCIAL AND LEGAL INFORMATION

*Information on the subsidiaries*

NAME	COUNTRY	HEAD OFFICE	
<b>Holdings</b>			
Gemstar SA	France	5 rue Saint-Germain l'Auxerrois – 75001 Paris	513 533 612
Limagrain Genetics Inc	Canada	Centre CDP Capital – 1001 Victoria Square – Bloc E 8 <sup>th</sup> Floor – Montréal H2Z 2B7	
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai, Midori-ku – 267-0056 Chiba-shi	
VCC Japan	Japan	15-13 Nampeidaicho – Shibuya-Ku Tokyo	
VCC Seeds Israël Ltd	Israel	c/o Schwartz, Duvdevany, Lerner CPA 76 Herzl Street – Haïfa	
VCO Participations SAS	France	Rue Limagrain – 63720 Chappes	523 301 976
Vilmorin & Cie	France	4 Quai de la Mégisserie – 75001 Paris	377913728
Vilmorin 1742 SARL	France	6 Quai de la Mégisserie – 75001 Paris	504 933 953
Vilmorin Hong-Kong Ltd	China	Level 28, Three Pacific Place, 1 Queen's Road East Hong-Kong	
Vilmorin USA Corp	United States	2711 Centerville Road, Suite 400 – County of New Castle Wilmington 19808 – Delaware	
<b>Field seeds</b>			
Biogemma SAS	France	1 rue Édouard Colonne – 75001 Paris	412 514 366
Biogemma UK Ltd	United Kingdom	Science Park – 200 Milton Road – Cambridge CB4 0GZ	
Biogemma USA Corp	United States	Corporation service Company – 2711 Centerville Road, Suite 400 – Wilmington 19808 – Delaware	
Genoplante-Valor SAS	France	523 Place des Terrasses – 91034 Évry	439 202 821
<b>Limagrain Europe</b>			
Belgian Seeds Company Agro	Belgium	Esperantolaan 12 BUS B13 – B-3300 Tienen	
Limagrain Clovis Matton Belgium	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove	
De Wulf & Co	Belgium	58 rue de la Gare – 7780 Comines Warneton	
Eurodur	France	Loudes – 11400 Castelnaudary	338 982 614
GIE Semences de Brie	France	RD 402 – 77390 Chaumes-en-Brie	388 147 845
Limagrain A/S	Denmark	Marsalle III – 8700 Horsens	
Limagrain Belgium BVBA	Belgium	Esperantolaan 12 BUS B13 B – 3300 Tienen	
Limagrain Central Europe	France	Biopôle Clermont-Limagne – 63360 Saint-Beauzire	438 205 320
Limagrain Central Europe Cereals S.r.o.	Czech Republic	Praha 9 – Podedvorská 755/5 19800 – Kyje	
Limagrain d.o.o Beograd	Serbia	Bulevar Oslobođenja 127 – Novia Sad 21000	
Limagrain Europe	France	Ferme de l'Étang – BP 3 – 77390 Verneuil l'Étang	
Limagrain GmbH	Germany	2 Am Griewenkamp – Edemissen – D 31234	
Limagrain Iberica	Spain	Ctra Pamplona – Huesca Km 12 – Elorz – Navarra 31470	
Limagrain Italia SPA	Italy	Via Frescarolo 115 – Busseto PR 43011	
Limagrain Moldova srl	Moldova	Bd. Stefan Cel Mare 162 – MD – Chisinau 2004	

% VOTING RIGHTS	% INTEREST	CONSOLIDATION EMTHOD	EQUITY BEFORE RESULTS IN K€	PERMANENT HEADCOUNT ON 06.30.11	BOOK VALUE OF SHARES ON JUNE 30TH 2011 IN K€	SALES OF GOODS IN K€	NET INCOME FOR THE FISCAL YEAR IN K€	
							GROSS	NET
74.84	74.84	GI	47	0		- 4,760	37	37
100.00	100.00	GI	29,473	1		27,444	40,100	40,100
72.57	72.57	GI	2,172	0		232	4,058	4,058
100.00	100.00	GI	- 305	0		- 183	424	424
100.00	100.00	GI	- 188	1		36	0	0
100.00	100.00	GI	1	0		- 2	1	1
100.00	100.00	GI	641,075	113		63,984		
100.00	100.00	GI	884	9	1,254	- 521	2,000	394
100.00	100.00	GI	8,474	0		31,540	40,000	40,000
100.00	100.00	GI	83,231	0		- 134	162,431	162,431
55.01	55.01	GI	50,269	78		- 2,120	30,800	30,800
100.00	55.01	GI	728	0		464	16,892	1,937
100.00	55.01	GI	0	0		13	1	1
33.33	29.33	EM	3,373	0		57	2,031	1,755
100.00	80.26	GI	4,525	0		- 5	7,500	7,500
100.00	80.26	GI	2,947	44	22,596	896	4,700	4,700
100.00	80.26	GI	219	0	897	5	122	122
47.45	38.09	PI	7,184	5		- 229	4,541	4,541
50.00	40.13	PI	324	14		- 4	191	191
100.00	80.26	GI	1,824	4	13,302	439	4,600	4,600
100.00	80.26	GI	- 485	0	- 14	493	19	19
99.99	80.26	GI	6,659	103	47,660	- 572	6,500	6,500
100.00	80.26	GI	2,024	36	1,821	1,525	2,399	2,399
100.00	80.26	GI	146	7	2,889	340	341	341
80.26	80.26	GI	261,217	440	216,356	4,401	247,156	247,156
100.00	80.26	GI	7,456	112	39,812	1,347	12,049	12,049
100.00	80.26	GI	11,403	83	25,945	2,067	10,651	10,651
100.00	80.26	GI	1,739	28	10,990	- 595	12,063	1,144
100.00	80.26	GI	571	6	2,840	- 600	349	349

## FINANCIAL AND LEGAL INFORMATION

NAME	COUNTRY	HEAD OFFICE
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 – 4411 RB Rilland
Limagrain Nederland Holding BV	Netherlands	Van der Haveweg 2 – 4411 RB Rilland
Limagrain Romania SRLA	Romania	Soseaua Bucuresti Ploiesti – Orasul Otopeni Judetul Ilfov 075100
Limagrain RU	Russia	Odesskaya street 41/43, 3 <sup>rd</sup> Floor – Office 1 350020 Krasnodar
Limagrain Tohum Islah Ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak – N° 17/136 Kozyatagi-Erenkoy Istanbul 34742
Limagrain UK Ltd	United Kingdom	Market Rasen – LN7 6DT Rothwell – Lincolnshire
Limagrain Ukraine t.o.v.	Ukraine	Pavlivska 10 street off.7 – 01054 Kiev
Nickerson International Research	France	Rue Limagrain – 63720 Chappes
Nickerson Sugar Beet Seed Ltd	United Kingdom	Market Rasen – LN7 6DT Rothwell – Lincolnshire
Seedline	Belgium	5 rue du Quai – 8581 Avelgem-Kerkhove
Soltis	France	Domaine de Sandreau – 31700 Mondonville-Blagnac
Unisigma GIE	France	2 rue Petit Sorri – 60480 Froissy
<b>AgReliant</b>		
AgReliant Genetics LLC	United States	1122 East 169 <sup>th</sup> Street – Westfield, IN 46074
AgReliant Inc	Canada	6836 Pain Court Line RR1 – Ontario N0P1I20
<b>Limagrain Cereal Seeds</b>		
Australian Grain Technologies Pty Ltd	Australia	University of Adelaide – Waite campus building 4B 5064 URRBRAE S.A.
Investigación Trigo	Argentina	Lavalle 1527, 11 <sup>th</sup> floor – Office 44 – Buenos Aires
Limagrain Cereal Seeds LLC	United States	Corporation service Company – 2711 Centerville Road, Suite 400 – Wilmington 19808 – Delaware
<b>Limagrain South America</b>		
Limagrain do Brasil Participações Ltda	Brazil	Avenida Pedrosa de Moraes –2101, 4° andar, sala 13 CEP 05419-001 – Sao Paulo
Limagrain Guerra do Brasil SA	Brazil	PR, na Rod. PR280, KM 140 –numero 8801 Bairro Cristo Rei – CEP 85508-280 Pato Branco
Limagrain South America	Argentina	Calle Esmeralda 130 4to piso – Buenos Aires
<b>Limagrain Asia</b>		
Atash Seeds Private Limited	India	Discoverer 9 <sup>th</sup> floor – International Tech Park Whitefield Road – 560066 Bangalore
<b>Vegetable seeds</b>		
Bio Seeds	Netherlands	Agro Business Park 90 – 3808 PW Wageningen
<b>Mikado Kyowa Seed</b>		
Mikado Kyowa K.K.	Japan	15-13 Nanpeidai-cho-Shibuya-Ku – 150-0036 Tokyo
Dalian Mikado International Seed Co Ltd	China	Room 2702 – Liangju International Building Dalian – 116011
<b>Vilmorin SA</b>		
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 Pendik Istanbul 34903

% VOTING RIGHTS	% INTEREST	CONSOLIDATION EMTHOD	EQUITY BEFORE RESULTS IN K€	PERMANENT HEADCOUNT ON 06.30.11	BOOK VALUE OF SHARES ON JUNE 30TH 2011 IN K€	SALES OF GOODS IN K€	NET INCOME FOR THE FISCAL YEAR IN K€	
							GROSS	NET
100.00	80.26	GI	11,683	107	23,257	1,129	20,931	20,931
100.00	80.26	GI	55,135	0		12,754	126,015	63,649
97.14	77.96	GI	- 216	0		- 27	340	0
100.00	80.26	GI	66	10	562	34	7	7
67.00	53.78	GI	17,926	47	28,072	11,868	7,900	7,900
100.00	80.26	GI	19,183	171	34,821	1,368	22,776	22,776
100.00	80.26	GI	113	15	2,997	- 316	8	8
100.00	80.26	GI	16,635	0		267	100	100
100.00	80.26	GI	1	0		0	1	1
100.00	80.26	GI	74	4		21	225	225
50.00	40.13	PI	13,555	14		2,362	6,995	6,995
46.00	36.92	EM	506	0		274	379	379
50.00	50.00	PI	60,949	727	324,099	34,247		
50.00	50.00	PI	11,261	44	19,693	845	5,766	5,766
32.77	32.77	EM	8,755	0		1,142	8,021	8,021
50.00	50.00	PI	170	4		46	570	570
65.00	65.00	GI	13,185	11	22	- 1,216	8,901	8,901
100.00	100.00	GI	18,141	0		- 121	18,471	18,471
70.00	70.00	GI	4,607	18		- 171	18,141	18,141
100.00	100.00	GI	3,087	13	252	- 808	7,028	7,028
99.99	99.99	GI	6,839	71	881	- 2,295	11,407	11,407
24.95	24.95	EM	15,378	0		- 110	1,092	1,092
69.27	62.42	GI	25,057	143	80,413	4,164	12,657	12,657
80.00	49.93	GI	591	13	1,688	49	214	214
100.00	99.95	GI	9,289	69	18,218	1,823	7,683	7,683

## FINANCIAL AND LEGAL INFORMATION

NAME	COUNTRY	HEAD OFFICE
Vilmorin Atlas	Morocco	158 boulevard Abdellah Ben Yacine – 20300 Casablanca
Vilmorin do Brasil Comércio de Sementes Ltda	Brazil	Rua Maria Monteiro, 830, 2 <sup>nd</sup> andar, sala 21 – Campinas, Estado de Sao Paulo – 13025-151 Cambui 151 Campinas/SP
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 – 03006 Alicante
Vilmorin Inc	United States	2551 North Dragon – 85745 Tucson Arizona
Vilmorin Italia SRL	Italy	Center Gross CP 97 – Blocco 22 Via dei Notai 123 – 40050 Funo
Vilmorin SA	France	Route du Manoir – 49250 La Ménitrie 562 050 864
<b>HM - Clause</b>		
Alliance Semillas de Argentina	Argentina	Pavon 1478 – Capital Federal – CP 1151 – Buenos Aires
Alliance Semillas Sociedad anonima	Chili	Casa Matriz – Hendaya 27 – Oficina 201 Las Condas Santiago
Ceekay Seeds & Seedlings Pvt. Ltd	India	6-1-20/2, Walker New Bhoiguda – 500 025 Secunderabad
Clause SA	France	Rue Louis Saillant – 26800 Portes-les-Valence 435 480 546
Clause (Thailand) Ltd	Thailand	11 <sup>th</sup> Floor, Panjabhum Building - 127 South Sathorn Road, Tungmahamek - 10120 Sathorn Bangkok
Clause Brasil Comercio de Sementes Ltda	Brazil	Rua Miguel Penteado n°1038 Jardim Chapado CEP 13070118 Campesinas SP
Clause India Private Limited	India	6-1-20/2 New Bhoiguda – Secunderabad Hyderabad 500025 – ANDHRA PRADESH
Clause Italia	Italy	Via Emilia 11 – 10078 Venaria Real
Clause Maghreb EURL	Algeria	Villa n°192 Quartier Amara 2 – Lotissement Alioua Fodhil Chéraga – 16002 - Alger
Clause Polska Sp.z.o.o.	Poland	ul. Kbicka 32A – KRZECZOWICE
Clause Spain SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera Almeria 04745
Harris Moran Seed Company	United States	555, Codoni avenue – 95352 Modesto (Californie)
Henderson Seed Group Trading AS Clause Pacific	Australia	165, Templestowe - Road Lower Templestowe 3105 Bulleen Victoria
Ica Seeds SAC	Pérou	Fundo la Viña S/N – Caserio La Poruma Ica
Leafyco	United States	21866 Rosehart Way – 93908-9726 Salinas – Californie
Plant Development Australia	Australia	165, Templestowe Road – Templestowe Lower – VIC 3107
PT Clause Indonesia	Indonesia	Ruko Bumi Prayadan Permai Block B-6 - Mertoyudan 56172 - Magelang Jawa Tengah
Semillas Harris Moran Mexicana	Mexico	Blvd. V. Carranza 2378-A - Parque Industrial R.A.S.A. - Mexicali, BC Mexico CP
Su Tarim Turizm Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	Ali Cetinkaya Caddesi No : 125/7 07300 Antalya
<b>Hazera-Nickerson</b>		
Asamia Cold Storage	Israel	DN Shikmim – Brurim
Biotech Mah Management	Israel	DN Shikmim – Brurim
Hazera Agriculture Technology and Services (Beijing) Co	China	Room 601-602, Tower D, Java Millenium Place – No. 18 Jianguomenwai Dajie, Chaoyang District – 100022 – Beijing

% VOTING RIGHTS	% INTEREST	CONSOLIDATION EMTHOD	EQUITY BEFORE RESULTS IN K€	PERMANENT HEADCOUNT ON 06.30.11	BOOK VALUE OF SHARES ON JUNE 30TH 2011 IN K€	SALES OF GOODS IN K€	NET INCOME FOR THE FISCAL YEAR IN K€	
							GROSS	NET
70.00	69.97	GI	153	9	2,525	40	128	128
100.00	99.95	GI	369	12	1,882	34	18	18
99.91	99.86	GI	1,151	34	8,198	859	714	714
100.00	100.00	GI	2,808	30	6,899	- 505	2,445	2,445
100.00	99.95	GI	67	23	12,199	593	64	64
99.95	99.95	GI	53,290	402	79,678	15,692	55,695	55,695
100.00	100.00	GI	747	14	3,322	147	712	712
100.00	100.00	GI	1,684	17	3,345	121	1,263	1,263
100.00	99.97	GI	- 108	0		- 5	1,791	0
99.97	99.97	GI	53,321	524	125,201	24,175	50,194	50,194
100.00	99.97	GI	597	52	187	- 593	1,300	0
100.00	99.97	GI	2,156	22	10,961	2,275	36	36
100.00	99.97	GI	779	104	4,934	373	691	691
100.00	99.97	GI	1,844	36	25,498	552	1,438	1,438
100.00	99.97	GI	300	10	3,463	321	97	97
100.00	99.97	GI	2,400	16	60	28	2,659	2,659
100.00	99.97	GI	3,824	80	26,854	2,135	1,532	1,532
100.00	100.00	GI	46,414	292	78,990	7,005	25,718	25,718
100.00	99.97	GI	2,181	20	6,819	306	4,965	4,965
100.00	100.00	GI	311	18	1,266	- 53	178	178
100.00	100.00	GI	1,602	17	1,585	- 2,081	2,422	1,211
100.00	99.97	GI	3,568	0		- 78	2,276	2,276
100.00	99.97	GI	232	20	366	- 93	299	299
100.00	100.00	GI	2,693	43	26,412	308	0	0
51.00	50.98	GI	1,096	30	3,058	- 485	4,863	4,863
100.00	100.00	GI	6	0		2	1	1
50.00	50.00	PI	0	0		0	0	0
100.00	100.00	GI	433	30		44	452	452

## FINANCIAL AND LEGAL INFORMATION

NAME	COUNTRY	HEAD OFFICE
Hazera Do Brasil Comercio de Sementes Ltda	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo
Hazera España 1990	Spain	C/Torrelaguna 75 – 2/8 Madrid
Hazera Genetics	Israel	Brurim Farm MP – 79837 Shikmim
Hazera Mexico Services SA	Mexico	Calle Trapani No 4732 Local A – Edificio Plaza Palermo Palermo Residencial – 80104 – Culiacan – Sinaloa
Hazera Hellas Seeds & Plant Material	Grèce	Agamemnonos str. 51-53 Kallithea – 17675 Athens
Hazera Holding International BV	Israel	DN Shikmim – 79837 Brurim
Hazera Ltd	Mauritius	c/o Abacus Fin. Sces Ltd TM Building Pope Hennessy Street – Port-Louis
Hazera Seeds Inc	United States	32 Loockerman Sq, Suite L 100 – Dover – Delaware
Hazera Tohumculuk Ve Ticaret	Turkey	Necatibey St. Bascerrah N. 6/27 – Karakoy
Nickerson Zwaan BV	Netherlands	Schanseind 27 BP28 – 4921 Pm Made
Nickerson Zwaan GmbH	Germany	2 Am Griewenkamp – Edemissen – D 31234
Nickerson Zwaan Seeds Private	India	c/o Ajoy Ghosh & Associates, Chartered Accountants F202, Brigade Nest, 1/9, Airport Road, Kodihalli 560017 Bangalore
Nickerson Zwaan Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT Rothwell
Nickerson Zwaan SA (Proprietary) Ltd	South Africa	121 Boshoff Street – 0181 – New Muckleneuk
Nickerson Zwaan Sp. zo.o.	Poland	ul. Marywilska 34 I – 03-228 – Warszawa
Nickerson Zwaan Ukraine	Ukraine	Office # 101 – Strategichne shose 16 Str – 03680 - Kiev
<b>Garden products</b>		
Top Green SAS	France	ZA Les Pains – Les Alleuds – 49320 Brissac Quince
<b>Oxadis</b>		
C.H. Van Den Berg B.V.	Netherlands	Nijverheidsweg 1 – (1693) Am Wervershoof
Cnos Garden Sp. zo.o.	Poland	ul. Ks.P. Wawrzyniaka 2 – 62-052 - 62-052
Oxadis SA	France	65, rue de Luzais – BP 37 – 38291 St Quentin Fallavier
<b>Suttons</b>		
Suttons Seeds (Holding) Ltd	United Kingdom	Woodview road – Paignton – Devon – TQ4 7NG



% VOTING RIGHTS	% INTEREST	CONSOLIDATION EMTHOD	EQUITY BEFORE RESULTS IN K€	PERMANENT HEADCOUNT ON 06.30.11	BOOK VALUE OF SHARES ON JUNE 30TH 2011 IN K€	SALES OF GOODS IN K€	NET INCOME FOR THE FISCAL YEAR IN K€	
							GROSS	NET
100.00	100.00	GI	- 357	9	912	18	229	229
100.00	100.00	GI	1,004	16	4,661	54	788	634
100.00	100.00	GI	95,014	315	58,468	1,274	83,523	83,523
100.00	100.00	GI	124	8		49	151	151
100.00	100.00	GI	- 1	11	3,459	198	168	168
100.00	100.00	GI	3,041	0		- 15	18	18
100.00	100.00	GI	12	0		0	0	0
100.00	100.00	GI	752	16	12,332	114	0	0
100.00	100.00	GI	260	10	1,420	- 282	300	300
100.00	100.00	GI	19,288	139	43,839	2,540	19,627	19,627
100.00	100.00	GI	762	21	6,361	157	127	127
100.00	100.00	GI	1	0		3	4	4
100.00	100.00	GI	2,607	18	8,415	126	243	243
100.00	100.00	GI	823	17	4,324	193	705	705
100.00	100.00	GI	689	14	3,461	59	64	64
100.00	100.00	GI	60	12	1,739	125	8	8
33.33	33.33	EM	4,884	0		286	1,000	1,000
100.00	99.98	GI	- 365	20	6,168	251	243	0
100.00	99.98	GI	2,154	57	5,178	432	1,719	1,719
99.98	99.98	GI	7,604	233	51,768	3,167	7,775	7,775
100.00	100.00	GI	3,099	161	22,733	212	5,445	5,445

## *Chairman's report on the functioning of the Board of Directors and internal control*

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Under the responsibility of the Board of Directors, it is the role of the General Management to define and implement adequate and efficient internal control procedures. In application of article L.225-37 of the French Commercial Code, it is my responsibility, as Chairman of the Board of Directors, to report on:

- the conditions for preparing and organizing the work of the Board of Directors,
- internal control of procedures and risk management implemented by the company,
- where relevant, the limitations that the Board of Directors applies to the powers granted to the Chairman and the CEO.

### ➤ **CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS**

Vilmorin & Cie ("Vilmorin") directly holds the majority of the companies in the consolidation scope of its accounts.

The role of the Board of Directors consists primarily in ensuring optimization of the management of all the operating structures. For this purpose, it is more particularly required to define the global strategy of Vilmorin, check that the policies adopted are coherent, and insure that the main risks have been identified and adequately dealt with.

In order to attain these objectives, the Directors of Vilmorin have full responsibility in Board Meetings or any equivalent meetings in its main subsidiaries. Moreover, strategic decisions are regularly prepared and discussed by the members of the Board of Directors and the operational Vice-Presidents.

The Board of Directors comprises nine members.

Respecting the suggestions of the AFEP/MEDEF report of October 2003 and the recommendation of the European Commission of February 15<sup>th</sup> 2005, the Board of Directors was extended in December 2007 to integrate an independent Director.

The Board adopted the criteria defined in these recommendations to examine to what extent such a Director could truly be qualified as independent, and prevent any possible risks of conflict of interest.

Taking these criteria into account, the Board of Directors appointed Didier MIRATON as independent Director.

Compliance of our previous analysis with criteria to qualify for independence and for the prevention of any risks of conflict of interest set out in the code of corporate governance for listed companies, published in December 2008 by AFEP/MEDEF, was checked during the course of this fiscal year.

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.

For example, in December 2008 it adopted the recommendations of AFEP/MEDEF concerning the remuneration of corporate officers.

Moreover, during the course of the first semester of 2010, the Board of Directors set up an Audit and Risk Management Committee chaired by its independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the statutory Auditors and other external auditors.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors has fixed the medium-term objective of analyzing whether and how to gradually implement all the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin.

During the course of the fiscal year 2010-2011 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 and the associated reports during its meeting of October 10<sup>th</sup> 2011.

## ➤ PROCEDURES FOR INTERNAL CONTROL AND RISK MANAGEMENT SET UP BY THE COMPANY

### GENERAL PROVISIONS FOR INTERNAL CONTROL

Vilmorin is in total agreement with the definition of internal control as proposed by the AMF, and has adopted an approach that aims to implement its framework reference. This reference defines internal control as a provision implemented to insure:

- compliance with laws and regulations,
- application of the instructions and orientations fixed by the General Management,
- efficient functioning of internal corporate processes, particularly those that have been implemented to protect its assets,
- the reliability of financial information,
- and more generally, contributes to maintaining control of its activities, and ensuring the efficiency of its operations and use of its resources.

As with any control system, it can only provide an absolute guarantee if these risks are totally eliminated and can only provide reasonable assurance with regard to the successful achievement of its objectives.

Internal control is applied as a central function in the group, and concerns all the subsidiaries.

As a holding structure, the company Vilmorin & Cie plays a central role in steering internal control. Besides insuring the coherence of general policies, its role is to co-ordinate, advise and control its subsidiaries. In order to do so, in particular within its Corporate Finance Department it has an internal audit service and a financial control service.

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 new standard format integrating different levels of analysis and a summary of how to follow different recommendations.

During the course of fiscal year 2010-2011, audits were conducted in direct association with the group’s risks mapped, and included an inspection of internal control. These missions resulted in follow-up on recommendations.

The subsidiaries define and implement operational procedures adapted to their specific situations.

Rules for managing and defining functions and procedures in the companies and the group constitute the reference for implementing and applying rules for internal control.

Furthermore, a system to delegate powers has been set up in each company.

### IMPLEMENTATION OF A RISK MANAGEMENT SYSTEM

#### General principles for the management of risks

During fiscal year 2008-2009, Vilmorin set up a risk management committee. Since that time, the global approach to risk management in Vilmorin has been based on:

- a steering committee for global risk management, responsible for determining orientations in risk management, validating methodologies, work plans and control schedules, and also reporting back to the Executive Committee and the Audit and Risk Management Committee, specifically instigated by the Board of Directors,
- an operational co-ordination committee responsible for implementing a practical approach to risk management with controls, and defining minimum standards to respect for each identified topic, checking that they are properly applied.

#### Identification of the main risks

Risk identification implies that risks should be mapped. Risk mapping was initiated during the course of fiscal 2008-2009 involving the Executive Committee and the main managers of each of the sectors of activity.

The risk mapping process is based on a formal methodology that can be used to define a shared language and assessment criteria harmonized between the sectors of activity, the short-term objective being to see how progress can be made by mobilizing teams on a certain number of action plans. It was passed on to the Audit and Risk Management Committee during the course of fiscal year 2009-2010.

This mapping has been further developed through the appointment of risk managers and the final review of risk analysis data sheet.

As mentioned above it is used to program the internal audit. Missions have thus been conducted on control of the working capital needs, procedures for the protection of intellectual property and the risk of laundering.

## FINANCIAL AND LEGAL INFORMATION

Moreover studies have been presented to the Audit and Risk Management Committee on specific risks for example such as the risk of technological dependence. At the same time as this process to identify and manage risks, the reference document was updated in 2010-2011 in order to take into account new standards concerning the Information Systems Security Policy (ISSP) and the environment. The ISSP has already been audited and assessed on different occasions. The full reference document is to undergo exhaustive self-assessment in 2011-2012.

### Analysis of the main risks

During fiscal year 2010-2011 Vilmorin's business covered different sectors of activity, both on professional and consumer markets, entailing various risks caused by the highly seasonal nature of its business, a relative dependence on the whims of the weather, and the importance of the high-tech products and processes used. Suitable solutions are implemented to insure that these risks are reasonably controlled.

#### Risks with regard to production

Controlling such risks is essential to insure the appropriate supply of markets, and also adequate inventory management

In particular, this is a major concern that is taken into account when the production plans are laid down, involving all those concerned in each of the companies. Its implementation involves several different parameters, such as the life span of the products, the state of previous harvests, the potential impact of weather conditions or the agronomic value of the products.

#### Risks with regard to the climate

Meteorological uncertainty may have an effect on activities intended for professional markets.

In both field seeds and vegetable seeds, the diversified and internationally spread production networks mean that this risk can be covered better and that regular, high quality seed production can be insured.

#### Risks with regard to products and processes

The products sold by the subsidiaries of Vilmorin are intended either for a professional clientele or a consumer clientele for gardening products.

In both cases, any product non-conformance may have severe financial consequences, often extending far beyond the sales price of the products. Such consequences may well be amplified by the multiplying effect of all agricultural production, by the wide distribution of consumer products, or by the complexity of the regulations applicable to different aspects (products, environment, etc.).

As far as the processes and production tools go, the subsidiaries of Vilmorin are concerned in many respects: fire risks, legally controlled product treatment, approved installations, environmental risks, information technology security, etc.

Faced with these different issues, Vilmorin has set up a number of processes:

- scrupulous respect for any applicable regulations,
- rigorous quality control procedures,
- the introduction of specialized teams to deal with crisis situations,
- the development of a prevention policy to provide greater safety for persons and equipment.

#### Risks inherent in research

For Vilmorin, maintaining and developing original, quality research programs is the best possible guarantee for its future prosperity.

On top of the risks linked to the physical protection of its specialized facilities, germplasm and know-how, Vilmorin needs to insure at all times that its programs have a reasonable chance of succeeding.

The means adopted to reach these objectives primarily involve:

- making sure the facilities, germplasm and know-how are all physically secure (fencing, access restriction, duplication of resources, etc.),
- the protection of secrets and know-how,
- a suitable policy with regard to access to genetic resources and intellectual protection,
- regular consultation to ensure that strategic orientations are pertinent when compared with the competition, market needs and scientific evolution.

#### Risks regarding clientele

Vilmorin is not globally confronted with an excessive concentration of its clientele, and with the risk of a brutal drop in business, particularly since the relative reduction of its Garden Products Activities as a proportion of its total business. Moreover debt recovery risks are moderate.

Vilmorin's subsidiaries are all capable of dealing with this question, providing solutions adapted to their own circumstances.

### Legal risks

In order to conduct their business, Vilmorin and its subsidiaries occasionally have to settle disputes of various kinds.

Such disputes are immediately analyzed in detail with regard to risk and responsibility and are dealt with accordingly in liaison with Vilmorin's legal department.

With the exception of provisions already made for disputes on June 30<sup>th</sup> 2010, Vilmorin had not identified any dispute that might affect its financial situation significantly.

### Risks regarding exchange rates, interest rates, cash and markets

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

For this reason the Corporate Finance Department more particularly manages both for Vilmorin and its subsidiaries:

- ▶ the search for diversified and suitable financial resources,
- ▶ an intra-group mutual management procedure to deal with currency translation risks with group forward cover strategies,
- ▶ specialized cash flow and interest rate risk management tools (cash flow agreements, forward cover).

On 30<sup>th</sup> June 2011, Vilmorin's bank debt of 641.5 million Euros mainly involved funding at variable rates. Outstanding forward exchange cover stood at 175 million Euros, 27% of the total.

In order to reinforce the structure of its bank debt, in October 2010, Vilmorin set up a new syndicated credit of an initial sum of 300 million Euros for the duration of 5 years, in partnership with ten banking establishments. It was agreed that the repayment of this credit and the evolution of its interest payments should be calculated according to the respect of two consolidated financial ratios (financial debt/EBITDA, EBITDA/financial costs); on June 30<sup>th</sup> 2011, Vilmorin was totally on line with these commitments.

At the end of fiscal year 2007-2008 Vilmorin diversified the nature of its financial resources by issuing convertible bonds (for conversion or exchange to new or existing shares) for a total value of 150 million Euros.

Furthermore, Vilmorin occasionally uses forward cover instruments in some of its subsidiaries to compensate for the evolution of agricultural raw material prices and thus gain better control of the potential volatility of its procurement costs.

### Insurance

Vilmorin has insurance policies that provide broad cover of the risks facing its different subsidiaries, with a view to protecting their assets and responsibility. This cover is provided through several group policies that apply to most of the subsidiaries in the following areas:

#### ▶ Consequential and operating loss

The contractual compensation limit has been fixed at a maximum claim of 200 million Euros, with a certain number of specific sub-limits. This limit applies to each claim and each facility.

#### ▶ General public liability and products liability

This policy is intended to cover liability both before and after delivery, with a 25 million Euros compensation limit per claim, and a fixed annual ceiling of 25 million Euros for liability after delivery.

#### ▶ Third party liability for the corporate representatives

This policy covers the third party liability of managers resulting from a claim that calls into question the personal public liability or joint and several liability attributable to professional misconduct committed in the exercise of their functions. It concerns the de jure or actual managers of the company and all the subsidiaries in France or any other country in which it has a stake.

The compensation limit is 25 million Euros per year of insurance, and includes any benefits and legal defense expenses laid out.

Certain risks are the result of regulatory constraints or specific situations in certain countries which require customized insurance policies.

### ▶ PROCEDURES USED TO PRODUCE FINANCIAL AND ACCOUNTING INFORMATION

Vilmorin's consolidated financial statements are set out in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union on June 30<sup>th</sup> 2011.

The scope of application for internal control concerning the production and processing of financial and accounting information includes the parent company and all the subsidiaries integrated 100% in the consolidated financial statements.

## FINANCIAL AND LEGAL INFORMATION

### FINANCIAL ORGANIZATION

The production of financial and accounting information comes within an overall procedure that involves several phases:

#### The medium-term plan

A medium-term plan is the working reference that describes the main strategic orientations, and is set out in each of the operating structures. It is updated every year, confirmed at the level of Vilmorin, and consolidated in accordance with a formal process.

#### The short-term financial budget

A short-term financial budget is set out every year by each subsidiary during the first semester with detailed operations. This is also confirmed by Vilmorin and consolidated in accordance with a formal process. This budget is updated as a forecast at least once over the course of the fiscal year.

#### Monthly reporting

Each company produces monthly performance indicators adapted to its business activity. These are compared to the budget, and any differences are analyzed to detect any significant discrepancies or measures needed to get back on target. Data from reporting is also compared with the general accounts. Such monitoring generally concerns business (sales and margins) and results, evolution of the headcount, cash flow and funding, and the investment plan. The main indicators of this reporting are also consolidated every month in accordance with a formalized process.

#### The half-yearly and yearly financial statements

Preparation of the half-yearly and yearly financial statements comes under the responsibility of the financial departments and General Management of each subsidiary.

Procedures are defined locally to match the business of the different companies, but must respect a general schedule defined by Vilmorin.

Any significant decisions that need to be taken when the financial statements are established are confirmed by the company before being definitively adopted by the respective Boards of Directors.

Consolidation operations are carried out using a set of tables filled in by each company in compliance with procedures and a specific schedule.

Information feedback is structured in such a way as to guarantee the permanence and homogeneity of the methods used to record transactions in accordance with Vilmorin's accounting principles:

- coherence of the accounting reference, methods and consolidation rules,
- standardization of presentation formats,
- use of a common computing tool for information feedback and consolidation.

### CONTROL

All the data intended to be disclosed is controlled and analyzed with reference to the information reported and collected.

Instructions are given and controls made in order to guarantee standard, homogeneous formalization processes. Information is prepared under the responsibility of the subsidiaries.

The Corporate Finance Department co-ordinates closely with the Statutory Auditors, who work with the subsidiaries and the Consolidation Department according to a schedule prepared in advance.

All the accounting and financial items prepared by the main consolidated subsidiaries are audited at least once by external auditors when the accounts are closed. At this audit, the General Manager and CFO of each subsidiary pledge together through a co-signed letter of confirmation that the financial information is of high quality, reliable and exhaustive.

Auditing missions in the different countries are entrusted in almost all cases to members of the network of the two Statutory Auditors who, after examining together all the financial statements and methods used to draw them up, certify Vilmorin's consolidated financial statements. They certify that the financial and corporate statements give a true and fair presentation of the assets, liabilities, financial position and results. They are given information prior to the elaboration of the financial statements and present a synthesis of their work to the financial and accounting managers for the six-month and yearly position.

The consolidated financial statements are reviewed by the Executive Committee and the Audit and Risk Management Committee before they are approved by the Board of Directors.



## ASSESSMENT OF INTERNAL CONTROL

Within Vilmorin, and in accordance with the AMF model, the internal auditing department 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's activities and the environment.

The questionnaires were used in the subsidiaries (other than the holdings) in the form of self-assessment. As for the holding companies, they were interviewed directly by the internal auditing department.

For fiscal year 2010-2011, no major anomaly has been highlighted.

## ➤ LIMITS TO THE POWERS GRANTED TO THE CHAIRMAN AND CEO

The General Management of Vilmorin is the responsibility of the Chairman of the Board of Directors. During the course of the fiscal year 2010-2011, he was assisted by a CEO, Adrian HUIGE.

Adrian HUIGE expressed the wish to terminate his functions on June 30<sup>th</sup> 2011. The Board therefore appointed Emmanuel ROUGIER, previously Chief Operating Officer, to replace him as of July 1<sup>st</sup> 2011.

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

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

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

## ➤ TOKEN PAYMENTS OR ALLOWANCES PAID TO CORPORATE REPRESENTATIVES

As in previous fiscal years, the Directors carried out their duties in 2010-2011 without any remuneration or allowances.

Nevertheless, bearing in mind the presence of an independent Director on the Board of Directors, it will be proposed to the Annual General Meeting deliberating on the annual accounts closed on June 30<sup>th</sup> 2011 to fix the directors' fees for fiscal 2010-2011 at 20,600 Euros.

The remuneration of corporate representatives who have a work contract (Daniel CHÉRON, Director) comprises:

- a fixed salary that is reviewed every year,
- a variable part defined in relation to the financial performance of each fiscal year and based on the consolidated net income, and the benefits of a company car.

Starting in January 2009, Adrian HUIGE, previously an employee, continued to fill the function of CEO with the terms of reference stating that the remuneration was reviewed every year.

## ➤ PARTICIPATION OF THE SHAREHOLDERS IN THE ANNUAL GENERAL MEETINGS

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

## ➤ INFORMATION LIABLE TO HAVE AN IMPACT IN THE CASE OF A TAKE-OVER BID

In compliance with the law, any information concerned by article L.225-100-3 of the French Commercial Code is provided as required in the report of the Board of Directors.

This full report was discussed and approved by the Board of Directors at their meeting held on October 10<sup>th</sup> 2011.

## **Report of the Board of Directors to the Joint Annual General and Extraordinary Meeting december 14<sup>th</sup> 2011**

To the Shareholders,

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

- to submit for your approval the annual financial statements for the fiscal year closing on June 30<sup>th</sup> 2011,
- to delegate to your Board of Directors the necessary powers to proceed with the purchase of your company's own shares and the issue of securities through a public issue with or without pre-emptive rights, according to the best possible market conditions,
- to proceed with the renewal of the terms of office of certain Directors.

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

### **➤ ACTIVITY FOR THE FISCAL YEAR**

#### **CORPORATE FINANCIAL STATEMENTS**

The corporate financial statements of Vilmorin & Cie ("Vilmorin") have been set out in accordance with French regulations.

Within the framework of its development strategy, over fiscal year 2010-2011 Vilmorin pursued its policy of external growth, particularly internationally, and furthered its partnerships in research and the development of new technologies.

Vilmorin's sales reached 37.8 million Euros in 2010-2011 as opposed to 37.3 million Euros the year before.

These sales mainly correspond to services rendered by Vilmorin to its subsidiaries in the areas of general administration, human resource management and pooled upstream research programs.

These services are invoiced proportionately as corporate allocations between the subsidiaries of Vilmorin using economic criteria (margin on the cost of sales, EBITDA, payroll and research costs).

Total operating expenses came to 44.8 million Euros, up 5.7 million Euros compared with 2009-2010.

The total amount of costs not deductible from taxable income amounted to 102,925 Euros for fiscal year 2010-2011.

The operating income showed a profit of 3.5 million Euros.

The financial result showed a net income of 55.9 million Euros, a significant increase of 29.4 million Euros compared with the previous fiscal year.

This figure takes into account the dividends received from the subsidiaries, with the total amount this year standing at 70.5 million Euros, compared with 40.4 million Euros for the previous fiscal year.

It also includes a net allocation to financial provisions of 4.7 million Euros, and net exchange gains of 1.6 million Euros.

Finally, this financial result also includes 12 million Euros of net interest charges.

The extraordinary result showed a net income of 2.6 million Euros, as opposed to 6.3 million Euros in 2009-2010; in particular it contains earn-out for a minority stake held in an American biotechnology company.

Income tax takes into account the impact of the fiscal integration system adopted on July 1<sup>st</sup> 2000 for a group of companies comprising Vilmorin, Vilmorin SA, Clause SA, Oxadis SA, Gemstar, Vilmorin 1742 and VCO Participations; for fiscal year 2010-2011 a net income of 4 million Euros was recorded, including tax relief for research of 1.4 million Euros granted to the parent company.

As a result of the above-mentioned considerations, the net corporate income came to 63.4 million Euros on June 30<sup>th</sup> 2011.

The capital stock stood at 262,576,040.25 Euros on June 30<sup>th</sup> 2011, corresponding to 17,218,101 shares with a nominal value of 15.25 Euros each.

On June 30<sup>th</sup> 2011 loans and financial debts showed a gross value of 627.2 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 138.3 million Euros.

In order to strengthen the structure of its bank debts, in October 2010, Vilmorin set up a new syndicated credit for an initial sum of 300 million Euros for the duration of 5 years, in partnership with several banks.

On June 30<sup>th</sup> 2011, 225 million Euros of this credit was used.

It is accompanied by a commitment to respect two consolidated financial ratios (net financial debt/EBITDA, EBITDA/net financial costs); on June 30<sup>th</sup> 2011, Vilmorin was totally on line with these commitments.



## CONSOLIDATED FINANCIAL STATEMENTS

At the close of fiscal year 2010-2011, Vilmorin's consolidated financial statements were set out in accordance with the IFRS (International Financial Reporting Standards) reference as adopted by the European Union on June 30<sup>th</sup> 2011.

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 main changes in consolidation scope come from the creation of the company Limagrain Guerra do Brasil, following the purchase of the corn seed activity of Sementes Guerra, and the indirect disposal of a minority stake in the Chinese company Longping High-Tech (LPHT).

Consolidated sales for fiscal year 2010-2011, and corresponding to revenue from ordinary activities, stood at 1,192.1 million Euros, up 12.1% with current data. Restated like for like (currency translations and changes in scope) sales progressed by 9.7% compared with the previous fiscal year.

Restated for inventory write-off and depreciation, gross margin after cost of sales stood at 44.9%, slightly down compared with 2009-2010.

Net operating charges stood at 378.4 million Euros, as opposed to 386.4 million Euros on June 30<sup>th</sup> 2010.

Respecting its strategic orientations, in 2010-2011 Vilmorin continued to intensify its research programs both in conventional plant breeding and biotechnology. Total research investment stood at 154 million Euros as opposed to 137 million Euros in 2009-2010 and now represents 15.2% of sales of seeds intended for professional markets.

Tax relief for research, recorded as a deduction from research and development costs, came to 24.4 million Euros as opposed to 23.1 million Euros for the previous fiscal year.

Net operating charges take into account impairment, industrial reorganization costs and items of an extraordinary nature concerning the disposal of assets. Gross capital gains of 31.1 million Euros were made for the sale of the stake in LPHT.

Thus the consolidated operating income stood at 156.7 million Euros, an increase of 59.6 million Euros compared with the previous year, showing an operating margin of 13.1%.

The financial result shows a net charge of 21.3 million Euros as opposed to 12.2 million Euros in 2009-2010 and this fiscal year integrated a balanced net currency exchange compared with a gain of 3.7 million Euros on June 30<sup>th</sup> 2010.

In the context of falling interest rates, cost of funding came to 21.1 million Euros and the year was marked by a reduction in Vilmorin's medium-term indebtedness.

The net charge of income taxes came to 38.7 million Euros as against 27.8 million Euros the previous year.

Finally, the total net profit came to 97.3 million Euros, up considerably compared to the previous fiscal year. The Group share ("attributable to the controlling company") in this profit was 91 million Euros, compared with 54.1 million Euros on June 30<sup>th</sup> 2010.

In comparison with June 30<sup>th</sup> 2010, the balance sheet structure on June 30<sup>th</sup> 2011 remained globally stable.

Net of cash and bank in hand (371.3 million Euros), total book indebtedness on June 30<sup>th</sup> 2011 stood at 270.2 million Euros as opposed to 247.8 million Euros on June 30<sup>th</sup> 2010. The proportion of non-current indebtedness stood at 433.1 million Euros.

The Group's share of equity ("attributable to the controlling company") came to 928 million Euros while that of the minority interests ("attributable to non-controlling minorities") came to 107.9 million Euros.

## VEGETABLE SEEDS DIVISION

Sales for the Vegetable seeds activity on June 30<sup>th</sup> 2011 came to 510.3 million Euros, up 12.3% compared to the previous fiscal year.

Restated like for like they rose by 7.7%, on line with objectives.

This fiscal year the Vegetable seeds division once again achieved truly excellent growth directly due to the technical performance of its products, the fine commercial cover of its target markets and the drive of all the Business Units. As a result market shares were gained (North and South America, Mediterranean basin and Asia) particularly for crops with high added value, confirming Vilmorin's position as a leading player.

The priority set for the fiscal year was to optimize investment in research and resources devoted to international commercial development.

Overall, the professional vegetables business showed an operating margin of 15.7% with a net contribution to the consolidated result of 54.2 million Euros.

## FINANCIAL AND LEGAL INFORMATION

## FIELD SEEDS DIVISION

Sales for the Field seeds division on June 30<sup>th</sup> 2011 came to 598.6 million Euros, up 15.2% compared to fiscal year 2009-2010; like for like this increase was 13.8%, and above initial objectives.

- In Europe, in a context of favorable agricultural markets (progression of the cultivated acreage for cereals and upward trend of raw material prices), Vilmorin's sales for the year increased considerably (425.6 million Euros) for all the strategic species (corn, sunflower, rapeseed and wheat) comprising its line-up.
- In North America, the sales activity (171.1 million Euros) confirms AgReliant's vitality in spite of a sowing season disturbed by highly contrasted weather conditions. The quality of its germplasm and commercial model strengthened its competitive position in a context of increasing cultivated acreage.

Vilmorin continued to optimize its product portfolio over the fiscal year, and the development of its sales networks to new zones (Eastern Europe, South America, India). Moreover, the resources allocated to research programs on strategic crops (wheat, corn, oilseeds) and to upstream technologies were considerably strengthened.

Consequently, the Field seeds division achieved an operating margin of 6.6% and a positive contribution to the consolidated income of 26.4 million Euros, an increase compared with the previous fiscal year;

for the fiscal year 2010-2011 these figures were affected by the launch costs of new development projects on the markets of South America and India, and also wheat research programs.

## GARDEN PRODUCTS ACTIVITY

Sales for the Garden products division came to 81.9 million Euros on June 30<sup>th</sup> 2011, down 7.2% with current data and 5.3% like for like. Business was affected by a difficult economic environment which this year directly influenced the gardening market both in France and in the United Kingdom.

The Garden products division for this past fiscal year showed a positive contribution of 4.3 million Euros to the net consolidated income.

Vilmorin's business in fiscal year 2010-2011 covered different sectors of activity both on the professional and consumer markets, which means that there are various risks caused by the highly seasonal nature of its business, a relative dependence on the whims of the weather, and the importance of the high-tech products and processes used. All the main risks involved in these activities, and the potential financial risks, are specifically analyzed in the Chairman's report with regard to the functioning of the Board and internal control, and in the notes appended to the consolidated financial statements.

## &gt; INFORMATION ON PAYMENT PERIODS

In application of the provisions of article L.441-6-1 of the French Commercial Code, a breakdown of outstanding debts by due dates with regard to suppliers at the end of the fiscal year is as follows (in Euros):

ON JUNE 30 <sup>TH</sup> 2011	NOT YET DUE	DEBTS DUE FOR BETWEEN 1 AND 30 DAYS	DEBTS DUE FOR BETWEEN 31 AND 60 DAYS	DEBTS DUE FOR BETWEEN 61 AND 90 DAYS	DEBTS DUE FOR + 90 DAYS	TOTAL
Accounts payable	6,736,584	1,731,590	41,310	513,068	4,756	9,027,308

ON JUNE 30 <sup>TH</sup> 2010	NOT YET DUE	DEBTS DUE FOR BETWEEN 1 AND 30 DAYS	DEBTS DUE FOR BETWEEN 31 AND 60 DAYS	DEBTS DUE FOR BETWEEN 61 AND 90 DAYS	DEBTS DUE FOR + 90 DAYS	TOTAL
Accounts payable	6,590,732	47,987	598	27,042	300	6,666,659

## &gt; ENVIRONMENTAL AND SOCIAL INFORMATION

Vilmorin's strategy and business activities, by their very nature, have been built up in a long-term perspective, since plant breeding and the creation of new varieties can only be achieved over periods of several years.

Consequently the principles involved are those of sustainable development, in environmental, social and economic terms, and these same principles are an integral part of the culture for all the companies in Vilmorin, constituting one of the foundation stones of their general policy.

## ENVIRONMENTAL INFORMATION

The products created or developed by Vilmorin almost exclusively come from a natural milieu, and, for the end market in particular, are intended for food or leisure gardening. Accordingly, they cannot and must not cause any serious or repeated damage to the environment.

Vilmorin has therefore adopted a determined and responsible policy, in particular with regard to:

- the rigorous respect of all regulations concerning biotechnology and genetically modified organisms,
- the implementation of means devoted to monitoring and preventing any environmental risks (technical and regulatory watch, alert procedures and crisis management, certification, internal communication through an inter-company network, etc.),
- the control and processing of effluents and the limitation of industrial pollution.

Thus, as for the previous fiscal year, in 2010-2011 Vilmorin has not had to deal with any environmental accident or answer any procedures involving the payment of damages.

## SOCIAL INFORMATION

On June 30<sup>th</sup> 2011, the consolidated headcount of Vilmorin stood at 5,106 permanent employees compared with 4,870 on June 30<sup>th</sup> 2010.

The average annual headcount for fiscal year 2010-2011 stood at 5,797 employees as opposed to 5,836 the previous year.

During the course of the fiscal year Vilmorin hired 534 new permanent employees (including 127 by converting a temporary to a permanent contract).

Moreover, at certain times the group was required to call upon temporary staff because of the seasonal nature of its activities.

During the fiscal year, 5 companies implemented reorganization measures that affected the personnel, either because of a drop in business, or as part of a restructuring program. These measure led to an overall drop in the headcount of 136 employees, including 6 laid off.

Nearly half the companies run scheduled training programs that go beyond basic legal requirements. In 2010-2011 the expenditure involved came to 1.7 million Euros, and 12,935 hours were devoted to developing the skills of employees.

With regard to the representative provisions for the personnel working at Vilmorin, these are generally set up throughout Europe in accordance with applicable legislation, and concern works councils and/or shop

stewards. During fiscal year 2010-2011, forty-nine agreements were signed, dealing principally with salaries, company profit-sharing schemes and working conditions.

Finally, it should be noted that, bearing in mind the geographical dispersion of Vilmorin's different facilities, the working time in each of the subsidiaries varies, depending on the country, from 35 to 50 hours per week.

## ➤ EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTS

After the closing of the accounts on June 30<sup>th</sup> 2011, Vilmorin signed an agreement for the acquisition of the assets devoted to corn and sorghum seeds belonging to the Brazilian company Brasmilho; for an initial period of time, Vilmorin has purchased a majority stake of 85%.

## ➤ OUTLOOK FOR THE FUTURE

The fiscal year for 2010-2011 was characterized by a favorable market environment, in spite of the persistent price volatility of agricultural raw materials. In this context, Vilmorin demonstrated its potential for development and confirmed its strategic orientations, particularly in terms of investment in research and innovation and world development on the professional markets of agriculture and vegetable production.

Fiscal year 2011-2012 should confirm Vilmorin' potential for organic growth in spite of the fact that market conditions appear uncertain; moreover, Vilmorin will continue to increase its measured investment in research and development, in particular in upstream technologies.

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

- intensification of research investment in upstream technologies and conventional plant breeding,
- permanent international development for all our business in the context of market globalization,
- strengthening our companies or taking up new competitive positions through external growth operations,
- 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 company's decision-making processes, and the fulfillment of synergy between the different Business Units.

By adhering to this policy, Vilmorin will be able to reinforce its position as fourth largest player in the world, and offer sustainable perspectives for regular growth.

## FINANCIAL AND LEGAL INFORMATION

## &gt; ACQUISITIONS AND SALES OF SHARES

Nb: a detailed table of subsidiaries and participations is appended to this report, on page 80.

Apart from the acquisition of a minority stake in the Indian company Atash Seeds, Vilmorin took control of seeds assets on the Brazilian market through the creation of a specific holding structure, Limagrain do Brasil Participações Ltda.

Furthermore, Vilmorin sold all its Vilmorin Luxembourg shares and associated financial fixed assets to a third party. Finally, it conducted a number of internal participation reclassification operations in order to optimize its legal and financial organization.

## &gt; SHAREHOLDERS

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

On June 30<sup>th</sup> 2011, the majority of the capital stock, 61.48% was held by Groupe Limagrain Holding, 5.18% by Sélia, and 5.76% by Coopérative Agricole Limagrain, all three of these companies belonging to Groupe Limagrain.

Following its introduction into the equity in fiscal year 2009-2010, the Caisse des Dépôts and Consignations (CDC) declared that it had indirectly crossed the threshold through the Strategic Investment Fund (SIF) and CDC Entreprises Valeurs Moyennes (CDCEVM).

Vilmorin's bylaws grant double voting rights to any shares held nominatively for a period of more than four years.

On June 30<sup>th</sup> 2011, 9,237,048 shares benefited from this right. Groupe Limagrain Holding, Coopérative Agricole Limagrain and Sélia were the main shareholders concerned, giving Groupe Limagrain combined voting rights of 82.03%.

On June 30<sup>th</sup> 2011, Vilmorin held 1,317 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<sup>th</sup> 2011 no employee held a stake in the capital stock.

## &gt; APPROPRIATION OF THE PROFITS

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

Net profits on June 30 <sup>th</sup> 2011	63,395,246.41 Euros
Application to legal reserve	3,169,762.32 Euros
Profits available on June 30 <sup>th</sup> 2011	60,225,484.09 Euros
Brought forward	19,770,048.20 Euros
Dividends to distribute	25,827,151.50 Euros
To carry forward	54,168,380.79 Euros

The net dividend is set at 1.50 Euros per share. As a proportion of the net profits for the group, the sums distributed amount to 28.4%.

The total amount of dividends (25,827,151.50 Euros), and the final sum to carry forward, do not take into account any possible treasury shares for control on the date the dividends are paid. Any dividends corresponding to these shares will be added to the sum carried forward.

Moreover we wish to inform you that for the last three financial years, dividends were distributed as follows:

	07-08	08-09	09-10
Number of shares	13,391,857	13,391,857	17,218,101
Nominal	15.25 Euros	15.25 Euros	15.25 Euros
Net dividend per share	1.66 Euros	1.77 Euros	1.41 Euros

## &gt; 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 103,000 Euros.

In compliance with the provisions of article 223 quinquies of the French Tax Code, we present the global figures concerning the expenses concerned by article 39-5 of the same code.

## ► TABLE OF THE RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

In compliance with the provisions of article R.225-102 of the French Commercial Code, the following table shows the results of our company over the past five fiscal years.

### RESULTS OF THE COMPANY OVER THE PAST FIVE YEARS

IN THOUSANDS OF EUROS	10-11	09-10	08-09	07-08	06-07
<b>Stock at the end of the year</b>					
Capital stock	<b>262,576</b>	262,576	204,226	204,226	204,226
Number of ordinary shares	<b>17,218,101</b>	17,218,101	13,391,857	13,391,857	13,391,857
<b>Operations and results</b>					
Total sales before tax	<b>37,801</b>	37,327	33,993	29,963	27,309
Profit before tax, profit sharing, amortization, depreciation and provisions	<b>65,818</b>	29,723	28,878	- 13,051	25,609
Income taxes	<b>- 4,011</b>	- 5,687	- 7,476	- 12,256	- 3,697
Profit sharing for the year	<b>-</b>	-	-	-	-
Profit after tax, profit sharing, amortization, depreciation and provisions	<b>63,395</b>	32,647	37,004	4,203	25,818
Profits distributed	<b>-</b>	24,278	23,704	22,230	22,230
<b>Profit per share</b>					
Profit after tax and profit sharing, but before amortization, depreciation and provisions	<b>4.05</b>	2.06	2.71	- 0.06	2.18
Profit after tax, profit sharing, amortization, depreciation and provisions	<b>3.68</b>	1.90	2.76	0.31	1.93
Dividend per share	<b>1.50</b>	1.41	1.77	1.66	1.66
<b>Headcount</b>					
Average staff*	<b>105</b>	89	87	88	82
Total payroll	<b>6,726</b>	6,027	5,511	4,958	4,720
Benefits paid out for the fiscal year	<b>3,386</b>	3,173	3,011	2,847	3,127

\* number of people.

## ► INFORMATION TO THE WORKS COUNCIL

We inform you that, in compliance with the provisions of article L.2323-8 of the French Labor Code, the results of your company have been presented to the Works Council, which made no special remarks.

## ► REGULATORY AGREEMENTS

We ask you to approve the regulatory agreements governed by article L.225-38 of the French Commercial Code, and which are duly authorized by your Board of Directors, for the fiscal year 2010-2011. 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 nine members.

On June 30<sup>th</sup> 2011, the Board of Directors was composed of the following members:

► Chairman: Gérard RENARD

► Members of the Board

- Joël ARNAUD
- Philippe AYMARD
- Daniel CHERON
- Jean-Yves FOUCAULT
- François HEYRAUD
- Pierre PAGESSE
- Pascal VIGUIER
- Didier MIRATON, Independent Member of the Board.



## FINANCIAL AND LEGAL INFORMATION

During the course of the fiscal year 2010-2011, Gérard RENARD was assisted in his mission by a CEO, Adrian HUIGE, who expressed the wish to terminate his functions on June 30<sup>th</sup> 2011. The Board therefore appointed Emmanuel ROUGIER, previously Chief Operating Officer, to replace him as of July 1<sup>st</sup> 2011.

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

Furthermore, your Board of Directors proposes that you do not replace the mandate of Pierre PAGESSE, Member of the Board who, during the course of fiscal year 2011-2012, will reach the age limit laid down in the by-laws.

A list of terms of office and functions for the members of the Board of Directors is appended to this report.

During the fiscal year for 2010-2011, your Board of Directors met six times.

Moreover, for the purpose of the offices they hold in the subsidiary companies of Vilmorin, the Members of the Board took part in twenty-two meetings.

With reference to the suggestions of the AFEP/MEDEF report of October 2003 and the recommendation of the European Commission of February 15<sup>th</sup> 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.

For example, in December 2008 it adopted the recommendations of AFEP/MEDEF concerning the remuneration of corporate officers.

Moreover, during the course of the first semester of 2010, the Board of Directors set up an Audit and Risk Management Committee chaired by its independent Director. This specialized committee is, in particular, responsible for ensuring the process of elaborating financial information, the efficiency of all the risk management systems, and the legal control of the financial statements by the statutory Auditors and other external auditors.

With regard to the other sections of the AFEP/MEDEF Code of corporate governance, the Board of Directors has fixed the medium-term objective of analyzing whether and how to gradually implement all the recommendations formulated to date by this code, while respecting the specific nature of Vilmorin.

### > TOKEN PAYMENTS OR ALLOWANCES PAID TO CORPORATE REPRESENTATIVES

Just as in previous years, your Directors carried out their duties in 2010-2011 without any remuneration.

Nevertheless, bearing in mind the presence of an independent Director on the Board of Directors, it will be proposed to the Annual General Meeting deliberating on the annual accounts closed on June 30<sup>th</sup> 2011 to fix the directors' fees for fiscal 2010-2011 at 20,600 Euros.

Each of the Directors holds three Vilmorin shares and no other operation or regulatory agreement has been reached by your company with its corporate representatives.

Daniel CHÉRON, Director, is also a salaried member of the staff of Groupe Limagrain, the reference shareholder of Vilmorin, and we thus declare that the proportion of gross remuneration paid for the function he held specifically for Vilmorin in 2010-2011 was 144,300 Euros, including a variable sum of 36,700 Euros. Total commitments concerning end of career benefits for Daniel CHÉRON on June 30<sup>th</sup> 2011 came to 211,500 Euros.

Starting in January 2009, Adrian HUIGE, carried out his functions through a mandate for which the remuneration for fiscal year 2010-2011 came to 217,500 Euros.

### > CONTROL BODIES

Vilmorin's Statutory Auditors are KPMG Audit, Département de KPMG SA, and Visas 4 Commissariat.

Since the mandate for the incumbent Statutory Auditor granted to Visas 4 has reached expiry date, your Board of Directors proposes to renew this mandate for a period of six fiscal years up until the date of the Annual General Meeting deliberating on the consolidated financial statements for the fiscal year closing on June 30<sup>th</sup> 2017.

Moreover, since the mandate for the substitute Statutory Auditor, Monsieur Olivier DELARUE, has reached expiry date, your Board of Directors proposes to renew this mandate for a period of six fiscal years up until the date of the Annual General Meeting deliberating on the consolidated financial statements for the fiscal year closing on June 30<sup>th</sup> 2017.

### > TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties, mainly with Groupe Limagrain, are described in note 32 in the notes to the consolidated financial statements on June 30<sup>th</sup> 2011, and they were pursued during this fiscal year on the same basis as in fiscal 2009-2010.

## ➤ 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 17<sup>th</sup> 2010, we carried out the following operations over the fiscal year:

Number of shares purchased	135,078
Average purchasing price	81.32 Euros
Number of shares sold	133,980
Average selling price	81.28 Euros

On June 30<sup>th</sup> 2011, our company held 1,317 treasury shares, corresponding to less than 0.1% of the capital stock, at a purchasing value of 109,203.66 Euros, which is an average unit price of 82.92 Euros.

On September 30<sup>th</sup> 2011, our company held 2,915 treasury shares, corresponding to less than 0.1% of the capital stock.

In order to encourage the liquidity of transactions and a regular quotation for our share value, your Board of Directors proposes that once again you grant authorization, for a maximum duration of 12 months, to manage the company's treasury shares in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, in order to:

- insure liquidity and manage the market for shares through a fully independent investment service provider, within the framework of a liquidity contract that complies with regulations as recognized by the Autorité des Marchés Financiers (authority governing French markets),
- hand over shares when an investor exercises his or her rights with regard to securities that provide access by whatever means, immediately or when due, to company shares,
- maintain or hand over shares for purposes of exchange or payment within the context of external growth operations, in compliance with recognized market practices and regulations in force,
- apply any other measures that might be authorized or recognized by law or by the AMF, or set any other objective that complies with regulations in force.

These operations will be conducted in accordance with regulations in force and the following conditions:

- the maximum purchasing price is fixed at 120 Euros per share,
- the maximum quantity of shares liable to be purchased is fixed at one million shares representing a maximum potential commitment of 120 million Euros.

## ➤ AUTHORIZATION TO MAKE A PUBLIC ISSUE

During the Joint Annual General and Extraordinary Meeting of December 17<sup>th</sup> 2010, a number of resolutions were passed authorizing the Board, if appropriate, to issue bonds or other assimilated debt securities, and also to increase the capital stock by issuing shares, various securities and/or stock purchase warrants with or without pre-emptive rights.

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

In order to remain attentive and reactive to the market and any opportunities that may come up with regard to Vilmorin's development projects, we propose to renew all these authorizations in accordance with the provisions set out below.

### ISSUE OF BONDS OR OTHER ASSIMILATED DEBT SECURITIES

We request that you grant full powers to your Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 250 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the capital stock and/or the interest accrued for these securities.

The Board of Directors may proceed with these issues in the limits fixed above, in compliance with legal provisions and with the bylaws, and may also:

- determine the period or periods of issue,
- determine the issue currency and the nominal value of the loan,
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium, and according to market conditions, fix the duration and conditions of amortization for the loan,
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

## FINANCIAL AND LEGAL INFORMATION

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

### **CAPITAL STOCK INCREASE THROUGH THE ISSUE OF SHARES, VARIOUS SECURITIES AND/OR STOCK PURCHASE WARRANTS WITH OR WITHOUT PRE-EMPTIVE RIGHTS**

We request that you grant all powers to your Board of Directors to deliberate and then to proceed, in one or several operations, with the issue of shares, various securities and/or stock purchase warrants with or without pre-emptive rights, with any such issue being subject, in particular, to the following conditions and provisions:

- each share issue for the company will bear a maximum nominal value of 250 million Euros, to which will be added, as relevant, the nominal amount of the shares for issue, in order to preserve the rights of the bearers of securities that open up rights to shares, in compliance with the law,
- each issue of securities, other than shares, that provide access to the stock, cannot be higher than 250 million Euros, or than the counter value of this sum in the case of an issue in a foreign currency, or in a monetary value fixed in reference to several currencies,
- in the event of the cancellation of the stock purchase rights, the Board of Directors may grant shareholders a priority duration to subscribe for securities without creating negotiable and transferable rights. For this purpose the Board of Directors will fix the duration and the procedure to follow.
- the issue price for warrants issued alone must, for each share to be created, be such that the sum of this price and the exercise price of each warrant is at least equal to the weighted average of the rate of former shares recorded over the previous three trading sessions before the price is fixed, in certain cases reduced by a maximum discount of 5%.

Moreover, in cases where one of the companies in which your company holds, whether directly or indirectly, more than half the capital stock, issues securities providing

access to your company's capital stock, the Board of Directors may exercise the authorizations granted to proceed with the issue of these securities.

All the procedures for these delegations are set out in the ordinary and extraordinary draft resolutions (resolutions twelve through sixteen inclusive) submitted for your approval, and also in the Statutory Auditors' special report.

### **STOCK INCREASE RESERVED FOR EMPLOYEES**

We wish to inform you, in compliance with article L.225-129-6 of the French Commercial Code, that when any decision is made to increase the capital stock, we are obliged to present you with a draft resolution to proceed with a capital increase reserved for employees as part of a company or group savings scheme.

This is the subject of draft resolution seventeen as submitted for vote.

Since the provisions laid down by this legislation do not, in our opinion, appear to be suited to the specific situation of our company, on this particular occasion your Board of Directors will not be making any voting recommendations, and each shareholder will freely assess its relevance.

### **➤ GENERAL PROVISIONS**

The rules for presentation and the methods of evaluation adopted to set down these documents respect legislation in force, and take into account the provisions resulting from the IFRS accounting and evaluation principles as they were adopted by the European Union on June 30<sup>th</sup> 2011.

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

With the exception of resolution seventeen, 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 17<sup>TH</sup> 2010 TO THE BOARD OF DIRECTORS WITH REGARD TO CAPITAL STOCK INCREASES**

OBJECT OF THE DELEGATION	PERIOD OF VALIDITY	MAXIMUM NOMINAL AMOUNT	DATE AND APPLICATION BY THE BOARD OF DIRECTORS
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, with preemptive rights maintained	24 months	250 million Euros	The Board meeting of February 23 <sup>rd</sup> 2010 decided to proceed with a capital stock increase with preemptive subscription rights maintained by issuing new shares with a maximum nominal value of 250,000,000 Euros.
Delegation of authority with a view to increasing the capital stock immediately or at due date through the issue of ordinary shares and/or securities providing access to the stock or debt securities, preemptive rights cancelled	24 months	250 million Euros	Not applied
Approval to use delegations of authority as consented above within the context of a takeover bid or exchanges that concern the securities issued.	12 months	–	Not applied
Global ceiling for all the authorizations above	–	400 million Euros	
Issue of bonds and other assimilated securities	18 months	250 million Euros	Not applied

## FINANCIAL AND LEGAL INFORMATION

## Consolidated financial statements – Fiscal year 2010-2011

## &gt; CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF EUROS	NOTE	10-11	09-10
<b>Revenue from ordinary activities</b>	<b>5</b>	<b>1,192.1</b>	<b>1,063.8</b>
Cost of goods sold		- 657.0	- 580.2
Marketing and sales costs		- 184.8	- 166.0
Research and development costs	8	- 107.5	- 98.5
Administrative and general costs		- 119.6	- 109.7
Other income and operating charges	9	33.5	- 12.3
<b>Operating income</b>		<b>156.7</b>	<b>97.1</b>
Interest costs	10	- 21.1	- 20.5
Other financial profits and costs	11	- 0.2	8.3
Profit from associated companies	18	0.6	0.5
Income taxes	12	- 38.7	- 27.8
<b>Profit from continuing operations</b>		<b>97.3</b>	<b>57.6</b>
<b>Profit from discontinued operations</b>		<b>-</b>	<b>2.5</b>
<b>Net income for the period</b>		<b>97.3</b>	<b>60.1</b>
<i>Attributable to controlling company</i>		<b>91.0</b>	<i>54.1</i>
<i>Attributable to non-controlling minority</i>		<b>6.3</b>	<i>6.0</i>
Earnings from continuing operations per share – attributable to controlling company	13	<b>5.29</b>	3.00
Earnings from discontinued operations per share – attributable to controlling company	13	-	0.15
Earnings for the period per share – attributable to controlling company	13	<b>5.29</b>	3.15
Diluted earnings from continuing operations per share – attributable to controlling company	13	<b>5.37</b>	3.18
Diluted earnings from discontinued operations per share – attributable to controlling company	13	-	0.14
Diluted earnings for the period per share – attributable to controlling company	13	<b>5.37</b>	3.32

## ► DETAILS OF THE GAINS AND LOSSES FOR THE FISCAL YEAR

IN MILLIONS OF EUROS	10-11	09-10
<b>Income for the period</b>	<b>97.3</b>	<b>60.1</b>
Variation in currency translations	- 48.6	52.7
Variation in the fair value of assets available for sale	-	-
Variation in the fair value of forward cover instruments	4.1	- 0.8
Change in method	-	-
Impact of taxes	- 1.3	0.3
Others	-	-
<b>Other items in the total gains and losses for the period net of taxes</b>	<b>- 45.8</b>	<b>52.2</b>
<b>Total gains and losses for the period</b>	<b>51.5</b>	<b>112.3</b>
<i>Including:</i>		
<i>attributable to controlling company</i>	<i>51.1</i>	<i>100.8</i>
<i>attributable to non-controlling minority</i>	<i>0.4</i>	<i>11.5</i>

## FINANCIAL AND LEGAL INFORMATION

## &gt; FINANCIAL PROGRESS REPORT

## ASSETS

IN MILLIONS OF EUROS	NOTE	06.30.11	06.30.10
Goodwill	14	311.6	299.7
Other intangible fixed assets	15	487.1	473.2
Tangible fixed assets	16	198.5	191.0
Financial fixed assets	17	29.3	41.8
Equity shares	18	15.9	45.0
Deferred taxes	25	16.9	14.3
<b>Total assets less current liabilities</b>		<b>1,059.3</b>	<b>1,065.0</b>
Inventories	19	290.0	320.7
Trade receivables and other receivables	20	483.4	434.3
Cash and cash equivalents	21	371.3	373.6
<b>Total current assets</b>		<b>1,144.7</b>	<b>1,128.6</b>
<b>Total assets</b>		<b>2,204.0</b>	<b>2,193.6</b>

## LIABILITIES

IN MILLIONS OF EUROS	NOTE	06.30.11	06.30.10
Share capital	22	262.6	262.6
Reserves and income	22	665.4	650.4
<b>Equity – controlling company</b>	<b>22</b>	<b>928.0</b>	<b>913.0</b>
<b>Equity – non-controlling minority</b>	<b>23</b>	<b>107.9</b>	<b>132.2</b>
<b>Consolidated equity</b>		<b>1,035.9</b>	<b>1,045.2</b>
Provisions for employee benefits	24	22.8	21.3
Non-current financial debts	27	441.9	363.2
Deferred income taxes	25	88.3	88.4
<b>Total non-current liabilities</b>		<b>553.0</b>	<b>472.9</b>
Other provisions	26	11.8	14.5
Accounts payable	28	378.1	377.1
Deferred income	29	25.6	25.7
Current financial debts	27	199.6	258.2
<b>Total current liabilities</b>		<b>615.1</b>	<b>675.5</b>
<b>Total liabilities</b>		<b>2,204.0</b>	<b>2,193.6</b>

## ➤ CONSOLIDATED CASH FLOW STATEMENT

IN MILLIONS OF EUROS	06.30.11	06.30.10
<b>1 ➤ Trading operations</b>		
Income for the year	97.3	60.1
Results of companies consolidated under equity method after dividends	- 0.7	0.2
Depreciation, amortization and losses in value	117.5	109.1
Net non-current provisions	2.9	- 5.4
Variation in deferred taxes	2.9	1.6
Income from capital operations	- 41.8	- 0.2
Surplus of the share in interest of the acquirer in the fair value of the assets and liabilities acquired on the cost, directly recorded in the income (negative goodwill)	-	- 0.8
Non cash financial charges	2.7	-
Fair value losses and gains for financial fixed assets available for sale	- 2.2	- 0.6
<b>Cash flow</b>	<b>178.6</b>	<b>164.0</b>
Dividends received on equity securities	- 0.4	- 0.2
Variation in working capital needs with comparable scope		
➤ Inventories	15.9	- 41.6
➤ Trade debts	- 48.9	13.6
➤ Short-term debts	21.1	8.5
<b>Cash from operating activities</b>	<b>166.3</b>	<b>144.3</b>
<b>2 ➤ Investment operations</b>		
Disposal of fixed assets	24.2	15.5
Acquisition of fixed assets		
➤ Intangible fixed assets	- 120.9	- 112.3
➤ Tangible fixed assets	- 39.3	- 41.4
➤ Financial fixed assets	- 12.8	- 21.0
Variation in other financial fixed assets	12.1	1.2
Cash flow acquired through scope entries <sup>(3)</sup>	- 14.4	- 23.1
Cash flow conceded through cash exits	58.2	0.9
Variation in financial fixed assets	-	-
Net increase/decrease in cash and cash equivalents	- 23.6	- 4.5
<b>Cash flows from investing activities</b>	<b>- 116.5</b>	<b>- 184.7</b>
<b>3 ➤ Cash flows from financing activities</b>		
Increase/decrease in equity <sup>(1)</sup>	- 11.5	203.6
Transactions with non-controlling interests <sup>(3)</sup>	- 15.9	- 0.8
Increase/decrease in financial liabilities <sup>(2)</sup>	21.3	- 26.6
Dividends received on non consolidated participations	0.4	0.2
Dividends paid out	- 35.0	- 25.1
<b>Cash flows from financing operations</b>	<b>- 40.7</b>	<b>151.3</b>
<b>4 ➤ Net effect of currency translation</b>	<b>- 11.4</b>	<b>10.8</b>
<b>5 ➤ Net increase/decrease in cash and cash equivalents</b>	<b>- 2.3</b>	<b>121.7</b>
<b>6 ➤ Cash and cash equivalents at beginning of period</b>	<b>373.6</b>	<b>251.9</b>
<b>7 ➤ Cash and cash equivalents at end of period</b>	<b>371.3</b>	<b>373.6</b>

(1) On June 30<sup>th</sup> 2010, share capital increase of Vilmorin & Cie.

(2) Increase/decrease in financial liabilities:

Increase in non-current financial debts	355.6
Repayment of non-current financial debts	- 248.0
Net increase/decrease in current financial debts	- 86.3
	21.3

(3) Application of the amended standard IFRS 27: restatement of "Transactions with non-controlling interests", previously presented in the investment flows in the line

"Cash flow acquired through scope entries". This line includes acquisition of the following securities:

	06.30.11	06.30.10
Atash Seeds	3.5	-
Vilmorin Hong Kong	11.0	-
Alliance Semillas de Chili	0.8	-
Cnos Garden	-	0.8
Miscellaneous	0.6	-
Transactions with non-controlling participations	15.9	0.8

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## &gt; 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>06.30.09</b>	<b>204.2</b>	<b>210.9</b>	<b>248.5</b>	<b>- 26.1</b>	<b>637.5</b>	<b>116.3</b>	<b>753.8</b>
Currency translation	–	–	–	47.2	47.2	5.5	<b>52.7</b>
Gains and losses recorded directly in equity	–	–	- 0.5	–	- 0.5	–	<b>- 0.5</b>
Net income	–	–	54.1	–	54.1	6.0	<b>60.1</b>
<b>Total gains and losses for the fiscal year</b>	<b>–</b>	<b>–</b>	<b>53.6</b>	<b>47.2</b>	<b>100.8</b>	<b>11.5</b>	<b>112.3</b>
Variation in treasury shares	–	–	0.5	–	0.5	–	<b>0.5</b>
Dividends paid out	–	–	- 23.6	–	- 23.6	- 1.5	<b>- 25.1</b>
Variations in scope	–	–	–	–	–	–	<b>–</b>
Effect of share purchase commitments	–	–	–	–	–	- 0.7	<b>- 0.7</b>
Variation in the share capital of the parent company	58.4	139.6	–	–	198.0	–	<b>198.0</b>
Variation in the share capital of the subsidiaries	–	–	–	–	–	6.6	<b>6.6</b>
Restatement	–	–	–	–	–	–	<b>–</b>
Others	–	–	- 0.2	–	- 0.2	–	<b>- 0.2</b>
<b>06.30.10</b>	<b>262.6</b>	<b>350.5</b>	<b>278.8</b>	<b>21.1</b>	<b>913.0</b>	<b>132.2</b>	<b>1,045.2</b>
Currency translation	–	–	–	- 42.7	- 42.7	- 5.9	<b>- 48.6</b>
Gains and losses recorded directly in equity	–	–	2.8	–	2.8	–	<b>2.8</b>
Net income	–	–	91.0	–	91.0	6.3	<b>97.3</b>
<b>Total gains and losses for the fiscal year</b>	<b>–</b>	<b>–</b>	<b>93.8</b>	<b>- 42.7</b>	<b>51.1</b>	<b>0.4</b>	<b>51.5</b>
Variation in treasury shares	–	–	- 0.1	–	- 0.1	–	<b>- 0.1</b>
Dividends paid out	–	–	- 24.2	–	- 24.2	- 10.8	<b>- 35.0</b>
Variations in scope	–	–	- 9.3	–	- 9.3	- 4.9	<b>- 14.2</b>
Effect of share purchase commitments	–	–	–	–	–	–	<b>–</b>
Variation in the share capital of the parent company <sup>(1)</sup>	–	–	–	–	–	–	<b>–</b>
Variation in the share capital of the subsidiaries	–	–	–	–	–	–	<b>–</b>
Restatement of equity notes	–	–	- 2.5	–	- 2.5	- 9.0	<b>- 11.5</b>
Restatement	–	–	1.5	- 1.5	–	–	<b>–</b>
Others	–	–	–	–	–	–	<b>–</b>
<b>06.30.11</b>	<b>262.6</b>	<b>350.5</b>	<b>338.0</b>	<b>- 23.1</b>	<b>928.0</b>	<b>107.9</b>	<b>1,035.9</b>

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

## > NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## Note 1: Accounting methods and principles in IFRS standards

### 1 > GENERAL CONTEXT AND DECLARATION OF COMPLIANCE

These financial statements present the consolidated accounts on June 30<sup>th</sup> 2011 in accordance with the international accounting standards (IFRS standards) published by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS published by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as applied by the European Union (website: <http://ec.europa.eu>) on that date.

The consolidated financial statements were approved by the Board of Directors on October 10<sup>th</sup> 2011.

### 2 > BASIS OF EVALUATION USED TO ESTABLISH THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been established using the historical cost convention, with the exception of certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are mentioned in the following notes.

### 3 > THE USE OF ESTIMATES

In order to establish its financial statements, the Executive Committee of Vilmorin must carry out a number of estimates and hypotheses that affect the book value of the assets and liabilities, the income and the charges, and also the information provided in notes.

The Executive Committee of Vilmorin carries out these estimates and assessments on an ongoing basis, taking into account its experience and various other factors deemed to be reasonable that form the basis of these assessments.

The figures appearing in future financial statements are liable to differ from these estimates, depending on the evolution of these hypotheses or different conditions.

The main significant estimates made by the Executive Committee of Vilmorin in particular concern the evolution of commitments to employees, goodwill, other intangible fixed assets and provisions.

### 4 > ACCOUNTING TREATMENT ADOPTED IN THE ABSENCE OF AN IFRS STANDARD OR IFRIC INTERPRETATION WITH REGARD TO CERTAIN OPERATIONS

In the absence of an IFRS standard or IFRIC interpretation, Vilmorin has chosen to adopt the following accounting treatment, pending any possible standards or interpretations to come.

#### 4.1 > ACCOUNTING OF PUT OPTIONS GRANTED TO CERTAIN MINORITY SHAREHOLDERS

Vilmorin has granted to the minority shareholders of certain of its subsidiaries consolidated by global integration commitments to buy back their minority stakes. These commitments may take the form of a put option or a firm commitment to buy the stakes at a pre-fixed date.

In IFRS standards, until there is a specific IFRIC interpretation or IFRS standard, the following accounting treatment has provisionally been adopted:

- At initial recording in the accounts, the commitment to buy back a minority stake is recorded as a financial debt at the discounted value of the price of the option or firm commitment to buy back the stake, in return for the minority interests, and for the balance, for the goodwill.
- Any ultimate variation in the value of the commitment is recorded.
- Where necessary, when the commitment and its subsequent variations are first recorded in the accounts, the anticipated loss on the acquisition cost is recorded in "Variation in commitments to buy back minority stakes".
- When the commitment reaches maturity, if there is no acquisition, previous recordings are cancelled. If the acquisition materializes, the amount recorded as a financial debt is cancelled out by the disbursement for the acquisition of the minority stake.

#### 4.2 > APPLICATION AND INTERPRETATION OF STANDARDS AND REGULATIONS

New standards, interpretations and amendments to existing standards, adopted by the European Union and applicable to accounting periods opening as of July 1<sup>st</sup> 2010 or subsequently (refer to the details hereafter), have not been adopted in anticipation by Vilmorin:

- IAS 1R: Presentation of financial statements



- IFRIC 12: Service concession arrangements
- IFRIC 13: Customer loyalty programs
- IFRS 8: Operating segments
- IAS 23 R: Borrowing costs
- IFRIC 14: The limit on a defined benefit asset, minimum funding requirements and their interaction
- IFRS 2 amendment: Vesting conditions and cancellations
- IAS 32 and IAS 1 amendment: Puttable financial instruments and obligations arising on liquidation
- IFRS 1 and IAS 27 amendment: Cost of an investment in a subsidiary, jointly controlled entity or associate
- IFRS 3R and IAS 27 amendment: Business combinations
- IAS 39: Financial Instruments: recognition and measurement
- IAS 39 and IFRIC 19 amendment: Embedded derivatives
- IFRS 7 amendment and IFRS 4: Improvements to financial instruments disclosures
- IFRIC 16: Hedges of a net investment in a foreign operation
- IFRIC 18: Transfers of assets from customers
- Annual IFRS improvements

## 5 ➤ CONSOLIDATION METHODS (IAS 27 - 28 - 31)

Control means the power to direct the financial and operating policies of an entity in order to gain advantages from its activities. In order to assess control, the Group takes into account potential voting rights that may currently be exercised. The acquisition date is the date upon which control is transferred to the acquirer. Determining the acquisition date and determining whether control has been transferred from one party to another requires the exercise of judgment.

The financial statements of subsidiaries are included in the consolidated financial statements as of the date on which control is obtained right up until the date when control ceases.

The following rules have been applied:

- A subsidiary is an entity controlled by the company. Controlled subsidiaries are consolidated using **global integration**.  
Control is defined as when the company holds the power to govern, whether directly or indirectly, the financial and operating policies of the entity, in order to obtain advantages from its business.  
The criteria used to appreciate whether control exists are as follows:
  - either direct or indirect holding of the majority of voting rights, including potential voting rights which can currently be exercised or converted,
  - or the appointment over two successive fiscal years of the majority of the members of the board of directors or equivalent governing body, the management or supervision,

- or the possibility of exerting dominant influence in the sense of the principles presented by the standard IAS 27 in paragraph 13.

- Companies controlled jointly, as the result of a contractual agreement, with a limited number of partners, are consolidated by **proportional integration**: the consolidated financial statements include Vilmorin's proportion of the assets, liabilities, income and charges grouped together, line by line, with the similar elements of the financial statements, as of the date when the joint control starts right up until the date when it ends.
- Associated companies in which Vilmorin exerts significant influence, which is presumed to be the case when the voting rights are higher than 20%, are consolidated using the **equity method**. Consolidated financial statements include Vilmorin's proportion in the total amount of profits and losses accounted for by the associated companies (equity method), as of the date when significant influence is first exerted right up until the date it ends. If Vilmorin's proportion in a company's losses is higher than its stake in this company, the book value of the shares integrated using the equity method is recorded as zero, and Vilmorin no longer accounts for its proportion of losses to come, unless Vilmorin has a legal or implicit obligation to participate in the losses or make payments on behalf of the associated company.
- All internal transactions are eliminated in consolidation, particularly:
  - reciprocal transactions and accounts,
  - dividends paid out between consolidated companies,
  - provisions and write-back of amortization on consolidated securities,
  - internal margins on inventory,
  - capital gains or losses on internal disposals.

## 6 ➤ BUSINESS COMBINATIONS (REVISED IFRS 3)

The revised standard IFRS 3 is applicable to all take-overs as of July 1<sup>st</sup> 2009.

The Group values goodwill at the fair value of the consideration transferred, including the recognized amount of any non-controlling interest rate in the acquiree, minus the net recognized amount (usually the fair value) of the identifiable assets acquired and liabilities assumed on the acquisition date.

The consideration transferred includes the fair value of the transferred assets, the Group's liabilities to the previous owners of the acquiree, and the participating interests issued by the Group. The consideration transferred also includes the fair value of any consideration and payment rights based on the shares of the acquired company which must be replaced in the business combination (see below). If pre-existing relationships between the Group and the acquiree are terminated as a result of the business combination, the termination value

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(cited in the contract) and the value of the non-marketable portion are deducted from the consideration transferred and are recognized as other costs.

When rights to share-based payments that are replaced by rights (replacement rights) owned by employees at the acquiree (the acquiree's rights) relate to past services, part of the market-based assessment of the replacement right is included in the consideration transferred. Insofar as services are also necessary in the future, the difference between the amount included in the consideration transferred and the market-based assessment of the value of the replacement right is treated as a replacement cost after the business acquisition.

A contingent liability of the acquiree is taken into consideration in the business combination when the liability represents a current commitment and derives from past events, and if its fair value can be reliably measured.

The Group values non-controlling interests pro rata according to their interests in the acquiree's identifiable assets.

Transaction costs arising in connection with a business combination (brokerage costs, judicial costs, due diligence costs, costs of consultants and experts, etc.) are recognized immediately as they occur.

Security exchange operations are not dealt with by IFRS standards. Since there is no reference, Vilmorin has processed this type of operation as equity.

### 7 > OPERATING SEGMENTS

New IFRS standard 8 "Operating segments" (which replaces IAS 14 "Segment information") defines an operating segment as the component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available.

### 8 > CONVERTING STATEMENTS EXPRESSED IN FOREIGN CURRENCIES (IAS 21)

Vilmorin's financial statements are presented in Euros.

Balance sheets of companies whose functional currency is not the Euro are converted into Euros at the exchange rate in force at close, and their income statements and cash flows at exchange rates as close as possible to the transaction dates.

Resulting translation differences are recorded in the equity on the line "Currency translations" for the share of the controlling company, and on the line "Minority interests" for the minorities' share.

Goodwill and adjustments in fair value originating in the acquisition of a foreign entity are considered as the assets and liabilities of the foreign entity. They are therefore expressed in the functional currency of the entity and translated at the closing rate for the year.

### 9 > TRANSLATION OF TRANSACTIONS EXPRESSED IN FOREIGN CURRENCIES

At the end of the fiscal year, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate in force at the closing rate for the year. The resulting exchange differences are recorded in the income statement (in "Other financial profits and costs").

Translation differences for financial instruments expressed in foreign currencies and corresponding to net forward investment in a foreign subsidiary are recorded in equity in the line "Currency translation". They are recorded in the income statement when the activity is taken out of the foreign country.

For a foreign exchange hedge to be eligible for hedge accounting (cash flows or fair value), the hedge relation needs to be defined and documented, and its efficiency demonstrated throughout its lifespan. Fair value hedges can be used for protection against variations in the value of assets, liabilities or firm commitments. Future flow hedges are used for protection against variations in the value of future cash flows (turnover generated by the company's assets for example).

Derivatives are assessed at their fair value. Variations in the fair value of these instruments are dealt with in the following ways:

- Fair value variations for instruments eligible for cash flow hedges are recorded in two places: directly in the equity for the efficient part of the hedge and in the financial income for the inefficient part.
- Fair value variations for instruments eligible for fair value hedges are recorded in the income where they compensate for variations in the fair value of assets, liabilities or firm covered commitments.

### 10 > OTHER INTANGIBLE FIXED ASSETS (IAS 38)

Other intangible fixed assets are recorded at acquisition cost, and other intangible fixed assets created internally are recorded at cost value.

When their duration of use is defined, intangible assets are amortized over their expected duration of use by Vilmorin. This duration is determined for each individual case depending on the nature of the items included in this line.

When their duration of use is undefined, intangible fixed assets are not amortized, but they are submitted to systematic annual value loss tests.

Consequently, intangible fixed assets with a defined duration of use are valued at cost price less amortization and any loss of value, whereas intangible fixed assets with an undefined duration of use are valued at cost price less the aggregate of losses in value.

The main categories of other intangible fixed assets at Vilmorin are as follows:

### 10.1 > DEVELOPMENT COSTS

Development costs, net of any associated tax relief on research, are recorded as intangible fixed assets when the activation conditions meet all five of the following conditions:

- ▶ The projects are clearly identified and the costs concerned are treated individually and are evaluated in a reliable manner.
- ▶ Technical feasibility of the projects is shown.
- ▶ There is both an intention and capacity to see the projects through to the end, 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 considers that it is capable of satisfying these conditions as described above. As a consequence, its development projects are recorded as fixed assets in the following conditions:

#### Nature and contents of the projects recorded as fixed assets

Projects recorded as fixed assets correspond to work leading to the development of new products, or to industrial processes relative to Vilmorin's business.

The business field concerned is that of Vilmorin's seed activities.

Work taken into account when costing development projects recorded as fixed assets includes, in particular:

- ▶ Plant improvement as such, and particularly conventional breeding, genome analysis work on species the company does research into, molecular marking and routine laboratory work used by breeders.

- ▶ Trials, tests and experiments, the production of seeds at a pilot stage, registration fees, homologation fees or fees to maintain rights on products being launched.
- ▶ The development of new technologies that aim to improve the performance of seeds such as: coating, pelleting, priming, etc.
- ▶ Intellectual property activities connected to the registration of patents, Soleau envelopes, Proprietary Variety Certificates, freedom to operate studies, etc.
- ▶ The development of new processes or industrial pilots for the transformation of plant-based raw materials or more elaborate products, including food and ingredients.

Work done before the above-described process is not taken into account in the definition of development costs (for example: transgenesis, or the search for new genetic resources).

Moreover, only the charges that can be directly allocated to the programs concerned can be included in the calculation of the cost of projects recorded as fixed assets.

Development programs recorded as fixed assets are amortized using the straight-line method over a five-year period as of the first year.

### 10.2 > GOODWILL

Goodwill represents the difference between the acquisition price of consolidated securities and the share of Vilmorin in the fair value of their assets, liabilities and any potential liabilities that can be identified on the date of the purchase of the participation.

Goodwill is subject to a value loss test at least once every year. The methodology adopted is described hereafter in Note 1.23. Any impairment recorded is irreversible.

Goodwill concerning companies consolidated under the equity method is recorded in "Equity shares". If the criteria for loss of value as defined by IAS 39 come into play, the amount of the loss is determined according to the rules defined by IAS 36.

### 10.3 > BRANDS, PATENTS, LICENSES

The cost of assets corresponds to:

- ▶ The purchasing price plus any cost that can be directly shown to be due to the preparation of the asset for its planned use, for assets acquired separately.
- ▶ The fair price, at acquisition date, for any assets acquired through business combinations.

Any amortization should be linear.

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### 10.3.1 > Brands

Their economic life span is considered to be indefinite and consequently brands are not amortized.

The classification of a brand as an asset with an unlimited life results, in particular, from the following indicators:

- Positioning of the brand on its market in terms of volume of business and image.
- Long-term perspectives for profitability.
- Risk factor with regard to one-off accidents.
- Major event occurring in the business sector, likely to leave its mark on the future of the brand.
- Age of the brand.
- Regular expenses on advertising and promotion.

They are regularly assessed and tested using defined Cash Generating Units (CGUs).

### 10.3.2 > Patents

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

### 10.3.3 > Licenses

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

### 10.3.4 > Software

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

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

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

## 10.4 > GERmplasm

Germplasm comprises all the plant material used to breed new varieties of seeds. It constitutes a genetic pool used for the identification and use of different genes necessary for plant breeding (e.g. agronomic interest, disease resistance, tolerance to drought, greater yield, improvement of nutritive qualities, etc.). Generally it is acquired through business combinations and is evaluated at fair price on the day of acquisition.

Bearing in mind that it needs to be kept permanently in good condition, regularly maintained and continually used in the process of plant breeding, Vilmorin considers that its economic life is indefinite. Consequently these assets are not depreciated.

They are regularly assessed and tested using the defined Cash Generating Units (CGUs).

## 11 > TANGIBLE FIXED ASSETS (IAS 16)

Tangible fixed assets are recorded at their acquisition cost or, where appropriate, their production cost less impairment and losses of value.

### 11.1 > LOAN INTERESTS

In compliance with standards IAS 16 and IAS 23R, interests on loans taken out for purposes of construction and the acquisition of tangible assets are incorporated into the cost of the assets unless they fail to meet the criteria listed in paragraph 12 of IAS standard 23R.

### 11.2 > COMPONENTS APPROACH

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

### 11.3 > DEPRECIATION

#### 11.3.1 > Basis for depreciation

Bearing in mind their specific nature, most of Vilmorin's industrial assets, are intended to be used until the end of their life span, and as a general rule, it is not envisaged that they should be sold, which justifies the fact that there is no residual value for these fixed assets.

#### 11.3.2 > Depreciation method

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

#### 11.3.3 > Duration of depreciation

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

- TLand: 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

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

#### 11.3.4 > Presentation in the income statement

Amortization and depreciation are recorded in the income statement in accordance with the purpose of the fixed asset (cost of sales, commercial expenses, research costs, overheads and administrative costs, etc.).

## 11.4 > IMPAIRMENT TESTS

As part of the Cash Generating Units (CGU), tangible fixed assets are liable to be tested for loss of value if the circumstances so require.

A CGU is the smallest identifiable group of assets that generates cash entries clearly independent of cash entries generated by other assets or groups of assets.

This test has been implemented at Vilmorin, and is carried out in accordance with the rule explained in paragraph 1.23 hereafter.

## 11.5 > REASSESSMENT

During the transition period to IFRS standards, Vilmorin decided to apply the fair value principle as the presumed cost to certain specific assets. The fixed assets to which this procedure was applied are generally land and factory buildings valued historically without representing economic reality.

The assessments adopted are the result of independent expert assessors.

## 12 > LEASE AGREEMENTS (IAS 17)

### 12.1 > FINANCIAL LEASE AGREEMENTS

Goods acquired through financial lease agreements are recorded as fixed assets when the lease agreement transfers almost all the risks and rewards incident to ownership of these goods. Criteria used to assess these agreements are based, in particular, on:

- > the relationship between the lease term for the assets and their life duration;
- > the minimum total amount paid in the future compared with the fair value of the fixed asset being funded;
- > the existence of transfer of property at the end of the lease agreement;
- > the existence of a favorable purchase option;
- > the specific nature of the asset being leased.

Assets held by virtue of lease contracts are depreciated over the same duration as similar freehold assets.

Goods acquired through lease agreements are recorded as tangible fixed assets at the lowest amount of the fair value or the current value of minimum payments at the date of the beginning of the agreement, and the loans are recorded as liabilities.

### 12.2 > SIMPLE RENTAL AGREEMENTS

Rental agreements that do not have the characteristics of a financial lease agreement are recorded as operating

rental contracts and only the installments paid are recorded in the income statement.

## 13 > INVENTORIES AND PRODUCTION IN PROGRESS

Inventories and production in progress are evaluated at their lowest cost and their net realizable value.

Costs are generally calculated according to the method of weighted average cost; they include an appropriate proportion of overheads based on the normal production capacity, but excluding financial charges and any costs of a drop in activity.

The net realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to achieve the sale.

Where relevant impairment is recorded; it is generally intended to cover the following risks:

- > realizable value lower than market price;
- > adjustment according to sales perspectives;
- > bad product quality (mainly poor germination and problems of sanitary quality).

## 14 > TRADE RECEIVABLES

Receivables are valued at their fair value at their initial evaluation, and then at their amortized cost after any later evaluations. Impairment is recorded when the recoverable amount is lower than the book value.

## 15 > TREASURY SALES

Treasury shares are recorded at their cost of acquisition less equity. Income from the sale of these shares is recorded directly as equity, and does not contribute to the profit for the fiscal year.

## 16 > EMPLOYEE BENEFITS (IAS 19)

In accordance with the laws and practices of each country in which it operates, Vilmorin participates in various pension, early retirement and post-employment benefit schemes.

### 16.1 > DEFINED CONTRIBUTION PLANS

For basic plans and other plans with defined contributions, the contributions payable are recorded as charges for the fiscal year in which they are due, and no provision is made, since Vilmorin is only committed within the limit of the contributions paid.



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**16.2 > DEFINED BENEFIT PLANS**

For such plans, Vilmorin records provisions which are determined as follows:

- The method used is that known as "Projected Unit Credits" which stipulates that each period of employment triggers a benefit right unit. Each of these units is assessed separately in order to obtain the final obligation.
  - Calculations include hypotheses on mortality, staff turnover and a prediction of future salaries.
  - A readjustment rate based on the average duration of this commitment is applied. These evaluations are made once every year for all the plans.
  - Actuarial gains and losses for commitments or the financial assets of the plan are generated by changes in hypotheses or experience differences (differences between what was planned and what actually happened).
  - These differences are recorded in the income statement using the "corridor" method. Thus only actuarial gains and losses that exceed 10% of the defined benefit obligation or the fair value of plan assets, whichever is greater, are recorded. They are amortized over the remaining average service period of the employees concerned by the plan.
- External funds can be called up to cover pension commitments, including the unrecognized part of the actuarial gains and losses because of their deferment. It may therefore be the case that financial assets exceed the estimated commitments thus generating the recognition of a financial asset in the balance sheet. Recognition of this asset is nevertheless limited to the aggregate:
- of net actuarial losses and the cost of the unrecognized past service period,
  - and the adjusted value of the economic value of benefits that come from reimbursements for the plan or an expected reduction in future contributions.

**16.3 > OTHER LONG-TERM SUBSEQUENT BENEFITS**

Provisions are made for certain other long-term benefits which are determined using an actuarial calculation that is comparable to that used for pension provisions.

For Vilmorin these benefits mainly correspond to bonuses that accompany "work medals" for long service and lump sums paid at retirement, and concern almost exclusively the French companies.

**16.4 > PRESENTATION ON THE BALANCE SHEET AND THE INCOME STATEMENT**

The total amount of provisions calculated for employee benefits appears on the balance sheet in the line "Provisions for employee benefits" because of their long-term nature.

In the income statement the charge representing the evolution of these commitments is recorded in the operating result.

**17 > PROVISIONS (IAS 37)****17.1 > GENERAL PRINCIPLE**

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" defines the rules applicable to provisions.

It is mandatory to record a provision in cases where:

- It is intended to meet a current, legal or implicit obligation.
- This obligation exists at the date of the close of the fiscal year.
- It is probable or certain that settlement will lead to an outflow of resources to a third party.
- A reliable evaluation of the provision can be made.

These provisions are estimated taking into account the most probable hypotheses at the closing date of the accounts.

**17.2 > APPLICATION TO VILMORIN**

Within the normal conditions of its business Vilmorin is subject to various risks (commercial litigation, reorganization, fiscal litigation, social litigation, etc.). It applies the following rules:

**17.2.1 > Provisions for reorganization**

Provisions for the cost of reorganization programs are made in full during the fiscal year in which an irreversible obligation for Vilmorin arises with regard to third parties. This obligation is the result of a decision taken by the invested management authority and materialized before the end of the closing date by informing the third parties concerned.

The amount of the provision mainly includes the following costs:

- severance pay;
- early retirement benefits;
- unworked period between notice given and termination of contract;
- training of employees laid off;
- other costs linked to the closing of sites.

Disposal of fixed assets, impairment of inventories and other assets that are the direct result of reorganization costs are also recorded in the reorganization costs.

**17.2.2 > Provisions for litigation**

These litigations (commercial, fiscal, intellectual property, etc.) are assessed individually and/or on the

basis of a statistical estimate of the litigations observed for similar cases bearing in mind what is known at the end of the fiscal year.

Moreover, in order to ensure better management control of certain specific risks (in particular contractual responsibility, litigation concerning intellectual property and also certain risks with regard to damages), Vilmorin has set up a captive reinsurance company. This company sets out provisions in accordance with the general rules presented above.

### 17.2.3 > Presentation in the accounts

Except in particular justified cases, provisions are presented in the balance sheet in the current liabilities.

## 18 > GOVERNMENT GRANTS (IAS 20)

In compliance with IAS 20, Vilmorin records government grants in the balance sheet on the line "Deferred income" and includes them in the income for the useful life of the assets for which they were received.

Government grants received for fixed assets that cannot be depreciated (land) are directly recorded in income for the fiscal year, when they cannot be linked to a fixed asset that is depreciated. If they can be linked to a depreciated fixed asset, they are depreciated at the same rhythm as this asset.

## 19 > DEFERRED TAXES (IAS 12)

In compliance with IAS 12, deferred taxes are calculated for all temporal differences between the tax base and the book value of the assets and liabilities. The main items taken into account for this purpose concern:

- > consolidation restatement showing a divergence between book value and tax base (special tax exemption, lease agreements, margins on inventory, income from sales of inter-group fixed assets, retirement benefits, etc.);
- > recognized evaluation differences in the case of business combinations to the extent they concern clearly identified and controlled assets;
- > the differences between the book value and the tax base for certain assets based on favorable fiscal systems such as the provisions for mergers in France.

The balance sheet approach to the variable carry forward method is applied and the effects of taxable rate modifications are recorded in the income for the fiscal year during which the change in rate is fixed, as long as these tax modifications have no effect on the deferred taxes that had been recorded directly in equity.

Deferred tax assets are recorded in the balance sheet to the extent that it is probable that they can be recovered in later years. Assessment of the capacity of Vilmorin to recover these assets in particular depends on the following criteria:

- > Future forecasts of fiscal results.
- > The share of exceptional charges must not be renewed in the future and included in past losses.
- > The net liabilities position can, in certain circumstances, be reduced in accordance with tax deficits carried forward reasonably recordable in consideration, on the basis of an amortization table.

With respect to IAS 12, deferred tax assets and liabilities are not readjusted. Depending on the case, they are presented in the balance sheet as non-current assets or liabilities.

## 20 > ACCOUNTS PAYABLE

Debts that concern the normal operating cycle are recorded on the line "Accounts payable" for the fair value fixed at the initial assessment and then adjusted for the cost of depreciation/amortization for subsequent evaluations.

## 21 > FINANCIAL INSTRUMENTS (IAS 32 AND IAS 39)

Financial instruments at fair value are classified according to the following level of hierarchy:

- > **level 1 (quoted markets):** financial instruments quoted in an active market;
- > **level 2 (observable data):** financial instruments where the assessment makes use of valuation techniques based on observable parameters;
- > **level 3 (internal model):** financial instruments where the assessment makes use of valuation techniques based fully or partially on non observable parameters.

### 21.1 > UNCONSOLIDATED EQUITY SECURITIES AND OTHER NON-CURRENT FINANCIAL ASSETS

In compliance with IAS 39 "Financial instruments", participation securities in unconsolidated companies are considered to be available for sale and are therefore recorded at their fair value which is determined in the following conditions:

- > for listed securities, the fair value corresponds to the stock market value;
- > for other securities whose fair value in general cannot be determined reliably, the securities are recorded at cost price less any losses in value.

Variations in fair value are recorded directly in equity. If there is an objective indication of impairment of

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the financial asset concerned, an irreversible impairment is recorded in income. Write-back of the provision in the income will only come into play when the securities are sold.

Loans are recorded at amortized cost price. They can be amortized if there is an objective indication of any loss in value. Any impairment corresponding to the difference between the book value and the recoverable amount is recorded in the income, and is reversible if evolution is favorable in the future.

In cases where loans, advance payments or other medium- or long-term receivables do not receive interest, or if the interest rate is lower than market rates, the assets are adjusted in accordance with the real interest rate.

At each close, an examination of the portfolio of unconsolidated securities and other financial assets is made in order to assess the objective indications of a loss in value of these assets. Where necessary, any impairment is recorded in the accounts.

### 21.2 > ACCOUNTS RECEIVABLE

Medium or long-term receivables that do not receive interest are adjusted in the conditions described above in Note 1 paragraph 21.1 above.

### 21.3 > RECORDING FINANCIAL ASSETS AND DERIVATIVES

Vilmorin applies the following principles:

#### 21.3.1 > Derivatives

Vilmorin uses derivatives to cover its exposure to risks in the variation of interest rates and in the prices of raw materials, resulting from its current activity and its funding. Derivatives are assessed at their fair value.

In compliance with the provisions of IAS 39, variations in the fair value of these instruments are recorded as follows:

- Variations in the fair value of instruments eligible for the cover of future flows are recorded directly in equity for their efficient part of the cover, and in financial income for their inefficient part.
- Variations in the fair value of instruments eligible for the cover of fair value are recorded in income where they compensate for the variations in fair value of the assets, liabilities or firm commitments covered.
- Forward cover of the prices of the raw materials used by Vilmorin mainly concerns futures negotiated on an organized market. Le Groupe Vilmorin 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 IAS 39, recorded at the book value of the loans concerned.

These costs are recorded as charges for the full duration of the loan using the effective interest rate method.

### 21.4 > FINANCIAL DEBTS – COMPOUND INSTRUMENTS

Certain financial instruments include both a financial debt component and an equity component.

In order to respect IAS 32, the different components of these instruments are recorded in equity and financial debts in respective proportions.

The component classified as financial debts is evaluated on date of issue. It corresponds to the future agreed cash flow value adjusted to the market rate of a similar instrument with the same conditions, but without an option of conversion or redemption as shares.

### 21.5 > ACCOUNTS PAYABLE

In cases of deferred interest-free payment greater than one year, rules for adjustment are applied in compliance with the principles presented above in Note 1 paragraph 21.

## 22 > CASH AND CASH EQUIVALENTS – INVESTMENT SECURITIES

### 22.1 > CASH AND CASH EQUIVALENTS

In accordance with IAS 7 "Cash flow statement", the line "Cash and cash equivalents" appearing in the balance sheet includes:

- cash and bank in hand;
- short term investments that are liquid and easily convertible into a determinable amount of cash with negligible risk and variation in value;
- current accounts recoverable at short notice.

Investments at more than three months without the possibility of an anticipated exit, and bank accounts carrying restrictions (blocked accounts) are excluded from cash flow. Overdrafts assimilated to funding instruments are also excluded from cash flow.



## 22.2 > INVESTMENT SECURITIES

In compliance with IAS 39 “Financial instruments”, investment securities are evaluated at their fair value. No investment is analyzed as being held until its due date. The manner in which investment securities are recorded in accounts depends on the aim of the operations:

- For investments held for purposes of transaction, variations in fair value are systematically recorded in income.
- For investments available for sale, variations in fair value are recorded directly in the equity, or in the income where there is an objective indication of impairment that is greater than the temporary impairment of the security concerned.

## 23 > IMPAIRMENT OF INTANGIBLE AND TANGIBLE ASSETS

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

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

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

A loss in value recorded for a Cash Generating Unit is first of all recorded as a reduction in the book value of all the goodwill allocated to the Cash Generating Unit (or group of units), and then to a reduction in the book value of the other assets of the unit (or group of units) in proportion to the book value of each asset in the unit (or group of units).

## 23.1 > CALCULATION OF THE RECOVERABLE AMOUNT

The recoverable amount of intangible and tangible fixed assets is the highest amount between their fair value less selling costs and their going concern value. In order to assess the going concern value, estimated future cash flows are adjusted to a pre-tax rate that reflects the market’s current appreciation of the time value of money and specific asset risks. For an asset which does not generate independent cash entries, the recoverable amount is determined by the Cash Generating Unit to which the asset belongs.

## 23.2 > WRITE-BACK OF THE LOSS IN VALUE

Loss of value recorded as goodwill cannot be written back. Loss of value recorded for another asset is written back if there has been a change in the estimates used to determine the recoverable amount. The book value of an asset which has been increased because of the write-back of a loss in value cannot be greater than the book value that would have been determined, net of amortizations, if no loss of value had been recorded.

## 24 > BREAKDOWN OF ASSETS AND LIABILITIES INTO CURRENT/NON-CURRENT

### 24.1 > GENERAL PRINCIPLE

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

### 24.2 > APPLICATION TO VILMORIN

Vilmorin has adopted the following rules to classify the main aggregate amounts of the balance sheet:

- Assets and liabilities that form part of the working capital needs of a normal business operating cycle are classified:
  - as “current” if the realization of the assets or the liquidation of the liabilities is expected to occur within one year following the closing date or if they are held for the purposes of trading,
  - as “non current” in all other cases.
- Fixed assets are classified as “non-current”.
- Provisions that are part of the normal operating cycle are classified as “current”.
- Provisions for employee benefits are classified as “non-current” bearing in mind the long-term horizon of such commitments.
- Financial debts are classified as “current” and “non-current” depending on whether their due dates fall in less than one year or more than one year after the closing date.
- Deferred taxes are all presented as “non-current” assets or liabilities.

## 25 > REVENUE FROM ORDINARY ACTIVITIES (IAS 18)

### 25.1 > GENERAL PRINCIPLE

Revenue from ordinary activities comprises the sale of products, goods and services produced as part of Vilmorin’s main business activities and also income from royalties and operating licenses.

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### 25.2 > APPLICATION TO VILMORIN

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

- > For sold goods and products to the date they are made available to the customers.
- > For services this depends on the extent to which the service has been rendered on closing date, and if its income can be considered to be reliable.
- > For royalties, income is recorded in accordance with the provisions of the contract which generally stipulate calculation based on sales or quantities sold by the licensor. These royalties generally correspond to the remuneration of licenses for proprietary 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 accounts, discount for early pick-up;
- > returns of goods and products;
- > end of year discount;
- > retrospective discount to distributors, where relevant.

### 26 > EARNINGS PER SHARE

The basic earnings per share 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's treasury shares.

The diluted earnings per share is calculated by dividing the group share of the income by the number of ordinary shares in circulation to which are added all the potentially dilutive ordinary shares.

## Note 2: Events occurring during the fiscal year

The main operations occurring during the course of the fiscal year were as follows:

### > RENEWAL OF THE SYNDICATED LOAN AGREEMENT

At the end of October 2010, Vilmorin signed an agreement with its long-standing banking partners to set up a syndicated loan agreement of 300 million Euros, maturing in October 2015. This loan agreement provides for early termination of the previous syndicated funding whose maturity was initially due in June 2011.

### > PURCHASE OF THE BALANCE OF THE SECURITIES OF ATASH SEEDS (INDIA)

In July 2010, Vilmorin purchased all the remaining shares in the company Atash Seeds (based in Hyderabad in India) held by the company Avesthagen, representing 38.74% of the share capital.

Before the operation, Vilmorin held 61.26% of the share capital of Atash Seeds. As a result of this purchase, Vilmorin now holds 100% of the share capital of Atash Seeds.

### > ACQUISITION OF THE WHEAT ASSETS OF TRIGEN SEED (UNITED STATES)

Through its American subsidiary Limagrain Cereal Seeds, Vilmorin purchased a wheat research program

from the company Trigen Seed. This acquisition was made in August 2010 to strengthen Vilmorin's wheat set-up in North America.

### > DISPOSAL OF THE COMPANY VILMORIN LUXEMBOURG (LUXEMBOURG)

In June 2011 Vilmorin Luxembourg was sold to the company Kommungaranti Skandinavien Forsakrings AB.

### > REDEFINITION OF THE PARTNERSHIP WITH LPHT (CHINA)

In January 2011, Vilmorin signed an agreement with the Chinese investment company Hunan Xindaxin Co. Ltd for Vilmorin Hong Kong Co. Ltd (VHK), a majority-held Vilmorin subsidiary, to sell all its shares (46.50% of the share capital) in their joint holding Changsa Xindaxin Vilmorin Agri-Business Co. Ltd (XDX); this joint holding held a stake of 21.21% in Longping High-Tech (LPHT).

Moreover, VHK also sold to Hunan Xindaxin Co. Ltd all the shares it held in Hunan Mornring Foodstuff Co Ltd (Mornring).

This transaction led to a positive net impact of 29.3 million Euros in the consolidated financial statements.

### ➤ ACQUISITION OF THE SEMENTES GUERRA CORN ACTIVITIES (BRAZIL)

In pursuance of the internationalization of its corn activities, in February 2011 Vilmorin purchased a stake in the corn activity of the company Sementes Guerra, based in Pato Branco (State of Parana, Brazil).

This new set-up is now combined with other assets in a recently founded company Limagrain Guerra do Brasil, controlled 70% by Vilmorin.

In agreement with the other shareholders of Sementes Guerra, Vilmorin has a contractual medium-term option to purchase the full remaining shares in the company.

### ➤ PURCHASE OF THE MINORITY SHARES IN MSH (MIKADO SEED HOLDING - JAPAN)

In October 2010, through its subsidiary VCC Japan, Vilmorin purchased 81,900 MSH shares representing 4.74% of the company's share capital from 14 minority shareholders.

At the end of February 2011, VCC Japan extended its stake by purchasing 53,600 further shares, representing 3.1% of the share capital.

## Note 3: Consolidation scope

### 1 ➤ EVOLUTION OF THE CONSOLIDATION SCOPE

#### 1.1 ➤ ON JUNE 30<sup>TH</sup> 2011, VILMORIN CONSOLIDATED 103 COMPANIES IN ACCORDANCE WITH THE RULES SET OUT IN NOTE 1 PARAGRAPH 5 OF THE "ACCOUNTING METHODS AND PRINCIPLES IN IFRS STANDARDS"

	10-11	09-10
By global integration	91	95
By proportional integration	7	8
By the equity method	5	6
<b>Total</b>	<b>103</b>	<b>109</b>

#### 1.2 ➤ VARIATIONS IN SCOPE OCCURRING DURING THE COURSE OF FISCAL 2010-2011 WERE AS FOLLOWS

##### 1.2.1 ➤ Entries to the consolidation scope

- Through the creation of companies
  - VCO Participations
  - Hazera Mexico Services
- Through the purchase of a stake
  - Limagrain do Brasil Participações
  - Limagrain Guerra do Brasil

##### 1.2.2 ➤ Exits from the consolidation scope

- Companies wound up
  - Flora Geissler GmbH
  - Hazera Genetics Mexico (2000) Ltd
  - Limagrain Magyarorszag
- Companies sold
  - Cylonie Ré
  - Vilmorin Luxembourg
  - Yuan Longping High-Tech
  - Changsa Xindaxin Vilmorin Agri-Business Co. Ltd

##### 1.2.3 ➤ Following re-organization, several companies were merged

ABSORBING COMPANIES	ABSORBED COMPANIES
Limagrain Nederland	Ceres Nederland BV
Harris Moran Seed Company	Mesa Maize
Limagrain Cereal Seeds	Trio Research

##### 1.2.4 ➤ Changes in name

FORMER NAMES	NEW NAMES
Clovis Matton	Limagrain Clovis Matton Belgium

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## 2 &gt; INFORMATION CONCERNING VARIATIONS IN CONSOLIDATION SCOPE

EN MILLIONS D'EUROS		LIMAGRAIN GUERRA DO BRASIL
<b>Date of entry in scope</b>		<b>01.01.11</b>
<b>% acquired</b>		
Over the fiscal year		70%
Previously held		–
Total held		70%
<b>Consolidation method adopted <sup>(1)</sup></b>		<b>GI</b>
<b>Acquisition price of the shares</b>		
Agreed during the fiscal year		18.6
Previously agreed		–
Total		18.6
<b>Fair value of assets and liabilities acquired</b>		
Fixed assets		2.5
Working capital needs		- 1.9
Provisions for liabilities and charges		–
Indebtedness net of cash		- 4.1
Deferred taxes		–
Equity		4.7
<b>Acquired equity</b>		<b>3.3</b>
<b>Goodwill</b>		<b>15.3</b>

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

## 3 &gt; COMPARABILITY OF THE INCOME STATEMENTS

In order to compare the results with comparable scope and currency, an income statement for 2009-2010 has been established in the following conditions:

- In order to neutralize the impact of currency variations, the income statement on June 30<sup>th</sup> 2010 has been restated by applying the average rate on June 30<sup>th</sup> 2011.
- Companies exiting the scope during the course of 2010-2011 have been neutralized for the previous fiscal year, namely:
  - Flora Geissler GmbH
  - Hazera Genetics Mexico (2000) Ltd
  - Limagrain Magyarorszag
  - Cylonie Ré
  - Vilmorin Luxembourg
  - Yuan Longping High-Tech
  - Changsa Xindaxin Vilmorin Agri-Business Co. Ltd
- Companies entering the scope during the course of fiscal year 2010-2011 have been added to the accounts on June 30<sup>th</sup> 2010, namely:
  - VCO Participations
  - Hazera Mexico Services
  - Limagrain do Brasil Participações
  - Limagrain Guerra do Brasil
- Restated information is presented as follows:

IN MILLIONS OF EUROS	VARIATION %	10-11	09-10 RESTATED
Revenue from ordinary activities	+ 10.0%	<b>1,192.1</b>	1,083.6
Operating income	+ 56.5%	<b>156.7</b>	100.1
Income from continuing operations	+ 68.6%	<b>97.3</b>	57.7
Income from discontinued operations	- 100.0%	–	2.5
Income for the period	+ 61.6%	<b>97.3</b>	60.2

## Note 4: Operating segments

### 1 > GENERAL PRINCIPLES

The rules applicable to the presentation of operating segments are defined in paragraph 7 Note 1 of the "Accounting methods and principles in IFRS standards".

### 2 > INFORMATION ACCORDING TO BUSINESS SEGMENT

The internal information made available to Vilmorin's Executive Committee, the "Chief Operating Decision-Maker", corresponds to the managerial organization of the company which is based on segmentation according

to activity. Consequently, the operating segments, as defined by the standard IFRS 8, are the business segments on which Vilmorin operates.

Existing operating segments on June 30<sup>th</sup> 2011 were as follows:

- > Vegetable seeds;
- > Field seeds;
- > Garden products.

Each of the columns in the tables presented below contains the figures for each segment. The figures shown represent the contributions with regard to Vilmorin which implicitly ignore inter-segment operations since they are not considered to be very significant.

### 2.1 > INFORMATION CONCERNING FISCAL YEAR 2010-2011

	VEGETABLE SEEDS	FIELD SEEDS	GARDEN PRODUCTS	HOLDINGS AND OTHERS	UNALLOCATED	TOTAL
Revenue from ordinary activities	510.3	598.6	81.9	1.3	–	<b>1,192.1</b>
Operating income	80.2	39.8	6.5	30.2	–	<b>156.7</b>
Income from continuing operations	54.2	26.4	4.3	12.4	–	<b>97.3</b>
Income from discontinued operations	–	–	–	–	–	<b>–</b>
<b>Total consolidated net income</b>	<b>54.2</b>	<b>26.4</b>	<b>4.3</b>	<b>12.4</b>	<b>–</b>	<b>97.3</b>

	VEGETABLE SEEDS	FIELD SEEDS	GARDEN PRODUCTS	HOLDINGS AND OTHERS	UNALLOCATED	TOTAL
Non-current assets	372.9	589.3	13.8	83.3	–	<b>1,059.3</b>
<i>Including investments for the period</i>	<i>80.8</i>	<i>79.6</i>	<i>1.1</i>	<i>45.8</i>	–	<b>207.3</b>
Current assets	383.5	415.9	40.0	303.5	–	<b>1,144.7</b>
<b>Total assets</b>	<b>758.2</b>	<b>1 005.2</b>	<b>53.8</b>	<b>386.8</b>	<b>–</b>	<b>2,204.0</b>
Equity <sup>(1)</sup>	–	–	–	–	1,035.9	<b>1,035.9</b>
Non current liabilities	116.1	67.3	2.3	367.3	–	<b>553.0</b>
Current liabilities	198.8	231.0	33.2	152.1	–	<b>615.1</b>
<b>Total liabilities</b>	<b>314.9</b>	<b>298.3</b>	<b>35.5</b>	<b>519.4</b>	<b>1,035.9</b>	<b>2,204.0</b>

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

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## 2.2 &gt; INFORMATION CONCERNING FISCAL YEAR 2009-2010

	VEGETABLE SEEDS	FIELD SEEDS	GARDEN PRODUCTS	HOLDINGS AND OTHERS	UNALLOCATED	TOTAL
Revenue from ordinary activities	454.3	519.7	88.3	1.5	–	<b>1,063.8</b>
Operating income	65.4	35.8	2.6	- 6.7	–	<b>97.1</b>
Income from continuing operations	44.8	22.8	1.1	- 11.1	–	<b>57.6</b>
Income from discontinued operations	–	–	–	2.5	–	<b>2.5</b>
<b>Total consolidated net income</b>	<b>44.8</b>	<b>22.8</b>	<b>1.1</b>	<b>- 8.6</b>	<b>–</b>	<b>60.1</b>

	VEGETABLE SEEDS	FIELD SEEDS	GARDEN PRODUCTS	HOLDINGS AND OTHERS	UNALLOCATED	TOTAL
Non-current assets	364.0	585.9	15.4	99.7	–	<b>1,065.0</b>
<i>Including investments for the period</i>	<i>66.1</i>	<i>84.1</i>	<i>2.4</i>	<i>47.8</i>	–	<b>200.4</b>
Current assets	388.8	432.7	40.5	266.6	–	<b>1,128.6</b>
<b>Total assets</b>	<b>725.8</b>	<b>1 018.6</b>	<b>55.9</b>	<b>366.3</b>	<b>–</b>	<b>2,193.6</b>
Equity <sup>(1)</sup>	–	–	–	–	1,045.2	<b>1,045.2</b>
Non current liabilities	87.3	56.3	2.2	327.1	–	<b>472.9</b>
Current liabilities	206.6	238.0	34.8	196.1	–	<b>675.5</b>
<b>Total liabilities</b>	<b>293.9</b>	<b>294.3</b>	<b>37.0</b>	<b>523.2</b>	<b>1,045.2</b>	<b>2,193.6</b>

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

## Note 5: Revenue from ordinary activities

## 1 &gt; ANALYSIS BY NATURE

IN MILLIONS OF EUROS	VARIATION (%)	10-11	09-10
Sales of goods	+ 12.5%	<b>1,144.2</b>	1,016.9
Sales of services	+ 30.6%	<b>6.4</b>	4.9
Royalties received	- 1.2%	<b>41.5</b>	42.0
<b>Total</b>	<b>+ 12.1%</b>	<b>1,192.1</b>	<b>1,063.8</b>

The rules applied for the recording and evaluation of revenue from ordinary activities appear in Note 1 paragraph 25 of the "Accounting methods and principles in IFRS standards".

## 2 &gt; ANALYSIS BY GEOGRAPHICAL AREA

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

IN MILLIONS OF EUROS	VARIATION (%)	10-11	09-10
Europe	+ 11.3%	<b>624.8</b>	561.5
Americas	+ 15.2%	<b>296.0</b>	256.9
Asia and Oceania	+ 10.4%	<b>106.3</b>	96.3
Africa and Middle East	+ 14.6%	<b>117.1</b>	102.2
<b>Total</b>	<b>+ 12.5%</b>	<b>1,144.2</b>	<b>1,016.9</b>

### 3 ➤ ANALYSIS BY PRODUCT

Analysis according to product families is as follows:

IN MILLIONS OF EUROS	10-11	09-10
Vegetable and flower seeds	443.8	398.6
Field seeds	517.2	442.1
Forage and lawn seeds	45.2	36.9
Garden products	87.0	93.1
Other products	51.0	46.2
<b>Total</b>	<b>1,144.2</b>	<b>1,016.9</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 1,086.4 million Euros as opposed to 1,192.1 million Euros for this fiscal year, an increase of 9.7%.

### 5 ➤ ROYALTIES RECEIVED

Royalties received mainly concern:

IN MILLIONS OF EUROS	VARIATION (%)	10-11	09-10
Autogamous species	- 0.6%	34.7	34.9
Hybrid species	- 4.2%	6.8	7.1
<b>Total</b>	<b>- 1.2%</b>	<b>41.5</b>	<b>42.0</b>

## Note 6: Personnel costs

### 1 ➤ EVOLUTION OF PERSONNEL COSTS

IN MILLIONS OF EUROS	10-11	09-10
Gross salaries	216.9	196.6
Social charges	73.4	67.2
Profit-sharing schemes	9.2	6.9
<b>Total</b>	<b>299.5</b>	<b>270.7</b>

## FINANCIAL AND LEGAL INFORMATION

## 2 &gt; FURTHER INFORMATION

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

## 2.1 &gt; AVERAGE ANNUAL HEADCOUNT

## 2.1.1 &gt; Analysis France/Non-France

	10-11	09-10
France	2,090	2,083
Non-France	3,707	3,753
<b>Total</b>	<b>5,797</b>	<b>5,836</b>

## 2.1.2 &gt; Analysis by employee status

	10-11	09-10
Management	1,455	1,234
Non-Management	4,342	4,602
<b>Total</b>	<b>5,797</b>	<b>5,836</b>

## 2.2 &gt; PERMANENT HEADCOUNT AT THE END OF THE FISCAL YEAR

## 2.2.1 &gt; Analysis France/Non-France

	10-11	09-10
France	1,805	1,710
Non-France	3,301	3,160
<b>Total</b>	<b>5,106</b>	<b>4,870</b>

## 2.2.2 &gt; Analysis by employee status

	10-11	09-10
Management	1,450	1,387
Non-management	3,656	3,483
<b>Total</b>	<b>5,106</b>	<b>4,870</b>

## 2.2.3 &gt; Analysis by function

	10-11	09-10
Administration	754	730
Research	1,336	1,261
Agronomic production and factory	1,334	1,242
Sales and marketing	1,682	1,637
<b>Total</b>	<b>5,106</b>	<b>4,870</b>



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

### ► MOVEMENTS ON PROVISIONS

IN MILLIONS OF EUROS	10-11	09-10
Provisions for intangible fixed assets		
► Development programs <sup>(1)</sup>	- 90.9	- 80.8
► Other intangible fixed assets	- 5.3	- 8.1
<b>Sub-total</b>	<b>- 96.2</b>	<b>- 88.9</b>
Provisions for tangible fixed assets	- 21.3	- 20.2
<b>Total</b>	<b>- 117.5</b>	<b>- 109.1</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	10-11	09-10
Development programs activated during the fiscal year	111.4	99.7
Provisions for the amortization of development programs recorded as fixed assets	- 90.9	- 80.8
Other research and development costs	- 152.4	- 140.5
Tax relief for research	24.4	23.1
<b>Net costs for the year</b>	<b>- 107.5</b>	<b>- 98.5</b>

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

Research and development costs which fail to meet these conditions are recorded directly as charges for the fiscal year.

### 2 ► FURTHER INFORMATION

#### 2.1 ► NET INCREASE IN ACTIVATED RESEARCH AND DEVELOPMENT COSTS

IN MILLIONS OF EUROS	10-11	09-10
Costs identified and recorded as intangible fixed assets (cf. Note 15)	111.4	99.7
Provisions for amortization	- 90.9	- 80.8
<b>Net increase in activated research and development costs</b>	<b>20.5</b>	<b>18.9</b>

It is important to note that out of a total investment in research and development of 152.4 million Euros, only 111.4 million Euros met the criteria set out in Note 1 paragraph 10 of the "Accounting methods and principles in IFRS standards". Research and development costs increased by 11.9 million Euros.

The increase in activated costs is due to the intensification of development programs.

## FINANCIAL AND LEGAL INFORMATION

## 2.2 &gt; EFFECT OF ACTIVATION ON THE CASH FLOW STATEMENT

IN MILLIONS OF EUROS	10-11	09-10
Effect on the income for the period	20.5	18.9
Effect on amortization and depreciation	90.9	80.8
Effect on the cash flow	111.4	99.7
Effect on the investment flows	- 111.4	- 99.7
<b>Total</b>	<b>-</b>	<b>-</b>

## Note 9: Other operating income and charges

## 1 &gt; EVOLUTION

IN MILLIONS OF EUROS	10-11	09-10
Litigation	- 1.1	- 1.9
Income from the sale of fixed assets	5.0	- 3.0
Income from the sale of consolidated securities	32.5	- 1.7
Government subsidies	0.5	0.6
Reorganization costs	- 2.3	- 4.8
Loss of value on fixed assets	- 0.5	- 2.6
Negative goodwill recorded in the income	-	0.8
Other charges and income	- 0.6	0.3
<b>Total</b>	<b>33.5</b>	<b>- 12.3</b>

## 2 &gt; FURTHER INFORMATION

## 2.1 &gt; ON OPERATIONS FOR FISCAL YEAR 2010-2011

## 2.1.1 &gt; Income from the sale of consolidated securities

These mainly concern:

IN MILLIONS OF EUROS	AMOUNT
The sale of the shares in the Chinese companies	31.1
The disposal of the company Vilmorin Luxembourg	1.4
<b>Total</b>	<b>32.5</b>

## 2.1.2 &gt; Income from the disposal of fixed assets

These mainly concern:

IN MILLIONS OF EUROS	AMOUNT
The disposal of a site by the company Oxadis	5.9
End of a leasing agreement for the company Biogemma	- 1.0
Various other disposals	0.1
<b>Total</b>	<b>5.0</b>

## 2.2 ➤ ON OPERATIONS FOR FISCAL YEAR 2009-2010

### 2.2.1 ➤ Reorganization costs

These mainly concern:

IN MILLIONS OF EUROS	AMOUNT
Clause	- 5.7
Limagrain Belgium	- 0.3
Biogemma UK	- 0.3
Clovis Matton	- 0.2
Limagrain Nederland	0.7
Mikado Kyowa Seed	1.0
<b>Total</b>	<b>- 4.8</b>

### 2.2.2 ➤ Losses of value in fixed assets

These mainly concern:

IN MILLIONS OF EUROS	COMPANY	AMOUNT
Brands	Clause	- 1.9
Brands	Oxadis	- 0.1
Constructions	Vilmorin SA	- 0.3
Right to lease	Biogemma	- 0.2
Business assets	Oxadis	- 0.1
<b>Total</b>		<b>- 2.6</b>

### 2.2.3 ➤ Litigation

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

### 2.2.4 ➤ Income from the sale of fixed assets

This mainly concerns:

IN MILLIONS OF EUROS	COMPANY	AMOUNT
Constructions	Mikado Kyowa Seed	+ 0.1
Lands	Mikado Kyowa Seed	- 3.1
<b>Total</b>		<b>- 3.0</b>

### 2.2.5 ➤ Income from the sale of consolidated securities

This mainly concerns:

IN MILLIONS OF EUROS	AMOUNT
Impact of the exit from consolidation of Limagrain Bulgaria	- 1.1
Sale of Maïcentre securities to the Coopérative Limagrain	- 0.5
Miscellaneous	- 0.1
<b>Total</b>	<b>- 1.7</b>

## FINANCIAL AND LEGAL INFORMATION

## Note 10: Interest costs

## 1 &gt; EVOLUTION

IN MILLIONS OF EUROS	10-11	09-10
Interest on loans and bank overdrafts	- 19.6	- 17.7
Interest on financial leasing agreements	- 0.1	- 0.1
Losses and gains of fair value on forward cover instruments <sup>(1)</sup>	2.2	0.6
Losses and gains on the disposal of forward cover instruments <sup>(2)</sup>	- 5.1	- 7.1
Cash income	2.9	3.9
Miscellaneous	- 1.4	- 0.1
<b>Total</b>	<b>- 21.1</b>	<b>- 20.5</b>

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

(2) Impact of the drop in interest rates on the portfolio of forward cover instruments.

## 2 &gt; FURTHER INFORMATION

The total funding costs can be broken down as follows:

IN MILLIONS OF EUROS	10-11	09-10
Interest charges	- 26.1	- 25.4
Interest income	5.0	4.9
<b>Total</b>	<b>- 21.1</b>	<b>- 20.5</b>

## Note 11: Other financial income and charges

## 1 &gt; EVOLUTION

IN MILLIONS OF EUROS	10-11	09-10
Gains or losses on the sales of unconsolidated securities, dilution profits and winding up of business as a result of consolidation exits	3.9	4.6
Interest income	0.1	0.3
Interest charges	- 2.4	- 0.7
Provisions for the impairment of securities and other financial assets	- 2.1	0.2
Gains or losses on currency translation	- 0.1	3.7
Other financial gains and losses	0.4	0.2
<b>Total</b>	<b>- 0.2</b>	<b>8.3</b>

## 2 ➤ FURTHER INFORMATION

### 2.1 ➤ ON OPERATIONS FOR FISCAL YEAR 2010-2011

IN MILLIONS OF EUROS	
Gains or losses on the sales of unconsolidated securities concern:	
➤ Morning	1.5
➤ A biotechnology company	2.3
➤ Various companies	0.1
<b>Total</b>	<b>3.9</b>

### 2.2 ➤ ON OPERATIONS FOR FISCAL YEAR 2009-2010

IN MILLIONS OF EUROS	
Gains or losses on the sales of unconsolidated securities, dilution profits and winding up of business as a result of consolidation exits mainly concern:	
➤ Income from the sale of the securities of a biotechnology company	4.8
➤ Impact of the consolidation exit of Limagrain Polska	- 0.2
<b>Total</b>	<b>4.6</b>

## Note 12: Income taxes

### 1 ➤ EVOLUTION

IN MILLIONS OF EUROS	10-11	09-10
Current income taxes		
➤ Taxes	- 35.8	- 26.2
➤ Tax relief for research	-	-
<b>Total current taxes</b>	<b>- 35.8</b>	<b>- 26.2</b>
<b>Total deferred taxes</b>	<b>- 2.9</b>	<b>- 1.6</b>
<b>Total</b>	<b>- 38.7</b>	<b>- 27.8</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

This evolution of the amount of current income taxes is mainly due to the recording, during this fiscal year, of taxable capital gains on the sale of securities and real estate to third parties, the mechanical increase of the charge because of the improvement of the results particularly in North America and a drop in tax deficits recognized as deferred tax assets.

## FINANCIAL AND LEGAL INFORMATION

## 2.2 &gt; FISCAL INTEGRATION OPERATIONS

The following fiscal integration scope was set up in Vilmorin between different French companies.

INTEGRATING COMPANY	MEMBER COMPANIES	EFFECTIVE DATE
Vilmorin	Clause	07.01.2000
	Oxadis	07.01.2000
	Vilmorin 1742	07.01.2008
	Vilmorin SA	07.01.2010
	VCO Participations	07.01.2010
Limagrain Europe	Limagrain Central Europe (LCE)	07.01.2004
	Nickerson International Research SNC	07.01.2008

The provision for such fiscal integration programs is described in article 223 A of the French General Taxation Code for parent companies and their French subsidiaries controlled at least 95%.

Moreover, provisions for fiscal integration also exist in certain other countries, as follows.

INTEGRATING COMPANY	MEMBER COMPANIES	COUNTRIES
Vilmorin USA	Vilmorin INC	United States
	Harris Moran Seeds	
Limagrain Nederland Holding	Limagrain Nederland	Netherlands

## 2.3 &gt; CURRENT TAXES

**2.3.1 > The charge of current taxes** corresponds to the total taxes on profits owed to the tax authorities for the fiscal year in accordance with the rules and taxation rates in force in different countries.

**2.3.2 > A tax relief system** in favor of research exists in certain countries, and in particular in France.

## 2.4 &gt; TAX RATE APPLICABLE

## 2.4.1 &gt; The basic rate for income (corporation) tax in France is 33 1/3%.

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

- > Fiscal year 2008-2009: 33 1/3%
- > Fiscal year 2009-2010: 33 1/3%
- > Fiscal year 2010-2011: 33 1/3%

The law on the funding of social security No. 99-1140 of December 29<sup>th</sup> 1998 fixed an additional contribution of 3.3% of the total basic tax due when payable taxes are greater than 763,000 Euros. Thus, for French companies, the legal tax rate is increased by 1.1%.

## 2.4.2 &gt; A comparison between the recorded income tax charge and the theoretical income tax charge is as follows:

AS A %	10-11	09-10
<b>Theoretical tax rate</b>	<b>33.33</b>	<b>33.33</b>
Non-deductible charges and other non-taxable profits	<b>0.63</b>	- 2.28
Tax credit and relief	<b>- 0.46</b>	- 0.11
Untaxed income deficits and taxation rate differentials	<b>- 4.92</b>	0.82
<b>True tax rate</b>	<b>28.58</b>	<b>31.76</b>

## 2.5 ► DETAILS OF TAX RECEIVABLES AND DEBTS DUE

IN MILLIONS OF EUROS	10-11	09-10
Tax receivables due	33.1	9.8
Tax debts due	- 11.9	- 9.0
<b>Net total</b>	<b>21.2</b>	<b>0.8</b>

## 2.6 ► INFORMATION ON TAX DEFICITS

On June 30<sup>th</sup> 2011, the situation of tax deficits for Vilmorin was as follows:

IN MILLIONS OF EUROS	TOTAL DEFICITS		OF WHICH USABLE DEFICITS	
	FRANCE	OTHER	FRANCE	OTHER
Deficits with limited carry forward	3.6	17.0	3.6	0.5
Deficits with unlimited carry forwards	94.1	9.9	88.2	4.8
<b>Total</b>	<b>97.7</b>	<b>26.9</b>	<b>91.8</b>	<b>5.3</b>

Deferred tax assets corresponding to the usable deficits, and not recorded in the accounts, amount to 20.1 million Euros.

## 2.7 ► TREATMENT OF FRENCH TAX RELIEF ON RESEARCH

Since the implementation of the new French system for tax relief on research (CIR) only on volume based on a percentage of eligible research expenses made, and applicable as of January 1<sup>st</sup> 2008, the group has deemed that this CIR can be assimilated to a public subsidy since it is used to fund part of the capitalized development expenses, and that its accounting treatment comes within the scope of IAS 20.

Therefore the CIR should be allocated between the part concerning development costs which, in application of IAS 38, have been recorded as assets, and the part concerning other expenditure, recorded in the income.

In terms of presentation, the CIR, recorded as a subsidy and deducted from the research costs in the income statement, must be recorded as immediate income, as far as the part concerning expenses recorded in the charges is concerned; the part concerning capitalized expenses must be recorded as deferred income that is to be amortized at the same rhythm as the amortization of the associated assets.

## Note 13: Earnings per share

► **Earning per share** attributable to the controlling company is calculated on the basis of the weighted average number of Vilmorin shares in circulation during the fiscal year.

The evolution of the earnings per share is as follows:

### ■ Earnings per share:

IN EUROS	10-11	09-10
Attributable to the controlling company in continuing operations	91,030,183	51,654,329
Attributable to the controlling company in discontinued operations	-	2,500,000
<b>Attributable to the controlling company in the consolidated income</b>	<b>91,030,183</b>	<b>54,154,329</b>
Number of Vilmorin shares	17,216,784	17,217,882
Earnings from continuing operations for one share	5.29	3.00
Earnings from discontinued operations for one share	-	0.15
<b>Earnings per share</b>	<b>5.29</b>	<b>3.15</b>

## FINANCIAL AND LEGAL INFORMATION

## ■ Diluted earnings for one share:

The earnings used for this calculation take into account savings on financial charges net of taxes which would be made by Vilmorin if Oceane bonds and equity notes are converted and the ensuing change in the number of shares.

IN EUROS	10-11	09-10
Attributable to the controlling company in continuing operations	97,519,650	57,859,385
Attributable to the controlling company in discontinued operations	–	2,500,000
<b>Attributable to the controlling company in the consolidated income</b>	<b>97,519,650</b>	<b>60,359,385</b>
Number of Vilmorin shares	18,175,342	18,176,461
Earnings from continuing operations for one share	5.37	3.18
Earnings from discontinued operations for one share	–	0.14
<b>Diluted earnings per share</b>	<b>5.37</b>	<b>3.32</b>

## &gt; Dividends paid out per share

	DIVIDENDS DISTRIBUTED IN DECEMBER 10	DIVIDENDS DISTRIBUTED IN DECEMBER 09
Amount distributed	€24,277,121.97	€23,696,398.92
Details	€1.41 x 17,217,817 shares	€1.77 x 13,387,796 shares

## Note 14: Goodwill

## 1 &gt; EVALUATION OF GOODWILL

## 1.1 &gt; ÉVALUATION DES GOODWILL

In compliance with IFRS standard 3, the assessment of the fair value of the identifiable assets and liabilities acquired as a result of business combinations can be modified for a period of twelve months following the acquisition date.

Consequently, the value of any goodwill recorded following acquisitions made during fiscal year 2010-2011 is provisional in nature, and is liable to be adjusted during fiscal year 2011-2012.

## 1.2 &gt; GOODWILL IMPAIRMENT TESTS

Vilmorin carried out impairment tests on its goodwill on June 30<sup>th</sup> 2011 for all the Cash Generating Units (CGUs) with which goodwill is associated, with the exception of goodwill from acquisitions made in 2011 for which acquisition cost had not been finalized on June 30<sup>th</sup> 2011 and therefore the amount of goodwill had not been definitively determined on this date.

As stated in Note 1 paragraph 11.4, these tests consist in comparing the net book value of the assets of the CGUs with their recoverable value as assessed using the method of provisional discounted cash flows (useful value).

With regard to the Vegetable seeds activity, the CGUs adopted comprise the legal companies since they run their business activities autonomously.

With regard to the Garden products activity, the CGUs adopted comprise both the company Oxadis and its subsidiaries, and also the company Suttons.

With regard to the Field seeds activity, the CGUs comprise the European activities on the one hand, and the North American activities on the other.

The following hypotheses have been used to calculate the discounted value of the provisional cash flow for the CGUs:

- Number of years of provisional data: 5 years
- Rate of growth: 2%
- Discount rate after taxes: different rates have been adopted for each CGU. These vary from 3.8% to 17.6% depending on the CGUs.

These tests have not resulted in any identified needs for impairment.

Moreover, the sensitivity analyses carried out show that the use of discount rates higher by 1%, or growth rates for the normative year lower by 1%, than those shown above would not have led to any identified need for impairment, since the recoverable value of the CGUs remains in all cases higher than the net book value of their assets, with the exception of one CGU which is more sensitive to the variation of hypotheses, and which will be specifically followed over the next fiscal year.



## 2 ► EVOLUTION OF NET BOOK VALUES

### 2.1 ► GROSS VALUES

IN MILLIONS OF EUROS	
<b>06.30.09</b>	<b>288.6</b>
Acquisitions and increases	0.3
Variations in scope	19.5
Exits	–
Reclassifications <sup>(1)</sup>	- 5.2
Currency translations	6.3
<b>06.30.10</b>	<b>309.5</b>
Acquisitions and increases	–
Impact of minority redemption commitments	7.5
Exits	- 0.8
Variations in scope	12.3
Reclassifications	0.9
Currency translations	- 7.3
<b>06.30.11</b>	<b>322.1</b>

(1) During fiscal year 2009-2010, a goodwill reclassification operation of 1.2 million Euros to germplasm was recorded, and also 4 million Euros goodwill to intangible fixed assets.

### 2.2 ► VALUE LOSSES

IN MILLIONS OF EUROS	
<b>06.30.09</b>	<b>9.6</b>
Provisions	0.2
Exits	–
Losses in value	–
Variations in scope	–
Reclassifications <sup>(1)</sup>	- 0.8
Currency translation	0.8
<b>06.30.10</b>	<b>9.8</b>
Provisions	–
Exits	–
Losses in value	0.8
Variations in scope	–
Reclassifications	0.9
Currency translation	- 1.0
<b>06.30.11</b>	<b>10.5</b>

(1) In fiscal year 2009-2010, a goodwill reclassification operation of 0.1 million Euros to germplasm was recorded, and also 0.7 million Euros goodwill to intangible fixed assets.

### 2.3 ► NET VALUES

IN MILLIONS OF EUROS	
06.30.09	279.0
06.30.10	299.7
<b>06.30.11</b>	<b>311.6</b>

## FINANCIAL AND LEGAL INFORMATION

## 3 &gt; FURTHER INFORMATION

## 3.1 &gt; ANALYSIS BY BUSINESS SEGMENTS

IN MILLIONS OF EUROS	10-11	09-10
Vegetable seeds activity	27.9	31.2
Field seeds activity	229.5	210.3
Garden products	3.2	3.2
Holdings and others	51.0	55.0
<b>Total net of losses in value</b>	<b>311.6</b>	<b>299.7</b>

## 3.2 &gt; VARIATIONS IN SCOPE

Variations in scope concern the following operations:

IN MILLIONS OF EUROS	TOTAL
<b>Fiscal year 10-11</b>	
Limagrain Guerra do Brasil	15.2
Cylonie Ré	- 1.8
Vilmorin Luxembourg	- 1.1
<b>Total <sup>(1)</sup></b>	<b>12.3</b>
<b>Fiscal year 09-10 <sup>(2)</sup></b>	
Atash Seeds	3.0
Belgian Seeds Company	5.1
Clovis Matton	0.1
De Wulf & Co	0.1
Limagrain South America	1.2
Mesa Maize	1.2
Su Tarim	8.4
Investigacion Trigo	0.2
Trio Research	0.2
<b>Total <sup>(1)</sup></b>	<b>19.5</b>

(1) The figures take into account both changes in gross values and losses of value.

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

## 3.3 &gt; IMPACT OF MINORITY REDEMPTION COMMITMENTS

These concern the companies:

IN MILLIONS OF EUROS	
Limagrain Guerra do Brasil	7.4
Mikado Seed Holding	0.1
<b>Total</b>	<b>7.5</b>

## Note 15: Other intangible fixed assets

### 1 ► EVOLUTION OF NET BOOK VALUES

#### 1.1 ► GROSS VALUES

IN MILLIONS OF EUROS	DEVELOPMENT COSTS	GERMPLASM	SOFTWARE	PATENTS AND LICENSES	BRANDS	OTHER INTANGIBLE FIXED ASSETS	CURRENT FIXED ASSETS	TOTAL
<b>06.30.09</b>	<b>537.6</b>	<b>212.4</b>	<b>32.8</b>	<b>39.3</b>	<b>37.2</b>	<b>1.0</b>	<b>4.1</b>	<b>864.4</b>
Acquisitions and increases	99.7	5.5	1.2	1.1	0.1	0.8	3.6	<b>112.0</b>
Exits	–	–	- 1.3	- 0.6	–	–	–	<b>- 1.9</b>
Variations in scope	–	6.3	–	5.0	–	0.1	–	<b>11.4</b>
Currency translations	16.3	7.3	1.2	1.4	0.8	0.2	–	<b>27.2</b>
Reclassifications <sup>(1)</sup>	–	1.7	4.2	–	–	4.0	- 4.0	<b>5.9</b>
<b>06.30.10</b>	<b>653.6</b>	<b>233.2</b>	<b>38.1</b>	<b>46.2</b>	<b>38.1</b>	<b>6.1</b>	<b>3.7</b>	<b>1,019.0</b>
Acquisitions and increases	111.4	3.1	1.6	1.9	0.1	–	2.8	<b>120.9</b>
Exits	–	–	- 0.7	- 2.5	–	- 0.4	- 0.1	<b>- 3.7</b>
Variations in scope	–	–	–	–	–	–	–	<b>–</b>
Currency translations	- 14.0	- 4.5	- 1.0	- 1.2	- 1.0	- 0.3	–	<b>- 22.0</b>
Reclassements	–	- 1.0	2.7	0.1	–	–	- 2.5	<b>- 0.7</b>
<b>06.30.11</b>	<b>751.0</b>	<b>230.8</b>	<b>40.7</b>	<b>44.5</b>	<b>37.2</b>	<b>5.4</b>	<b>3.9</b>	<b>1,113.5</b>

(1) During fiscal year 2009-2010, a germplasm goodwill reclassification operation of 1.2 million Euros was recorded, and also an intangible asset goodwill operation of 4 million Euros.

## FINANCIAL AND LEGAL INFORMATION

### 1.2 > AMORTIZATION AND VALUE LOSSES

IN MILLIONS OF EUROS	DEVELOPMENT COSTS	GERMPLASM	SOFTWARE	PATENTS AND LICENSES	BRANDS	OTHER INTANGIBLE FIXED ASSETS	CURRENT FIXED ASSETS	TOTAL
<b>06.30.09</b>	<b>377.5</b>	<b>2.8</b>	<b>28.0</b>	<b>31.6</b>	<b>3.3</b>	<b>0.5</b>	<b>-</b>	<b>443.7</b>
Provisions/ Value losses	80.8	-	3.3	1.7	2.0	1.1	-	<b>88.9</b>
Exits	-	-	- 1.3	- 0.2	-	-	-	<b>- 1.5</b>
Write back/ Value losses	-	-	-	-	-	-	-	<b>-</b>
Variations in scope and others	-	-	-	-	-	-	-	<b>-</b>
Currency translations	11.6	0.2	1.1	0.3	0.1	0.1	-	<b>13.4</b>
Reclassifications <sup>(1)</sup>	-	0.6	-	-	-	0.7	-	<b>1.3</b>
<b>06.30.10</b>	<b>469.9</b>	<b>3.6</b>	<b>31.1</b>	<b>33.4</b>	<b>5.4</b>	<b>2.4</b>	<b>-</b>	<b>545.8</b>
Provisions/ Value losses	90.9	-	3.1	1.4	-	0.8	-	<b>96.2</b>
Exits	-	-	- 0.7	- 1.7	-	-	-	<b>- 2.4</b>
Write back/ Value losses	-	-	-	-	-	-	-	<b>-</b>
Variations in scope and others	-	-	-	-	-	-	-	<b>-</b>
Currency translations	- 10.5	- 0.2	- 0.8	- 0.4	-	- 0.1	-	<b>- 12.0</b>
Reclassifications	-	- 0.9	- 0.3	-	-	-	-	<b>- 1.2</b>
<b>06.30.11</b>	<b>550.3</b>	<b>2.5</b>	<b>32.4</b>	<b>32.7</b>	<b>5.4</b>	<b>3.1</b>	<b>-</b>	<b>626.4</b>

(1) During fiscal year 2009-2010, a germplasm goodwill reclassification operation of 0.1 million Euros was recorded, and also an intangible asset goodwill operation of 0.7 million Euros.

### 1.3 > NET VALUES

IN MILLIONS OF EUROS	DEVELOPMENT COSTS	GERMPLASM	SOFTWARE	PATENTS AND LICENSES	BRANDS	OTHER INTANGIBLE FIXED ASSETS	CURRENT FIXED ASSETS	TOTAL
06.30.09	160.1	209.6	4.8	7.7	33.9	0.5	4.1	<b>420.7</b>
06.30.10	183.7	229.6	7.0	12.8	32.7	3.7	3.7	<b>473.2</b>
<b>06.30.11</b>	<b>200.7</b>	<b>228.3</b>	<b>8.3</b>	<b>11.8</b>	<b>31.8</b>	<b>2.3</b>	<b>3.9</b>	<b>487.1</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>06.30.09 (net value)</b>	<b>0.8</b>	<b>1.1</b>	<b>1.9</b>
New fixed assets	0.1	0.2	<b>0.3</b>
Fixed assets taken out	- 0.1	–	<b>- 0.1</b>
Currency translations	–	–	<b>–</b>
Reclassifications	0.9	2.9	<b>3.8</b>
Provisions for amortization	- 0.3	- 1.1	<b>- 1.4</b>
<b>06.30.10 (net value)</b>	<b>1.4</b>	<b>3.1</b>	<b>4.5</b>
New fixed assets	0.1	–	<b>0.1</b>
Fixed assets taken out	- 0.2	–	<b>- 0.2</b>
Currency translations	–	–	<b>–</b>
Reclassifications	–	0.6	<b>0.6</b>
Provisions for amortization	- 0.2	- 1.3	<b>- 1.5</b>
<b>06.30.11 (net value)</b>	<b>1.1</b>	<b>2.4</b>	<b>3.5</b>

### 2.2 ➤ VALUE LOSS TEST

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 23 of “Accounting methods and principles in IFRS standards”. The evolution is as follows:

IN MILLIONS OF EUROS	SOFTWARE	PATENTS AND LICENSES	GERMPLASM	BRANDS	OTHER INTANGIBLE ASSETS	TOTAL
<b>06.30.09</b>	<b>–</b>	<b>1.8</b>	<b>1.8</b>	<b>3.2</b>	<b>–</b>	<b>6.8</b>
Fiscal year 09-10	–	–	0.2	<sup>(1)</sup> 2.0	0.2	<b>2.4</b>
<b>06.30.10</b>	<b>–</b>	<b>1.8</b>	<b>2.0</b>	<b>5.2</b>	<b>0.2</b>	<b>9.2</b>
Fiscal year 10-11	0.1	- 0.1	- 1.1	–	- 0.2	<b>- 1.3</b>
<b>06.30.11</b>	<b>0.1</b>	<b>1.7</b>	<b>0.9</b>	<b>5.2</b>	<b>–</b>	<b>7.9</b>

(1) This sum mainly concerns impairment of the Vita brand (1.9 million Euros).

## FINANCIAL AND LEGAL INFORMATION

## 2.3 &gt; VARIATIONS IN SCOPE

Variations in scope concern the following operations (net of amortization):

IN MILLIONS OF EUROS		TOTAL
<b>Fiscal year 10-11</b>		
None		-
<b>Total</b>		-
<b>Fiscal year 09-10</b>		
Atash Seeds		5.0
Investigacion Trigo		0.5
Limagrain South America		3.7
Mesa Maize		1.2
Su Tarim		0.6
Trio Research		0.4
<b>Total</b>		<b>11.4</b>

## Note 16: Tangible fixed assets

## 1 &gt; EVOLUTION OF NET BOOK VALUES

## 1.1 &gt; 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>06.30.09</b>	<b>26.8</b>	<b>143.2</b>	<b>55.7</b>	<b>109.7</b>	<b>12.3</b>	<b>38.3</b>	<b>14.8</b>	<b>400.8</b>
Acquisitions and increases	1.3	9.7	3.8	4.8	0.4	4.8	16.6	41.4
Exits	- 4.8	- 5.3	- 1.2	- 6.1	- 1.5	- 4.1	-	- 23.0
Variations in scope	1.1	6.5	2.9	0.9	0.5	2.1	-	14.0
Currency translations	2.2	10.9	1.5	5.4	0.8	2.1	0.4	23.3
Reclassifications	0.2	12.7	3.4	4.5	0.4	0.6	- 21.2	0.6
<b>06.30.10</b>	<b>26.8</b>	<b>177.7</b>	<b>66.1</b>	<b>119.2</b>	<b>12.9</b>	<b>43.8</b>	<b>10.6</b>	<b>457.1</b>
Acquisitions and increases	0.3	11.2	3.7	6.1	0.5	3.3	14.2	39.3
Exits	- 0.5	- 9.3	- 0.5	- 3.1	- 1.1	- 2.7	- 0.2	- 17.4
Variations in scope	0.1	1.2	0.5	1.5	0.2	-	-	3.5
Currency translations	- 1.1	- 8.3	- 0.5	- 5.3	- 0.9	- 1.3	- 0.2	- 17.6
Reclassifications	0.4	6.2	1.1	4.3	0.6	0.5	- 14.0	- 0.9
<b>06.30.11</b>	<b>26.0</b>	<b>178.7</b>	<b>70.4</b>	<b>122.7</b>	<b>12.2</b>	<b>43.6</b>	<b>10.4</b>	<b>464.0</b>

## 1.2 ► AMORTIZATION AND VALUE LOSSES

IN MILLIONS OF EUROS	LAND AND FITTINGS	CONSTRUCTIONS AND FITTINGS	COMPLEX INSTALLATIONS	INDUSTRIAL EQUIPMENT	OFFICE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	CURRENT FIXED ASSETS	TOTAL
<b>06.30.09</b>	<b>1.8</b>	<b>77.0</b>	<b>40.8</b>	<b>83.0</b>	<b>10.0</b>	<b>27.6</b>	<b>-</b>	<b>240.2</b>
Provisions/ value losses	0.2	6.1	3.4	6.4	1.0	3.1	-	<b>20.2</b>
Exits	-	- 4.4	- 1.2	- 6.0	- 1.4	- 3.8	-	<b>- 16.8</b>
Variations in scope	-	5.2	2.7	0.6	0.4	1.6	-	<b>10.5</b>
Currency translations	-	4.6	1.0	3.5	0.5	1.6	-	<b>11.2</b>
Reclassifications	-	-	-	0.8	-	-	-	<b>0.8</b>
<b>06.30.10</b>	<b>2.0</b>	<b>88.5</b>	<b>46.7</b>	<b>88.3</b>	<b>10.5</b>	<b>30.1</b>	<b>-</b>	<b>266.1</b>
Provisions/ value losses	0.2	6.3	3.4	7.1	0.9	3.4	-	<b>21.3</b>
Exits	-	- 7.2	- 0.4	- 2.9	- 1.1	- 2.4	-	<b>- 14.0</b>
Variations in scope	-	0.4	0.2	0.4	0.1	-	-	<b>1.1</b>
Currency translations	- 0.1	- 3.4	- 0.2	- 3.6	- 0.6	- 0.9	-	<b>- 8.8</b>
Reclassifications	-	-	- 0.9	1.3	0.1	- 0.7	-	<b>- 0.2</b>
<b>06.30.11</b>	<b>2.1</b>	<b>84.6</b>	<b>48.8</b>	<b>90.6</b>	<b>9.9</b>	<b>29.5</b>	<b>-</b>	<b>265.5</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
06.30.09	25.0	66.2	14.9	26.7	2.3	10.7	14.8	<b>160.6</b>
06.30.10	24.8	89.2	19.4	30.9	2.4	13.7	10.6	<b>191.0</b>
<b>06.30.11</b>	<b>23.9</b>	<b>94.1</b>	<b>21.6</b>	<b>32.1</b>	<b>2.3</b>	<b>14.1</b>	<b>10.4</b>	<b>198.5</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	COMPLEX INSTALLATIONS	OTHER TANGIBLE FIXED ASSETS	TOTAL
06.30.09	1.4	0.2	0.2	<b>1.8</b>
06.30.10	1.3	-	0.2	<b>1.5</b>
<b>06.30.11</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>0.1</b>

## FINANCIAL AND LEGAL INFORMATION

## 2.2 &gt; VALUE LOSS TEST

A value loss test has been conducted in accordance with the methodology described in Note 1 paragraph 23 of "Accounting methods and principles in IFRS standards". The evolution is as follows:

IN MILLIONS OF EUROS	INSTALLATIONS, EQUIPMENT AND OTHERS	CONSTRUCTIONS	TOTAL
<b>06.30.09</b>	–	–	–
Fiscal year 09-10	–	0.3	<b>0.3</b>
<b>06.30.10</b>	–	<b>0.3</b>	<b>0.3</b>
Fiscal year 10-11	–	–	–
<b>06.30.11</b>	–	<b>0.3</b>	<b>0.3</b>

## 2.3 &gt; VARIATIONS IN SCOPE

Variations in scope concern the following operations (net of amortization):

IN MILLIONS OF EUROS	
<b>Fiscal year 10-11</b>	
Limagrain Guerra do Brasil	<b>2.4</b>
<b>Total</b>	<b>2.4</b>
<b>Fiscal year 09-10</b>	
Atash Seeds	<b>0.2</b>
Clovis Matton	<b>0.8</b>
Dalian Mikado	<b>0.1</b>
Mesa Maize	<b>0.9</b>
Su Tarim	<b>1.5</b>
<b>Total</b>	<b>3.5</b>

## 2.4 &gt; COMMITMENTS ON LEASING CONTRACTS

IN MILLIONS OF EUROS	TOTAL	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Direct financing lease	<b>3.2</b>	1.5	1.6	0.1
Simple lease contracts	<b>26.5</b>	7.8	16.1	2.6



## 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>06.30.09</b>	<b>25.3</b>	<b>3.3</b>	<b>5.8</b>	<b>34.4</b>
Increases	19.9	–	1.1	<b>21.0</b>
Decreases	- 8.0	–	- 0.6	<b>- 8.6</b>
Variations in scope	0.4	–	–	<b>0.4</b>
Currency translations	0.1	0.2	0.5	<b>0.8</b>
Reclassifications	- 0.2	0.1	0.1	<b>–</b>
<b>06.30.10</b>	<b>37.5</b>	<b>3.6</b>	<b>6.9</b>	<b>48.0</b>
Increases	–	–	12.7	<b>12.7</b>
Decreases	- 10.8	–	- 12.1	<b>- 22.9</b>
Variations in scope	0.3	–	–	<b>0.3</b>
Currency translations	–	–	- 0.4	<b>- 0.4</b>
Reclassifications	0.1	- 0.1	–	<b>–</b>
<b>06.30.11</b>	<b>27.1</b>	<b>3.5</b>	<b>7.1</b>	<b>37.7</b>

#### 1.2 ► PROVISIONS

IN MILLIONS OF EUROS	FINANCIAL ASSETS AVAILABLE FOR SALE	OTHER NON-CURRENT FINANCIAL ASSETS	LOANS AND OTHER RECEIVABLES	TOTAL
<b>06.30.09</b>	<b>3.9</b>	<b>2.1</b>	<b>0.3</b>	<b>6.3</b>
Provisions	–	–	–	<b>–</b>
Write-back	–	–	–	<b>–</b>
Variations in scope	–	–	–	<b>–</b>
Currency translations	0.1	–	–	<b>0.1</b>
Reclassifications	- 0.2	–	–	<b>- 0.2</b>
<b>06.30.10</b>	<b>3.8</b>	<b>2.1</b>	<b>0.3</b>	<b>6.2</b>
Provisions	2.0	–	–	<b>2.0</b>
Write-back	–	–	- 0.1	<b>- 0.1</b>
Variations in scope	0.3	–	–	<b>0.3</b>
Currency translations	–	–	–	<b>–</b>
Reclassifications	–	–	–	<b>–</b>
<b>06.30.11</b>	<b>6.1</b>	<b>2.1</b>	<b>0.2</b>	<b>8.4</b>

#### 1.3 ► NET VALUES

IN MILLIONS OF EUROS	FINANCIAL ASSETS AVAILABLE FOR SALE	OTHER NON-CURRENT FINANCIAL ASSETS	LOANS AND OTHER RECEIVABLES	TOTAL
06.30.09	21.4	1.2	5.5	<b>28.1</b>
06.30.10	33.7	1.5	6.6	<b>41.8</b>
<b>06.30.11</b>	<b>21.0</b>	<b>1.4</b>	<b>6.9</b>	<b>29.3</b>

## FINANCIAL AND LEGAL INFORMATION

## 2 &gt; FURTHER INFORMATION

## 2.1 &gt; FINANCIAL ASSETS HELD FOR SALE

Non-consolidated equity interests appear on this line. They are assessed in compliance with the rules described in Note 1 paragraph 21.1 of the "Accounting methods and principles in IFRS standards".

The contents of this item are set out below:

COMPANIES	06.30.11		06.30.10		FINANCIAL DATA IN LAST KNOWN BALANCE SHEET	
	% HELD	NET (IN M€)	% HELD	NET (IN M€)	EQUITY (IN M€)	RESULT (IN M€)
Morning	–	–	41.71	10.7	–	–
Avesthagen	4.60	0.0	4.60	2.0	Not available	Not available
Arcadia	7.25	18.9	7.25	18.9	Not available	Not available
Miscellaneous	–	2.1	–	2.1	–	–
<b>Total</b>	<b>–</b>	<b>21.0</b>	<b>–</b>	<b>33.7</b>	<b>–</b>	<b>–</b>

## 2.2 &gt; VARIATIONS IN SCOPE

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

IN MILLIONS OF EUROS	
<b>Fiscal year 10-11</b>	
None	–
<b>Total</b>	<b>–</b>
<b>Fiscal year 09-10</b>	
Clovis Matton	0.4
<b>Total</b>	<b>0.4</b>

## Note 18: Equity shares

## 1 &gt; DETAILS OF EQUITY SHARES ARE AS FOLLOWS

IN MILLIONS OF EUROS		06.30.11	06.30.10	06.30.09
Australian Grain Technologies		8.2	7.5	6.1
Bio Seeds		3.8	3.8	3.3
Top Green		1.7	1.6	1.6
Unisigma		0.4	0.2	0.3
Genoplante Valor		1.8	1.8	1.8
Yuan Longping High-Tech		–	30.1	29.2
Total		15.9	45.0	42.3
Variation for the fiscal year	- 29.1	2.7	11.9	

## 2 ➤ FURTHER INFORMATION

Variation for the fiscal year corresponds to the items below:

IN MILLIONS OF EUROS	10-11		09-10	
Proportion of income for the fiscal year	-	0.6	-	0.5
➤ Australian Grain Technologies	0.4	-	- 0.5	-
➤ Bio Seeds	-	-	0.6	-
➤ Genoplante Valor	-	-	-	-
➤ Yuan Longping High-Tech	-	-	0.4	-
➤ Top Green	0.1	-	0.1	-
➤ Unisigma	0.1	-	- 0.1	-
Variation in scope, variation in percentages of interest and others	-	(1) - 30.1	-	(2) 0.7
Distributions	-	0.1	-	- 0.7
Currency translation	-	0.3	-	2.2
<b>Total</b>	-	- 29.1	-	2.7

(1) For fiscal year 2010-2011:

Disposal of all the shares held in Yuan Longping High-Tech - 30.1

(2) For fiscal year 2009-2010:

Increase of the stake held in Australian Grain Technologies + 1.0

Increase of the stake held in Bio Seeds + 0.3

Decrease of the stake held in Yuan Longping High-Tech - 0.6

0.7

## 3 ➤ FINANCIAL INFORMATION OF THE MAIN EQUITY SHARES

### 3.1 ➤ FOR FISCAL YEAR 2010-2011

IN MILLIONS OF EUROS	BIO SEEDS (1)	TOP GREEN	UNISIGMA	GENOPLANTE VALOR (1)	AUSTRALIAN GRAIN TECHNOLOGIES (2)
Sales	17.2	21.0	2.8	0.4	0.2
Net income	1.7	0.3	0.3	-	- 1.8
Assets	21.3	7.1	2.2	7.1	9.7
Liabilities (excluding equity)	4.4	2.0	1.3	3.8	1.9

(1) Accounts closed on December 31<sup>st</sup> 2010

(2) Accounts closed on September 30<sup>th</sup> 2010

### 3.2 ➤ FOR FISCAL YEAR 2009-2010

IN MILLIONS OF EUROS	YUAN LONGPING HIGH-TECH	BIO SEEDS	TOP GREEN	UNISIGMA	GENOPLANTE VALOR (1)	AUSTRALIAN GRAIN TECHNOLOGIES (2)
Sales	132.7	Not available	19.7	0.9	0.7	0.2
Net income	9.9	Not available	0.1	- 0.1	-	- 2.3
Assets	239.0	Not available	8.0	2.0	6.7	10.9
Liabilities (excluding equity)	109.6	Not available	3.1	1.5	3.4	1.9

(1) Accounts closed on December 31<sup>st</sup> 2009

(2) Account closed on September 30<sup>th</sup> 2009

## FINANCIAL AND LEGAL INFORMATION

## Note 19: Inventories

## 1 &gt; EVOLUTION OF NET BOOK VALUES

IN MILLIONS OF EUROS	06.30.11			06.30.10			06.30.09		
	GROSS VALUE	PROVISION	NET VALUE	GROSS VALUE	PROVISION	NET VALUE	GROSS VALUE	PROVISION	NET VALUE
Raw materials and other supplies	88.1	- 3.5	84.6	92.0	- 3.5	88.5	48.5	- 3.3	45.2
Production in progress	84.8	- 11.2	73.6	54.7	- 4.3	50.4	45.0	- 4.2	40.8
Goods	58.6	- 6.2	52.4	68.6	- 6.3	62.3	65.7	- 5.7	60.0
Finished products	102.4	- 23.0	79.4	145.2	- 25.7	119.5	138.0	- 26.6	111.4
<b>Total</b>	<b>333.9</b>	<b>- 43.9</b>	<b>290.0</b>	<b>360.5</b>	<b>- 39.8</b>	<b>320.7</b>	<b>297.2</b>	<b>- 39.8</b>	<b>257.4</b>
Variation for the fiscal year	-	-	- 30.7	-	-	63.3	-	-	-

## 2 &gt; FURTHER INFORMATION

## 2.1 &gt; VARIATIONS FOR THE FISCAL YEAR CORRESPOND TO THE FOLLOWING ITEMS

IN MILLIONS OF EUROS	10-11		09-10	
Variations in scope (net of provisions)	-	- 0.1	-	2.8
Variations in gross values	-	- 10.6	-	39.1
Variations in provisions including:	-	- 5.3	-	2.5
> New provisions	- 28.6	-	- 23.9	-
> Provisions used	13.1	-	20.8	-
> Provisions written back	10.2	-	5.6	-
Reclassifications	-	-	-	0.1
Currency translations	-	- 14.7	-	18.8
<b>Total</b>	<b>-</b>	<b>- 30.7</b>	<b>-</b>	<b>63.3</b>

## 2.2 &gt; VARIATIONS IN SCOPE CONCERN

IN MILLIONS OF EUROS	TOTAL
<b>Fiscal year 10-11</b>	
Flora Geissler GmbH	- 0.1
<b>Total</b>	<b>- 0.1</b>
<b>Fiscal year 09-10</b>	
Atash Seeds	0.3
Clovis Matton	1.2
Dalian Mikado	0.3
Mesa Maize	0.5
Su Tarim	0.5
<b>Total</b>	<b>2.8</b>

**2.3 > PROVISIONS** are made in accordance with the methods described in Note 1 paragraph 13 of the "Accounting methods and principles in IFRS standards". Their evolution, as a percentage of the gross value of inventory, was as follows:

- > On June 30<sup>th</sup> 2009: 13.4%
- > On June 30<sup>th</sup> 2010: 11.0%
- > On June 30<sup>th</sup> 2011: 13.1%

## Note 20: Trade receivables

### 1 > EVOLUTION OF NET BOOK VALUES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Customer receivables	360.5	352.0	315.0
Advance payment to suppliers	16.1	13.9	13.9
Personnel and social security	1.6	1.8	1.2
State, income taxes	33.1	9.8	29.2
Other tax receivables	33.5	38.0	31.7
Other operating receivables	38.5	17.5	22.2
Prepayments	11.2	12.1	11.4
<b>Gross total</b>	<b>494.5</b>	<b>445.1</b>	<b>424.6</b>
Customer receivables	- 11.0	- 10.6	- 9.7
Advance payment to suppliers	-	- 0.1	-
Other operating receivables	- 0.1	- 0.1	- 0.1
<b>Total provisions</b>	<b>- 11.1</b>	<b>- 10.8</b>	<b>- 9.8</b>
<b>Net book values</b>	<b>483.4</b>	<b>434.3</b>	<b>414.8</b>
<b>Variation for the fiscal year</b>	<b>49.1</b>	<b>19.5</b>	<b>-</b>

### 2 > FURTHER INFORMATION

#### 2.1 > VARIATIONS FOR THE FISCAL YEAR COMPRISE THE FOLLOWING MAIN ITEMS

IN MILLIONS OF EUROS	10-11		09-10	
Variations in scope (net of provisions)	-	- 0.8	-	7.0
Variations in provisions including	-	- 0.8	-	0.1
> New provisions	- 6.1	-	- 4.3	-
> Provisions used	2.5	-	3.3	-
> Provisions written back	2.8	-	1.1	-
Other variations	-	73.3	-	- 13.7
Reclassifications	-	0.6	-	- 0.2
Currency translations	-	- 23.2	-	26.3
<b>Total</b>	<b>-</b>	<b>49.1</b>	<b>-</b>	<b>19.5</b>

## FINANCIAL AND LEGAL INFORMATION

## 2.2 &gt; VARIATIONS IN SCOPE CONCERN

IN MILLIONS OF EUROS	
<b>Fiscal year 10-11</b>	
Cylonie Ré	- 0.5
Hazera Genetics Mexico (2000) Ltd	- 0.1
Flora Geissler GmbH	- 0.2
<b>Total</b>	<b>- 0.8</b>
<b>Fiscal year 09-10</b>	
Atash Seeds	0.4
Belgian Seeds Company	0.3
Clovis Matton	3.9
Dalian Mikado	0.1
De Wulf & Co	0.2
Mesa Maize	0.4
Seedline	0.1
Su Tarim	1.6
<b>Total</b>	<b>7.0</b>

*Note 21: Cash and cash equivalents*

## 1 &gt; EVOLUTION OF FAIR VALUES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Financial current accounts	2.8	2.5	2.5
Placement securities held for purposes of transaction	248.1	265.8	172.4
Cash and bank in hand	120.4	105.3	77.0
<b>Total</b>	<b>371.3</b>	<b>373.6</b>	<b>251.9</b>
<b>Variation for the fiscal year</b>	<b>- 2.3</b>	<b>121.7</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	
<b>Fiscal year 10-11</b>	
Variations in scope	- 23.5
Variation of gross values	32.4
Currency translations	- 11.4
Reclassifications	0.2
<b>Total</b>	<b>- 2.3</b>
<b>Fiscal year 09-10</b>	
Variations in scope	7.0
Variation of gross values	103.9
Currency translations	10.8
<b>Total</b>	<b>121.7</b>

### 2.2 > VARIATIONS IN SCOPE CONCERN

IN MILLIONS OF EUROS	
<b>Fiscal year 10-11</b>	
Limagrain Guerra do Brasil	4.1
Limagrain Magyarország	- 0.7
Cylone Ré	- 26.4
Vilmorin Luxembourg	- 0.1
Changsa Xindaxin Vilmorin Agri-Business Co. Ltd	- 0.3
Flora Geissler GmbH	- 0.1
<b>Total</b>	<b>- 23.5</b>
<b>Fiscal year 09-10</b>	
Atash Seeds	4.3
Belgian Seeds Company	0.1
Ceres Nederland	0.1
Clovis Matton	0.3
Dalian Mikado	0.1
De Wulf & Co	0.1
Limagrain Bulgaria	1.0
Mesa Maize	0.8
Trio Research	0.1
Su Tarim	0.1
<b>Total</b>	<b>7.0</b>

## FINANCIAL AND LEGAL INFORMATION

## Note 22: Shareholders' equity – attributable to controlling company

### 1 > COMPOSITION OF THE SHAREHOLDERS' EQUITY

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Parent stock	262.6	262.6	204.2
Issue premium	350.5	350.5	210.9
Parent legal reserve	12.7	11.0	9.2
Other parent reserves	17.1	10.4	1.6
Consolidation reserves and others	217.2	203.3	184.7
Currency translation reserves	- 23.1	21.1	- 26.1
Income for the fiscal year	91.0	54.1	53.0
<b>Total</b>	<b>928.0</b>	<b>913.0</b>	<b>637.5</b>
<b>Variation for the fiscal year</b>	<b>15.0</b>	<b>275.5</b>	

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

### 2 > FURTHER INFORMATION

#### 2.1 > VILMORIN'S SHARE CAPITAL

Vilmorin's share capital comprises 17,218,101 a shares, each with a nominal value of 15.25 Euros.

The company's by-laws stipulate that for the purpose of General Meetings, without prejudice to restrictions resulting from any laws and decrees in force, each member of the General Meetings may cast as many votes as the number of shares he or she owns or represents, without any limits.

Nevertheless, double voting rights compared to other shares, considering the share capital quota they represent, are granted to any shares fully paid up for which it can be proven that they have been registered

in the name of the same shareholder for a period of at least four years.

This right is also granted in the case of any increase in share capital through incorporation of reserves, and as soon as they are issued, for any nominative shares granted without cost to any shareholder who holds former shares that benefit from this right.

#### 2.2 > CHARACTERISTICS OF THE OCEANE BONDS (BONDS CONVERTIBLE INTO NEW OR EXISTING SHARES)

On June 6<sup>th</sup> 2008 Vilmorin issued Oceane bonds. This financial instrument involves both a financial debt component and an equity component. The accounting principle applied to these instruments is set out in Note 1 paragraph 21.4 of the "Accounting methods and principles in IFRS standards".

#### > Characteristics of the Oceane convertible bonds issued by Vilmorin:

Issuing company	Vilmorin
Date of entitlement	June 6 <sup>th</sup> 2008
Number of bonds issued	958,579
Number of bonds in circulation	958,558 <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 <sup>st</sup> 2015 with possibility of early redemption on July 1 <sup>st</sup> 2013
Normal redemption conditions	1 Vilmorin share for 1 bond

(1) In July 2010, a private investor requested conversion of 21 Oceane bonds. Therefore, on June 30<sup>th</sup> 2011, the total of Ocean bonds in circulation was 958,558.



➤ 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>06.30.09</b>	<b>149.5</b>	<b>135.7</b>	<b>4.6</b>	<b>9.2</b>
Restatement of the interest on the debt component in 2009-2010	–	3.1	- 1.0	- 2.1
<b>06.30.10</b>	<b>149.5</b>	<b>138.8</b>	<b>3.6</b>	<b>7.1</b>
Restatement of the interest on the debt component in 2010-2011	–	3.3	- 1.1	- 2.2
<b>06.30.11</b>	<b>149.5</b>	<b>142.1</b>	<b>2.5</b>	<b>4.9</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	06.30.11	06.30.10	06.30.09
Consolidation reserve and others	<b>104.5</b>	123.2	111.6
Currency translation reserve	<b>- 2.9</b>	3.0	- 2.5
Income for the fiscal year	<b>6.3</b>	6.0	7.2
<b>Total</b>	<b>107.9</b>	<b>132.2</b>	<b>116.3</b>
<b>Variation for the fiscal year</b>	<b>- 24.3</b>	<b>15.9</b>	

Variations for the fiscal year are analyzed in the table "Variations in consolidated equity".

#### 2 ➤ FURTHER INFORMATION

➤ Characteristics of the equity notes issued by Limagrain Europe:

The equity notes issued by Limagrain Europe which mature on December 31<sup>st</sup> 2010 were converted into 9,032 Limagrain Europe shares, with a nominal value of 0.1 million Euros and an issue premium of 5.6 million Euros.

The equity notes issued by Limagrain Europe which mature on December 31<sup>st</sup> 2011 were purchased by the group during the course of the fiscal year.

➤ The impact of equity notes on the equity is as follows:

IN MILLIONS OF EUROS	GROSS TOTAL OF EQUITY NOTES	IMPACT ON THE BALANCE SHEET		
		DEBTS COMPONENT	DEFERRED TAXES ASSETS	EQUITY COMPONENTS
<b>06.30.09</b>	<b>11.5</b>	<b>0.7</b>	<b>- 0.2</b>	<b>11.0</b>
Restatement of the interest on the debt component in 2009-2010	–	- 0.4	0.1	0.3
<b>06.30.10</b>	<b>11.5</b>	<b>0.3</b>	<b>- 0.1</b>	<b>11.3</b>
Liquidation of operations (tranche A)	- 5.8	–	–	- 5.8
Restatement of the interest on the debt component in 2010-2011	–	- 0.3	0.1	0.2
<b>06.30.11</b>	<b>5.7</b>	<b>–</b>	<b>–</b>	<b>5.7</b>

## FINANCIAL AND LEGAL INFORMATION

**Note 24: Provisions for employee benefits**

Provisions for employee benefits are analyzed as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10
Provisions for lump sums paid at retirement	9.2	8.6
Commitments for "work medal" bonuses and other benefits	0.6	0.5
Pension plans	13.2	12.3
<b>Provisions for employee benefits</b>	<b>23.0</b>	<b>21.4</b>
<i>Including:</i>		
➤ Provision for employee benefits (non current share)	22.8	21.3
➤ Provision for employee benefits (current share)	0.2	0.1
<b>Provisions for employee benefits</b>	<b>23.0</b>	<b>21.4</b>
Financial assets	- 1.0	- 1.0
<b>Net recorded commitment</b>	<b>22.0</b>	<b>20.4</b>

The evaluation rules applied to this line are described in Note 1 paragraph 16 of the "Accounting methods and principles in IFRS standards".

- Lump sums paid at retirement mainly concern French companies.  
During the course of fiscal 2002-2003, the convention that applies to a certain number of Vilmorin's companies was modified with retroactive effect. The impact of this change on past services is amortized over the average remaining time of activity for the employees

concerned, which has been estimated to be nineteen years at the date of the change. Consequently the provision made on June 30<sup>th</sup> 2011 does not include the extra commitment of 0.5 million Euros.

- Commitments for "work medal" bonuses and other benefits mainly concern French companies.
- There are also multi-employer plans which are accounted for in the same way as defined benefit schemes, since insufficient information is available to account for them otherwise.

**1 > EVOLUTION OVER THE COURSE OF THE FISCAL YEAR**

The evolution of the current value of obligations with regard to defined contribution plans and other long-term benefits is as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10
<b>Current value of obligations at opening of the fiscal year</b>	<b>142.5</b>	<b>120.7</b>
Cost of services rendered for the year (net of contributions)	3.2	2.4
Financial cost	7.0	6.7
Participants' contributions	0.3	0.3
Net actuarial losses or gains	- 6.3	15.0
Welfare services paid out	- 8.2	- 5.8
Cost of past services recorded	-	-
Effect of liquidation/reduction of future services	- 0.9	(1) - 6.6
Currency translations and others	- 12.4	9.8
<b>Current value of obligations at close of the fiscal year</b>	<b>125.2</b>	<b>142.5</b>

(1) The sum recorded in Effect of liquidation on June 30<sup>th</sup> 2010 is mainly due to the transfer of the commitments to an insurer for the inactive personnel in the Netherlands.

Evolution of the fair value of the assets of defined contribution plans is as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10
<b>Fair value of forward assets at opening of the fiscal year</b>	<b>96.0</b>	<b>81.9</b>
Expected returns on forward assets	5.7	5.1
Net actuarial losses or gains	6.8	10.3
Employers' contributions	3.0	3.5
Participants' contributions	0.3	0.3
Welfare services paid out	- 7.2	- 4.9
Effect of liquidation/reduction of future services	- 0.9	- 6.4
Currency translations and others	- 10.8	6.3
<b>Fair value of forward assets at close of the fiscal year</b>	<b>92.9</b>	<b>96.0</b>

## 1.1 > FURTHER INFORMATION

### 1.1.1 > Information on the funding assets

Employee benefit assets do not include land and premises occupied by the companies of Vilmorin or any other assets used by Vilmorin.

The fair value of employee benefit assets does not include any securities issued by Vilmorin.

### 1.1.2 > Information on the fair value of the assets

The fair value of employee benefit schemes is analyzed as follows:

> Ordinary shares	50%
> Bonds	34%
> Real estate	5%
> Others	11%

### 1.1.3 > Information on the true yield of the assets

The true yield of assets of benefit schemes was 12.5 million Euros in 2011 as opposed to 15.4 million Euros in 2010.

## 2 > RECONCILIATION OF ASSETS AND LIABILITIES RECORDED ON THE BALANCE SHEET

A comparison of balance sheet data with the actuarial obligation concerning defined contribution plans can be analyzed as follows on June 30<sup>th</sup> 2011:

IN MILLIONS OF EUROS	06.30.11	06.30.10
Adjusted value of the commitment	125.2	142.5
Fair value of assets of defined contributions plans	- 92.9	- 96.0
<b>Deficit/(Surplus)</b>	<b>32.3</b>	<b>46.5</b>
Unrecorded actuarial differences	- 9.7	- 26.5
Unrecorded costs of past services	- 0.6	- 0.7
Others	-	2.1
<b>Provisions for employee benefits</b>	<b>22.0</b>	<b>21.4</b>

## FINANCIAL AND LEGAL INFORMATION

## 2.1 &gt; FURTHER INFORMATION

## 2.1.1 &gt; Method used to record actuarial gains and losses (the corridor method)

Actuarial gains and losses that exceed 10% of the commitment or assets are amortized over the estimated remaining time of activity of the participants.

## 2.1.2 &gt; General description of the types of schemes

Defined benefit pension schemes are mainly to be found in the United Kingdom and the United States. There is

no other post retirement health scheme that comes into effect after employment. Other long-term benefits are "work medal" long service bonuses.

Non-financed commitments cover lump sums for retirement paid out mainly in France and "work medal" long service bonuses, and also certain benefits and the pension plan in Japan.

## 2.1.3 &gt; Actuaries

The figures for commitments for defined employee benefit schemes have been determined by qualified actuaries.

## 3 &gt; RECORDED CHARGE

The total recorded charge for defined contribution plans and other long-term benefits are analyzed as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10
Cost of services rendered	3.4	2.4
Financial cost	7.0	6.7
Expected return on assets	- 5.7	- 5.1
Other charges	-	-
Recognized actuarial losses or gains	1.5	1.2
Cost of past services recognized	0.1	0.1
Effect of liquidations/reductions	-	0.1
<b>Total</b>	<b>6.3</b>	<b>5.4</b>

## 4 &gt; ACTUARIAL HYPOTHESIS

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

## &gt; Europe

AS A %	EUROPE (EXCEPT UNITED KINGDOM)		UNITED KINGDOM	
	2011	2010	2011	2010
Adjustment rate	5.25 to 5.50	5.00 to 5.50	5.50 to 5.60	5.50
Expected return on assets	1.70 to 5.00	1.70 to 5.00	6.40 to 6.87	6.80 to 6.87
Salaries progression rate	1.00 to 2.50	1.00 to 2.50	4.00 to 4.50	4.00 to 4.50
Pension fund inflation rate	1.50 to 2.00	1.50 to 2.00	2.50 to 3.50	2.50 to 3.50

## &gt; Americas

AS A %	2011	2010
Adjustment rate	5.58	5.58
Expected return on assets	7.50	7.50
Salaries progression rate	5.00	5.00
Pension fund inflation rate	0.00	0.00

## ► Middle East and Asia

AS A %	2011	2010
Adjustment rate	2.00 to 2.50	2.00 to 5.08
Expected return on assets	2.20 to 2.50	2.20 to 2.50
Salaries progression rate	2.50 to 6.17	2.50 to 6.17
Pension fund inflation rate	0.00	0.00

## 5 ► GEOGRAPHICAL ANALYSIS OF RIGHTS

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

IN MILLIONS OF EUROS	06.30.11	06.30.10
France	9.6	9.8
Europe (except France)	75.2	88.8
Americas	29.9	33.7
Middle East/Asia	10.5	10.2
<b>Adjusted value of rights</b>	<b>125.2</b>	<b>142.5</b>

## 6 ► SCHEMES WITH DEFINED CONTRIBUTIONS

IN MILLIONS OF EUROS	06.30.11			06.30.10
	SCHEMES WITH DEFINED CONTRIBUTIONS	MULTI-EMPLOYER SCHEMES	TOTAL SCHEMES	TOTAL SCHEMES
Charges recorded in the income statement	2.1	0.8	2.9	2.7
Social contributions	–	–	–	–
Pre-paid charges	–	–	–	–

## Note 25: Deferred taxes

## 1 ► EVOLUTION OF BOOK VALUES

IN MILLIONS OF EUROS	DEFERRED TAXES ASSETS	DEFERRED TAXES LIABILITIES	IMPACT ON THE INCOME	IMPACT ON THE RESERVES
<b>06.30.09</b>	<b>13.0</b>	<b>82.6</b>	<b>- 3.8</b>	<b>4.3</b>
Variations in scope	0.1	2.6	–	–
Variations influencing income from continuing operations	0.8	2.4	- 1.6	–
Reclassifications	- 4.5	- 4.5	–	–
Variations influencing reserves	3.9	3.7	–	0.2
Currency translations	1.0	1.6	–	–
<b>06.30.10</b>	<b>14.3</b>	<b>88.4</b>	<b>- 1.6</b>	<b>0.2</b>
Variations in scope	–	- 6.5	–	–
Variations influencing income from continuing operations	3.6	6.5	- 2.9	–
Reclassifications	1.3	1.3	–	–
Variations influencing reserves	- 1.4	–	–	- 1.4
Currency translations	- 0.9	- 1.4	–	–
<b>06.30.11</b>	<b>16.9</b>	<b>88.3</b>	<b>- 2.9</b>	<b>- 1.4</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”.

## FINANCIAL AND LEGAL INFORMATION

## 2 &gt; FURTHER INFORMATION

## 2.1 &gt; VARIATIONS IN SCOPE

Variations in scope concern:

IN MILLIONS OF EUROS	DEFERRED TAXES ASSETS	DEFERRED TAXES LIABILITIES
<b>10-11</b>		
Cylone Ré	–	- 6.5
<b>Total</b>	<b>–</b>	<b>- 6.5</b>
<b>09-10</b>		
Mesa Maize	–	0.8
Su Tarim	0.1	–
Clovis Matton	–	0.3
Limagrain South America	–	1.2
Investigacion Trigo	–	0.2
Trio Research	–	0.1
<b>Total</b>	<b>0.1</b>	<b>2.6</b>

## 2.2 &gt; VARIATIONS INFLUENCING RESERVES

IN MILLIONS OF EUROS	DEFERRED TAXES ASSETS	DEFERRED TAXES LIABILITIES	NET DEFERRED TAXES
<b>10-11</b>			
Forward cover	- 1.4	–	- 1.4
Others	–	–	–
<b>Total</b>	<b>- 1.4</b>	<b>–</b>	<b>- 1.4</b>
<b>09-10</b>			
Forward cover	3.9	3.7	0.2
Others	–	–	–
<b>Total</b>	<b>3.9</b>	<b>3.7</b>	<b>0.2</b>

## Note 26: Other current provisions

## 1 &gt; EVOLUTION OF BOOK VALUES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Commercial litigation	1.7	2.2	2.7
Other risks and litigation	5.3	4.8	10.5
Reorganization costs	4.7	7.4	6.0
Employee benefits	0.1	0.1	0.1
<b>Total</b>	<b>11.8</b>	<b>14.5</b>	<b>19.3</b>
<b>Variation for the fiscal year</b>	<b>- 2.7</b>	<b>- 4.8</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>10-11</b>		
Variations in scope	–	- 0.6
Variations in provisions	–	- 2.0
> Provisions for the fiscal year	4.0	–
> Write-back used	- 3.5	–
> Write-back not used	- 2.5	–
Reclassifications	–	0.1
Currency fluctuations	–	- 0.2
<b>Total</b>	<b>–</b>	<b>- 2.7</b>
<b>09-10</b>		
Variations in scope	–	1.5
Variations in provisions	–	- 6.6
> Provisions for the fiscal year	7.2	–
> Write-back used	- 11.8	–
> Write-back not used	- 2.0	–
Reclassifications	–	–
Currency fluctuations	–	0.3
<b>Total</b>	<b>–</b>	<b>- 4.8</b>

### 2.2 > VARIATIONS IN SCOPE CONCERN THE FOLLOWING OPERATIONS

IN MILLIONS OF EUROS		TOTAL
<b>10-11</b>		
Cylonie Ré		- 0.6
<b>Total</b>		<b>- 0.6</b>
<b>09-10</b>		
Atash Seeds		0.5
Limagrain Bulgaria		1.0
<b>Total</b>		<b>1.5</b>

## FINANCIAL AND LEGAL INFORMATION

## Note 27: Current and non-current financial debts

## 1 &gt; COMPOSITION OF THE FINANCIAL DEBTS

## 1.1 &gt; NON-CURRENT FINANCIAL DEBTS

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Bank loans	279.6	203.9	207.1
Debt component of the equity notes <sup>(1)</sup>	–	–	0.2
Debt component of the Oceane convertible bonds <sup>(2)</sup>	142.1	138.8	135.7
Minority redemption commitments	16.3	8.6	3.2
Derivatives <sup>(3)</sup>	2.8	10.0	9.8
Lease/hire purchase	0.1	1.1	1.2
Other financial debts	1.0	0.8	1.0
<b>Total</b>	<b>441.9</b>	<b>363.2</b>	<b>358.2</b>
<b>Variation for the fiscal year</b>	<b>78.7</b>	<b>5.0</b>	<b>–</b>

(1) cf. Note 23

(2) cf. Note 22

(3) cf. Note 30

## 1.2 &gt; CURRENT FINANCIAL DEBTS

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Bank loans	154.6	241.2	260.0
Debt component of the equity notes <sup>(1)</sup>	–	0.3	0.5
Lease/hire purchase	0.1	0.2	0.2
Derivatives <sup>(2)</sup>	- 0.8	- 0.8	- 0.8
Current accounts	37.0	4.2	4.3
Other financial debts	1.5	6.2	0.2
Interest incurred	7.2	6.9	7.0
<b>Total</b>	<b>199.6</b>	<b>258.2</b>	<b>271.4</b>
<b>Variation for the fiscal year</b>	<b>- 58.6</b>	<b>- 13.2</b>	<b>–</b>

(1) cf. Note 23

(2) cf. Note 30

## 1.3 &gt; NET FINANCIAL INDEBTEDNESS

Financial indebtedness, net of cash and bank in hand, has evolved as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Non-current financial debts	441.9	363.2	358.2
Current financial debts	199.6	258.2	271.4
Cash and bank in hand (cf. Note 21)	- 371.3	- 373.6	- 251.9
<b>Net financial debts</b>	<b>270.2</b>	<b>247.8</b>	<b>377.7</b>
<b>Variation for the fiscal year</b>	<b>22.4</b>	<b>- 129.9</b>	<b>–</b>

The rules applied for recording financial debts are described in Note 1 paragraphs 21.3, 21.4 and 24 of the “Accounting methods and principles in IFRS standards”.



## 2 ➤ FURTHER INFORMATION

### 2.1 ➤ ANALYSIS OF THE EVOLUTION OF THE FINANCIAL DEBT

#### 2.1.1 ➤ The main variations in financial indebtedness are as follows

IN MILLIONS OF EUROS	NON-CURRENT FINANCIAL DEBTS	CURRENT FINANCIAL DEBTS	TOTAL
<b>06.30.09</b>	<b>358.2</b>	<b>271.4</b>	<b>629.6</b>
Increase	16.6	–	<b>16.6</b>
Decrease	- 2.5	- 43.8	<b>- 46.3</b>
Restatement of Oceane convertible bonds <sup>(1)</sup>	3.1	–	<b>3.1</b>
Variations in scope	1.9	2.5	<b>4.4</b>
Restatement of forward cover	0.2	–	<b>0.2</b>
Minority redemption commitments	4.9	–	<b>4.9</b>
Reclassifications	- 22.1	22.1	<b>–</b>
Currency translations	2.9	6.0	<b>8.9</b>
<b>06.30.10</b>	<b>363.2</b>	<b>258.2</b>	<b>621.4</b>
Increase	355.6	–	<b>355.6</b>
Decrease	- 248.0	- 86.3	<b>- 334.3</b>
Variations in scope	–	–	<b>–</b>
Currency translations	- 2.9	- 1.8	<b>- 4.7</b>
Reclassifications	- 29.8	29.8	<b>–</b>
Restatement of Oceane convertible bonds <sup>(1)</sup>	3.3	–	<b>3.3</b>
Restatement of equity notes <sup>(2)</sup>	–	- 0.3	<b>- 0.3</b>
Restatement of derivatives	- 7.2	–	<b>- 7.2</b>
Minority redemption commitments	7.7	–	<b>7.7</b>
<b>06.30.11</b>	<b>441.9</b>	<b>199.6</b>	<b>641.5</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>10-11</b>			
None	–	–	<b>–</b>
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>09-10</b>			
Atash Seeds	0.7	–	<b>0.7</b>
Clovis Matton	1.1	–	<b>1.1</b>
Su Tarim	0.1	2.5	<b>2.6</b>
<b>Total</b>	<b>1.9</b>	<b>2.5</b>	<b>4.4</b>

## FINANCIAL AND LEGAL INFORMATION

## 2.2 &gt; INFORMATION ON THE DEBENTURE LOAN

This loan has the following characteristics:

Issuer	Vilmorin (Oceane) <sup>(1)</sup>
Date of issue	June 6 <sup>th</sup> 2008
Amount involved	€149.5 million
Due date (bullet amortization)	July 1 <sup>st</sup> 2015
Possibility of early redemption	July 1 <sup>st</sup> 2013
Interest rate	4.50%

(1) Cf. Note 22

## 2.3 &gt; INFORMATION ON BANK LOANS

In October 2010, the company Vilmorin renewed a bank loan for 300 million Euros before the termination of the initial loan set up in July 2006.

This loan presented above involves default clauses concerning the respect of certain ratios that, in certain conditions, are liable to lead to its being payable earlier than planned. The characteristics are as follows:

Original amount of the loan	€300 million
Company to which the loan was granted	Vilmorin
Outstanding	
> On June 30 <sup>th</sup> 2010	€175 million
> On June 30 <sup>th</sup> 2011	€225 million
Rate	Euribor + margin
Collateral granted	No
Existence of "covenants"	Yes

Following the implementation of a new syndicated credit in October 2010, the authorized and confirmed credit line stood at 300 million Euros, of which 75 million Euros were not used on June 30<sup>th</sup> 2011.

There are covenants based on ratios from Vilmorin's consolidated financial statements:

- > Financial debts over EBITDA
- > EBITDA over financial costs

The above-mentioned covenants were respected for fiscal year 2010-2011.

## 2.4 &gt; 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>06.30.11</b>			
Financial debts with fixed rate	176.9	58.4	<b>235.3</b>
Financial debts with variable rate	265.0	141.2	<b>406.2</b>
<b>Total</b>	<b>441.9</b>	<b>199.6</b>	<b>641.5</b>
<b>06.30.10</b>			
Financial debts with fixed rate	167.3	65.3	<b>232.6</b>
Financial debts with variable rate	195.9	192.9	<b>388.8</b>
<b>Total</b>	<b>363.2</b>	<b>258.2</b>	<b>621.4</b>

Taking forward cover rates into account, financial debts with variable rate were covered up to 170 million Euros at the end of June 2011.

## Note 28: Accounts payable

### 1 > EVOLUTION OF THE BOOK VALUES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Suppliers and other accounts payable	172.7	160.4	145.0
Debts on the acquisition of fixed assets	12.3	10.6	10.4
Advance payments received from customers	1.7	2.0	0.7
Social security	56.0	49.3	45.5
Taxes	27.6	27.7	17.8
Other operating debts	106.7	126.0	118.5
Other non-operating debts	1.1	1.1	1.0
<b>Total</b>	<b>378.1</b>	<b>377.1</b>	<b>338.9</b>
<b>Variation for the fiscal year</b>	<b>1.0</b>	<b>38.2</b>	<b>-</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	10-11	09-10
Variations in scope	0.7	9.4
Other variations	20.7	2.5
Currency translations	- 20.4	26.3
<b>Total</b>	<b>1.0</b>	<b>38.2</b>

Variations in scope concern:

IN MILLIONS OF EUROS	TOTAL
<b>10-11</b>	
Limagrain Guerra do Brasil	1.9
Cylonie Ré	- 0.5
Vilmorin Luxembourg	- 0.1
Flora Geissler GmbH	- 0.6
<b>Total</b>	<b>0.7</b>
<b>09-10</b>	
Atash Seeds	4.8
Belgian Seeds Company	0.6
Clovis Matton	3.5
Dalian Mikado	0.1
De Wulf & Co	0.1
Limagrain Bulgaria	- 0.2
Mesa Maize	0.4
Su Tarim	0.1
<b>Total</b>	<b>9.4</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 discount).

## FINANCIAL AND LEGAL INFORMATION

## Note 29: Deferred income

## 1 &gt; EVOLUTION OF BOOK VALUES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
<b>Total</b>	<b>25.6</b>	<b>25.7</b>	<b>24.7</b>
<b>Variation for the fiscal year</b>	<b>- 0.1</b>	<b>1.0</b>	<b>-</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 &gt; FURTHER INFORMATION

Movements for the fiscal year involve the following items:

IN MILLIONS OF EUROS	10-11	09-10
Subsidies written back into the income	- 0.5	- 0.5
Variations in scope	-	-
Restatement of tax relief for research for the fiscal year	0.7	1.7
Others	- 0.3	- 0.2
<b>Total</b>	<b>- 0.1</b>	<b>1.0</b>

## Note 30: Financial instruments

## 1 &gt; FINANCIAL INSTRUMENTS BY CATEGORY

IN MILLIONS OF EUROS	06.30.11		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	29.3	29.3	21.0	8.3	-	-	-
Customers and other receivables	483.4	483.4	-	387.9	-	-	95.5
Cash and cash equivalents	371.3	371.3	-	371.3	-	-	-
<b>Financial assets</b>	<b>884.0</b>	<b>884.0</b>	<b>21.0</b>	<b>767.5</b>	<b>-</b>	<b>-</b>	<b>95.5</b>
Non-current financial debts	441.9	441.9	-	-	439.1	2.8	-
Current financial debts	199.6	199.6	-	-	200.4	- 0.8	-
Suppliers and other payables	403.7	403.7	-	-	378.1	-	25.6
<b>Financial liabilities</b>	<b>1,045.2</b>	<b>1,045.2</b>	<b>-</b>	<b>-</b>	<b>1,017.6</b>	<b>2.0</b>	<b>25.6</b>

(1) In the assets, tax and social security receivables, various prepayments and accruals are not included in the above figures since they are not considered to be financial instruments as defined by IAS 39. The same holds in the liabilities for deferred income.

IN MILLIONS OF EUROS	06.30.10		ANALYSIS BY CATEGORY OF INSTRUMENTS				
	VALUE ON THE BALANCE SHEET	FAIR VALUE	ASSETS HELD FOR SALE	LOANS AND RECEIVABLES	DEBTS AT AMORTIZED COST	DERIVATIVES	NON FINANCIAL <sup>(1)</sup>
Financial assets	41.8	41.8	33.7	8.1	–	–	–
Customers and other receivables	434.3	434.3	–	358.8	–	–	75.5
Cash and cash equivalents	373.6	373.6	–	373.6	–	–	–
<b>Financial assets</b>	<b>849.7</b>	<b>849.7</b>	<b>33.7</b>	<b>740.5</b>	<b>–</b>	<b>–</b>	<b>75.5</b>
Non-current financial debts	363.2	363.2	–	–	353.2	10.0	–
Current financial debts	258.2	258.2	–	–	259.0	- 0.8	–
Suppliers and other payables	402.8	402.8	–	–	377.1	–	25.7
<b>Financial liabilities</b>	<b>1,024.2</b>	<b>1,024.2</b>	<b>–</b>	<b>–</b>	<b>989.3</b>	<b>9.2</b>	<b>25.7</b>

(1) In the assets, tax and social security receivables, various prepayments and accruals are not included in the above figures since they are not considered to be financial instruments as defined by IAS 39. The same holds in the liabilities for deferred income.

## 2 > MANAGEMENT OF FINANCIAL RISKS

Vilmorin has set up a dedicated organization based on financial risk management policies that have been approved by the Executive Committee, with centralized management of risks to which it is exposed regarding exchange, raw materials, rates and cash.

On June 30<sup>th</sup> 2011, the derived financial instruments set up by Vilmorin to manage its risks can be analyzed as follows:

### 2.1 > INFORMATION REGARDING CURRENCY EXCHANGE RISKS

#### 2.1.1 > Objectives

Vilmorin manages its currency positions with the objective of hedging the risks of fluctuation of relative parities, mainly in relation to its industrial and commercial operations. Indeed, Vilmorin sets up forward contracts exclusively in order to hedge currency exchange risks linked to provisional flows.

For this purpose, a procedure to manage currency exchange risks collectively has been set up in the group. This position mainly consists in taking out contracts with a fixed term.

#### 2.1.2 > Assets and liabilities analyzed according to the main foreign currencies

IN MILLIONS OF EUROS	EURO ZONE	US DOLLAR	CANADIAN DOLLAR	GBP	AUSTRALIAN DOLLAR	YEN	SHEKEL	TURKISH LIRA	OTHER CURRENCIES	TOTAL
<b>06.30.11</b>										
Assets <sup>(1)</sup>	1,059.9	203.4	10.5	31.4	10.9	64.5	57.0	33.1	103.6	<b>1,574.3</b>
Liabilities <sup>(1)</sup>	784.3	95.5	21.3	11.4	2.3	40.7	14.8	12.5	36.8	<b>1,019.6</b>
<b>Differential</b>	<b>275.6</b>	<b>107.9</b>	<b>- 10.8</b>	<b>20.0</b>	<b>8.6</b>	<b>23.8</b>	<b>42.2</b>	<b>20.6</b>	<b>66.8</b>	<b>554.7</b>
<b>06.30.10</b>										
Assets <sup>(1)</sup>	1,007.8	206.6	9.0	25.7	9.4	70.0	60.9	38.7	119.9	<b>1,548.0</b>
Liabilities <sup>(1)</sup>	739.5	106.6	23.1	13.7	2.5	50.3	17.1	14.9	30.3	<b>998.0</b>
<b>Differential</b>	<b>268.3</b>	<b>100.0</b>	<b>- 14.1</b>	<b>12.0</b>	<b>6.9</b>	<b>19.7</b>	<b>43.8</b>	<b>23.8</b>	<b>89.6</b>	<b>550.0</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.

## FINANCIAL AND LEGAL INFORMATION

## 2.1.3 &gt; 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
06.30.11				
Forward exchange contracts	5.8	5.8	–	–
Exchange options	–	–	–	–
Total	5.8	5.8	–	–
06.30.10				
Forward exchange contracts	4.9	4.9	–	–
Exchange options	–	–	–	–
Total	4.9	4.9	–	–

## 2.1.4 &gt; Information on the value of instruments set up to hedge currency exchange

IN MILLIONS OF EUROS		TOTAL
06.30.11		
Contracts on commercial transactions		-
➤ Cash flow hedge <sup>(1)</sup>		
Contracts on financial transactions		NS
➤ Fair value hedge		
06.30.10		
Contracts on commercial transactions		-
➤ Cash flow hedge <sup>(2)</sup>		
Contracts on financial transactions		NS
➤ Fair value hedge		

(1) The intrinsic value of contracts on June 30<sup>th</sup> 2011 is not significant (NS)

(2) The intrinsic value of contracts on June 30<sup>th</sup> 2010 is not significant (NS)

## 2.1.5 &gt; Information on risk exposure to instruments set up to hedge currency exchange

Vilmorin's net exposure for notional amounts mainly concerns the following currencies (excluding entities' functional currencies):

IN MILLIONS FOR EACH CURRENCY	US DOLLAR	GB POUND	YEN	AUSTRALIAN DOLLAR	CANADIAN DOLLAR	NEW ZEALAND DOLLAR
<b>Net position before management</b>	<b>10.7</b>	<b>1.5</b>	<b>0.0</b>	<b>1.1</b>	<b>- 0.3</b>	<b>0.3</b>
Forward purchasing	–	–	1.9	–	0.2	–
Forward selling	- 7.6	–	–	–	–	- 0.5
<b>Net position after management</b>	<b>3.1</b>	<b>1.5</b>	<b>1.9</b>	<b>1.1</b>	<b>- 0.1</b>	<b>- 0.2</b>

On June 30<sup>th</sup> 2011, the exchange rates for one Euro were 1.4453 dollar, 0.90255 GB pound, 116.25 yen and 1.3485 Australian dollar.

On June 30<sup>th</sup> 2011, sensitivity on net positions after management could be analyzed as follows:

IN MILLIONS OF EUROS	US DOLLAR	GB POUND	AUSTRALIAN DOLLAR
Hypothesis of currency variation (as a %)	10%	10%	10%
<b>Impact on income (absolute value)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>

Variation of ±10% in exchange rates against the Euro would not be significant on the financial income.

## 2.2 > INFORMATION CONCERNING RAW MATERIAL RISKS

Policies of forward cover for risks on raw materials are mainly set up in North America with the aim of limiting the impact of price variations on the consolidated net income, by identifying and neutralizing the risk as early as possible, and in certain cases as early as the seed production phase.

On June 30<sup>th</sup> 2011, the derived financial instruments set up by Vilmorin to hedge the risk on raw materials concern future corn contracts showed a gain of

4.8 million Euros, as opposed to no gain or loss for the previous fiscal year.

## 2.3 > INFORMATION CONCERNING INTEREST RATE RISKS

### 2.3.1 > Objectives

Interest rate risks are mainly managed by Vilmorin which (apart from specific cases or regulatory constraints) centralizes the current, stable cash flow requirements or surpluses of the subsidiaries, and sets up centralized external funding facilities as necessary.

### 2.3.2 > Assets and liabilities subject to interest rate risks

IN MILLIONS OF EUROS	NOMINAL	DUE DATES		
		< 1 YEAR	< 1 YEAR	< 1 YEAR
06.30.11				
Assets	13.7	10.0	2.6	1.1
Liabilities	641.5	208.4	412.7	20.4
Differential	- 627.8	- 198.4	- 410.1	- 19.3
06.30.10				
Assets	13.0	11.1	0.8	1.1
Liabilities	621.4	258.2	338.6	24.6
Differential	- 608.4	- 247.1	- 337.8	- 23.5

### 2.3.3 > Information on the nominal value of instruments to hedge interest rates

In order to manage the interest rate risks of its financial debts, Vilmorin uses derived instruments for which the notional outstanding sums are as follow:

IN MILLIONS OF EUROS	NOMINAL	DUE DATES					MARKET VALUE
		2011	2012	2013	2014	> 2014	
<b>Cash flow hedge operations</b>	<b>125.0</b>	<b>22.0</b>	<b>103.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest rate SWAP	-	-	-	-	-	-	- 3.7
<b>Fair value operations through profit and loss <sup>(1)</sup></b>	<b>50.0</b>	<b>20.0</b>	<b>30.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest rate SWAP	-	-	-	-	-	-	- 1.5
Others	-	-	-	-	-	-	- 0.1
<b>Total</b>	<b>175.0</b>	<b>42.0</b>	<b>133.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 5.3</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<sup>th</sup> 2011.

## FINANCIAL AND LEGAL INFORMATION

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### 2.3.4 > Information on risk exposure to instruments set up to hedge interest rates

On the basis of net financial indebtedness on June 30<sup>th</sup> 2011, a variation of  $\pm 1\%$  in interest rates after forward cover instruments would represent an extra financial charge or income limited to 0.7 million Euros.

### 2.4 > INFORMATION CONCERNING RISKS FOR SHARES AND TREASURY SHARES

Listed shares held by Vilmorin are subject to the risk of volatility characteristic of financial markets.

Apart from consolidated securities, they can be divided up into three categories:

- Securities in companies consolidated using the equity method; these concern for the most part Australian Grain Technologies (Australia) and the company Bio Seeds (Netherlands), since the securities of the company Yuan Longping High-Tech were sold during the course of the fiscal year (cf note 18).
- Shares that are included in the portfolio "Financial assets held for sale" (cf. Note 17).
- Other non-current financial assets.

No specific measures have been taken to protect securities in companies consolidated using the equity method against a drop in rates.

The risk concerning shares included in the portfolio "Financial assets held for sale" mainly involves two lines of unlisted shares.

There is a liquidity contract for Vilmorin treasury shares. On June 30<sup>th</sup> 2011, Vilmorin held 1,317 securities with a book value of 0.1 million Euros.

### 2.5 > INFORMATION CONCERNING LIQUIDITY RISKS

Vilmorin's treasury department manages liquidity risks by making short or long term funding available to subsidiaries as required.

Optimization of liquidity is based on centralized management of Vilmorin's subsidiaries' cash surpluses and requirements.

These operations are handled by Vilmorin's treasury department using cash-pooling conventions and intra-group loans on condition that this is authorized by local legislation.

External funding is normally set up in a centralized manner by the treasury department in order to optimize the cost of funding and access to the banking market.

Vilmorin uses a confirmed credit line involving syndicated credit originally of 300 million Euros over 7 years. On June 30<sup>th</sup> 2011, the outstanding amount was 225 million Euros from the 300 million Euros, 75 million Euros of this credit being unused, constituting a significant reserve of cash.

Moreover on June 30<sup>th</sup> 2011 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	
06.30.11				
Non-current financial debts				279.6 – 142.1 16.3 2.8 0.1 1.0 441.9
‣ Bank loans	–	267.6	12.0	
‣ Debt components of the equity notes	–	–	–	
‣ Debt components of the Oceane bonds	–	142.1	–	
‣ Commitments to purchase minority shares	–	4.4	11.9	
‣ Derivatives	–	- 2.2	5.0	
‣ Financial lease/hire purchase	–	0.1	–	
‣ Other financial debts	–	0.7	0.3	
Total non-current debts	–	412.7	29.2	441.9
Current financial debts	199.6	–	–	199.6
Total	199.6	412.7	29.2	641.5
Future interest on loans and other liabilities	15.3	28.6	1.2	45.1
06.30.10				
Non-current financial debts				203.9 – 138.8 8.6 10.0 1.1 0.8 363.2
‣ Bank loans	–	190.7	13.2	
‣ Debt components of the equity notes	–	–	–	
‣ Debt components of the Oceane bonds	–	138.8	–	
‣ Commitments to purchase minority shares	–	8.6	–	
‣ Derivatives	–	- 1.3	11.3	
‣ Financial lease/hire purchase	–	1.1	–	
‣ Other financial debts	–	0.7	0.1	
Total non-current debts	–	338.6	24.6	363.2
Current financial debts	258.2	–	–	258.2
Total	258.2	338.6	24.6	621.4
Future interest on loans and other liabilities	9.7	15.3	0.2	25.2

## 2.6 ► INFORMATION CONCERNING CREDIT RISK

In order to prevent any problems recovering debts from its customers, Vilmorin has set up individual credit limits which are regularly updated depending both on the financial situation of each customer, along with the customer's track record with regard to payment.

Finally, through certain subsidiaries, Vilmorin has taken out an insurance policy with the Coface (French export insurance organization) to cover customer credit risks. On June 30<sup>th</sup> 2011, Vilmorin had not identified any significant risk.

At close the chronological breakdown of customer receivables was as follows:

IN MILLIONS OF EUROS	06.30.11	06.30.10
Receivables not yet due	<b>263.7</b>	272.5
Receivables due:		
‣ delay of zero to three months	<b>56.1</b>	45.7
‣ delay of three to six months	<b>23.3</b>	10.6
‣ delay of six to twelve months	<b>9.5</b>	10.2
‣ delay greater than one year	<b>7.9</b>	13.0
<b>Gross customer and other receivables</b>	<b>360.5</b>	<b>352.0</b>

## FINANCIAL AND LEGAL INFORMATION

**Note 31: Off balance sheet commitments**

For its current operations, the group made commitments at the close of the fiscal period for the following amounts:

**1 > GUARANTEES RECEIVED**

IN MILLIONS OF EUROS	06.30.11	06.30.10
Endorsements, sureties, guarantees	2.8	3.6
Other commitments	5.9	0.1
<b>Total</b>	<b>8.7</b>	<b>3.7</b>

The company Groupe Limagrain Holding granted a tax guarantee to Vilmorin for the companies Limagrain Genetics Inc. and Limagrain Europe, at the time of the sale/contribution of these companies within the context of the contribution of the field seed activity on July 3<sup>rd</sup> 2006.

There have been no overdue payments recorded to date involving these guarantees.

**2 > GUARANTEES GIVEN**

IN MILLIONS OF EUROS	06.30.11	06.30.10
Endorsements, sureties, guarantees	32.2	54.8
Clause of return to better fortune	7.7	7.8
Other commitments	0.8	–
<b>Total</b>	<b>40.7</b>	<b>62.6</b>

Endorsements, sureties, and guarantees given involve:

- a letter of intent for the annual payment of rent covering the remaining duration of the long-term commercial lease (25 years) of the company Suttons for 5.3 million Euros (6.3 millions Euros on June 30<sup>th</sup> 2010) and the site of Solingen (former head office of Flora Frey in Germany) for 15,5 million Euros (16,8 million Euros on June 30<sup>th</sup> 2010)
- a commitment of 9.9 million Euros with regard to suppliers in North America, compared with 19.5 million Euros on June 30<sup>th</sup> 2010.

The clause of return to better fortune involves a commitment of Limagrain Europe towards Groupe Limagrain Holding following the integration of the field seeds business (for a total of 7 million Euros) and the commitments of two American companies towards Groupe Limagrain Holding (for a total of 0.7 million Euros).

**3 > RECIPROCAL COMMITMENTS**

IN MILLIONS OF EUROS	NOMINAL	ÉCHÉANCES		
		< 1 AN	1 À 5 ANS	> 5 ANS
06.30.11				
Lease agreements	3.0	1.4	1.5	0.1
Simple rental agreements	26.5	7.8	16.1	2.6
Forward purchase of currency (cf. Note 30)	5.8	5.8	–	–
Forward interest rate cover (cf. Note 30)	175.0	42.0	133.0	–
Interest to pay on medium and long-term debts	45.1	15.3	28.6	1.2
Medium- and long-term research contracts	0.3	0.2	0.1	–
Other commitments	22.8	9.8	13.0	–
Total	278.5	82.3	192.3	3.9
06.30.10				
Lease agreements	4.0	1.8	2.1	0.1
Simple rental agreements	27.8	6.9	16.5	4.4
Forward purchase of currency (cf. Note 30)	4.9	4.9	–	–
Forward interest rate cover (cf. Note 30)	180.0	10.0	170.0	–
Interest to pay on medium and long-term debts	25.2	9.7	15.3	0.2
Medium- and long-term research contracts	0.3	0.2	0.1	–
Other commitments	19.6	8.1	11.5	–
Total	261.8	41.6	215.5	4.7

Forward cover of interest rates concerns the following operations:

**3.1 > ON JUNE 30<sup>TH</sup> 2011**

Medium-term bank loans (syndicated credit)	€170 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	–	Fixed rate over variable rate at 6 months
Short-term loans	€5 million	Fixed and semi-fixed rate over variable rate at 3 months

**3.2 > ON JUNE 30<sup>TH</sup> 2010**

Medium-term bank loans (syndicated credit)	€180 million	Fixed and semi-fixed rate over variable rate at 3 months
Equity notes	–	Fixed rate over variable rate at 6 months
Short-term loans	–	Fixed and semi-fixed rate over variable rate at 3 months

**4 > DEBTS WITH REAL SURETIES**

IN MILLIONS OF EUROS	DEBTS GUARANTEED <sup>(1)</sup>	TOTAL AMOUNT OF SURETIES GRANTED	BOOK VALUE OF THE ASSETS PROVIDED AS A GUARANTEE
06.30.10	44.5	104.2	104.2
<b>06.30.11</b>	<b>38.0</b>	<b>101.1</b>	<b>101.1</b>

(1) These debts mainly concern two guarantees granted on moving assets and collateral on the securities of a subsidiary respectively to a banking pool and a bank.

## FINANCIAL AND LEGAL INFORMATION

**5 > OTHER COMMITMENTS**

As part of the agreement signed with DLF, Vilmorin gave a guarantee on the purchasing values until 2016 to this company.

In order to insure a good supply of markets and control over inventory levels during the course of the fiscal year, Vilmorin makes commitments to buy certain quantities of seeds from growers.

Within the context of its operations to sell the garden products activities, in particular the companies Flora Frey and Carl Sperling sold on June 30<sup>th</sup> 2008, a provision of 5.4 million Euros was set up as a result of the commitments made for the sale. The remaining sum of this provision on June 30<sup>th</sup> 2011 stood at 3.3 million Euros.

**Note 32: Transactions between interested parties****1 > ASSOCIATED COMPANIES**

These are companies in which Vilmorin exerts significant influence and which are consolidated using the equity method.

Transactions with associated companies are carried out on the basis of a market price.

The debts and receivables with regard to companies consolidated using the equity method are not significant.

The main figures for companies consolidated using the equity method are provided in Note 18.

**2 > INTERESTED PARTIES WITH A SIGNIFICANT INFLUENCE ON VILMORIN**

Vilmorin is held by its majority shareholder Groupe Limagrain. The economic relationships developed with the companies in this Group are summarized in the table below:

**2.1 > RECEIVABLES AND DEBTS ON JUNE 30<sup>TH</sup> 2011**

IN MILLIONS OF EUROS	ASSETS	LIABILITIES
Operating debts and receivables	2.7	28.8
Financial debts and receivables	–	5.0
<b>Total</b>	<b>2.7</b>	<b>33.8</b>

**2.2 > CHARGES AND INCOME FOR FISCAL YEAR 2010-2011**

IN MILLIONS OF EUROS	CHARGES	INCOME
Purchases and sales of goods	- 63.8	2.5
Corporate allocations	- 9.6	2.0
Other operating charges and income	- 16.6	1.8
Financial charges and income	–	0.6
<b>Total</b>	<b>- 90.0</b>	<b>6.9</b>

### 3 > REMUNERATION OF THE TOP EXECUTIVES

IN MILLIONS OF EUROS	06.30.11	06.30.10	06.30.09
Global amount of remunerations and benefits paid to the Executive Committee:			
➤ Short-term benefits	1.7	1.3	1.6
➤ Benefits paid out after employment	-	-	-
➤ Other long-term benefits	-	-	-
➤ Severance pay	1.0	0.8	0.8
➤ Payment through shares	-	-	-
➤ Directors' fees paid to the Executive Committee	-	-	-

The Executive Committee comprised six members during fiscal year 2010-2011, as opposed to five in 2009-2010.

On average, the contractual benefits due when a Top Executive's contract 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 one million Euros on June 30<sup>th</sup> 2011, including employer's welfare contributions.

This commitment is assessed by actuaries in order to determine the amount for provisions for severance pay. Provisions for the severance pay of the Executive Committee is included in the provision for severance pay set out in Note 24.

#### 4 > FURTHER INFORMATION

##### 4.1 > GROUPE LIMAGRAIN CORPORATE ALLOCATIONS

Corporate allocations are billed by Groupe Limagrain Holding to the subsidiaries of Vilmorin and to the subsidiaries of Groupe Limagrain on a proportional basis of budgeted expenses. The amount billed came to 11.2 million Euros.

The criteria applied homogeneously throughout Groupe Limagrain to calculate these allocations take several items into account:

- the EBITDA;
- margin on the cost of sales;
- research and development costs;
- payroll.

Each of these criteria is weighted 25% in the global calculation.

##### 4.2 > VILMORIN CORPORATE ALLOCATIONS

In the same way, Vilmorin invoices corporate allocations to all its subsidiaries and to the subsidiaries of Groupe Limagrain according to the same criteria as the Groupe Limagrain allocations mentioned above. The total invoiced came to 18.8 million Euros.

Moreover, Vilmorin also invoices for services of a scientific nature for the seed companies in the Vilmorin group, namely those that have field seed and professional vegetable seed activities. The aggregate amount invoiced to the subsidiaries came to 12.9 million Euros. The criteria applied homogeneously throughout the Vilmorin group to calculate these allocations take two items into account for services of a scientific nature:

- research and development costs;
- the EBITDA.

Chacun de ces critères entre pour 50% dans la pondération d'ensemble.

##### 4.3 > CASH FLOW AGREEMENTS AND POOLING OF EXCHANGE RISKS

Companies have signed agreements with Vilmorin in order to optimize the management of their cash flow under conditions that provide lenders with a financial margin of 0.18% over the average monthly EONIA rate.

Moreover, Vilmorin centralizes its foreign currency risk hedges for its subsidiaries. The main currencies hedged are the US dollar, the GB pound, the yen and the Australian dollar. (cf. Note 30 paragraph 2.1).

##### 4.4 > OTHER OPERATIONS

Other operations correspond to current commercial transactions made on the basis of market prices.

## FINANCIAL AND LEGAL INFORMATION

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### *Note 33: Potential liabilities*

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As they run their businesses, Vilmorin's operating companies are exposed to claims on the products they have sold, and such claims are generally covered by their insurance policies.

At the time the accounts were closed, there was just one claim for a total of three million Canadian dollars. Since the claimant has no basis for the claim, no provision has been made in the financial statements.

### *Note 34: Events occurring after close*

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#### **1 > PURCHASE OF A STAKE IN THE COMPANY BRASMILHO**

Pursuing its implantation on the corn market in Brazil, at the beginning of August Vilmorin finalized the acquisition of the corn and sorghum seed assets of the company Brasmilho.

Based in Goianésia, (State of Goiás), Brasmilho owns quality genetic resources, a production and seed treatment factory and a sales network covering the central area of the country. In 2010 these activities represented sales of almost 10 million Euros.

For this first stage Vilmorin has purchased a majority stake of 85% in Brasmilho; in accordance with the agreements signed, Vilmorin is planning to purchase the remaining 15% before the end of 2012.

#### **2 > PURCHASE BY VCC JAPAN OF THE MITSUBISHI PLASTICS INC. STAKE**

On July 15<sup>th</sup>, VCC Japan purchased 48,000 shares representing 16.5% of the share capital of Mikado Kyowa Seed from Mitsubishi Plastic Inc.

## Appendix: Consolidation scope 2011

NAME	COUNTRY	HEAD OFFICE		% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD
<b>Holdings</b>						
Gemstar SA	France	5 rue Saint-Germain l'Auxerrois 75001 Paris	513 533 612	74.84	74.84	GI
Limagrain Genetics Inc	Canada	Centre CDP Capital 1001 Victoria Square – Bloc E 8 <sup>th</sup> Floor – Montréal H2Z 2B7		100.00	100.00	GI
Mikado Seed Holding K.K.	Japan	1-4-11 Ohnodai, Midori-ku 267-0056 Chiba-shi		72.57	72.57	GI
VCC Japan	Japan	15-13 Nampo-daicho Shibuya-Ku Tokyo		100.00	100.00	GI
VCC Seeds Israël Ltd	Israel	c/o Schwartz, Duvdevany, Lerner CPA – 76 Herzel Street Haifa		100.00	100.00	GI
VCO Participations SAS	France	Rue Limagrain 63720 Chappes	523 301 976	100.00	100.00	GI
Vilmorin & Cie	France	4 Quai de la Mégisserie 75001 Paris	377 913 728	100.00	100.00	GI
Vilmorin 1742 SARL	France	6 Quai de la Mégisserie 75001 Paris	504 933 953	100.00	100.00	GI
Vilmorin Hong-Kong Ltd	China	Level 28, Three Pacific Place, 1 Queen's Road East Hong-Kong		100.00	100.00	GI
Vilmorin USA Corp	United States	2711 Centerville Road, Suite 400 County of New Castle Wilmington 19808/Delaware		100.00	100.00	GI
<b>Field seeds</b>						
Biogemma SAS	France	1 rue Édouard Colonne 75001 Paris	412 514 366	55.01	55.01	GI
Biogemma UK Ltd	United Kingdom	Science Park – 200 Milton Road Cambridge CB4 0GZ		100.00	55.01	GI
Biogemma USA Corp	United States	Corporation service Company 2711 Centerville Road, Suite 400 Wilmington 19808/Delaware		100.00	55.01	GI
Genoplante-Valor SAS	France	523 Place des Terrasses 91034 Évry	439 202 821	33.33	29.33	EM
<b>Limagrain Europe</b>						
Belgian Seeds Company Agro	Belgium	Esperantolaan 12 BUS B13 B-3300 Tienen		100.00	80.26	GI
Limagrain Clovis Matton Belgium	Belgium	5 rue du Quai 8581 Avelgem-Kerkhove		100.00	80.26	GI
De Wulf & Co	Belgium	58 rue de la Gare 7780 Comines Warneton		100.00	80.26	GI
Eurodur	France	Loudes 11400 Castelnaudary	338 982 614	47.45	38.09	PI
GIE Semences de Brie	France	RD 402 77390 Chaumes-en-Brie	388 147 845	50.00	40.13	PI
Limagrain A/S	Denmark	Marsalle III 8700 Horsens		100.00	80.26	GI
Limagrain Belgium BVBA	Belgium	Esperantolaan 12 BUS B13 B 3300 Tienen		100.00	80.26	GI
Limagrain Central Europe	France	Biopôle Clermont-Limagne 63360 Saint-Beauzire	438 205 320	99.99	80.26	GI

## FINANCIAL AND LEGAL INFORMATION

NAME	COUNTRY	HEAD OFFICE		% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD
Limagrain Central Europe Cereals S.r.o.	Czech Republic	Praha 9 – Podedvorská 755/5 19800 – Kyje		100.00	80.26	GI
Limagrain d.o.o Beograd	Serbia	Bulevar Oslobođenja 127 Novia Sad 21000		100.00	80.26	GI
Limagrain Europe	France	Ferme de l'Étang – BP 3 77390 Verneuil l'Étang	542 009 824	80.26	80.26	GI
Limagrain GmbH	Germany	2 Am Griewenkamp Edemissen – D 31234		100.00	80.26	GI
Limagrain Iberica	Spain	Ctra Pamplona – Huesca Km 12 Elorz – Navarra 31470		100.00	80.26	GI
Limagrain Italia SPA	Italy	Via Frescarolo 115 Busseto PR 43011		100.00	80.26	GI
Limagrain Moldova srl	Moldova	Bd. Stefan Cel Mare 162 MD – Chisinau 2004		100.00	80.26	GI
Limagrain Nederland BV	Netherlands	Van der Haveweg 2 4411 RB Rilland		100.00	80.26	GI
Limagrain Nederland Holding BV	Netherlands	Van der Haveweg 2 4411 RB Rilland		100.00	80.26	GI
Limagrain Romania SRLA	Romania	Soseaua Bucuresti Ploiesti Orasul Otopeni Judetul Ilfov 075100		97.14	77.96	GI
Limagrain RU	Russia	Odesskaya street 41/43, 3 <sup>rd</sup> Floor – Office 1 350020 Krasnodar		100.00	80.26	GI
Limagrain Tohum Islah Ve Üretim Sanayi Ticaret AS	Turkey	Bayar Cad. Gülbahar Sokak N° 17/136 Kozyatagi-Erenkoy Istanbul 34742		67.00	53.78	GI
Limagrain UK Ltd	United Kingdom	Market Rasen LN7 6DT Rothwell Lincolnshire		100.00	80.26	GI
Limagrain Ukraine t.o.v.	Ukraine	Pavlivska 10 street off.7 01054 Kiev		100.00	80.26	GI
Nickerson International Research	France	Rue Limagrain 63720 Chappes	388 170 938	100.00	80.26	GI
Nickerson Sugar Beet Seed Ltd	United Kingdom	Market Rasen LN7 6DT Rothwell Lincolnshire		100.00	80.26	GI
Seedline	Belgium	5 rue du Quai 8581 Avelgem-Kerkhove		100.00	80.26	GI
Soltis	France	Domaine de Sandreau 31700 Mondonville-Blagnac	420 327 231	50.00	40.13	PI
Unisigma GIE	France	2 rue Petit Sorri 60480 Froissy	317 760 668	46.00	36.92	EM
<b>AgReliant</b>						
AgReliant Genetics LLC	United States	1122 East 169 <sup>th</sup> Street Westfield, IN 46074		50.00	50.00	PI
AgReliant Inc	Canada	6836 Pain Court Line RR1 Ontario N0P1I20		50.00	50.00	PI
<b>Limagrain Cereal Seeds</b>						
Australian Grain Technologies Pty Ltd	Australia	University of Adelaide Waite campus building 4B 5064 URRBRAE S.A.		32.77	32.77	EM
Investigación Trigo	Argentina	Lavalle 1527, 11 <sup>th</sup> floor – Office 44 Buenos Aires		50.00	50.00	PI



NAME	COUNTRY	HEAD OFFICE	% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD	
Limagrain Cereal Seeds LLC	United States	Corporation service Company 2711 Centerville Road, Suite 400 Wilmington 19808 – Delaware	65.00	65.00	GI	
Limagrain South America						
Limagrain do Brasil Participações Ltda	Brazil	Avenida Pedroso de Moraes 2101, 4º andar, sala 13 CEP 05419-001 – Sao Paulo	100.00	100.00	GI	
Limagrain Guerra do Brasil SA	Brazil	PR, na Rod. PR280, KM 140 numero 8801 – Bairro Cristo Rei CEP 85508-280 Pato Branco	70.00	70.00	GI	
Limagrain South America	Argentina	Calle Esmeralda 130 4to piso Buenos Aires	100.00	100.00	GI	
Limagrain Asia						
Atash Seeds Private Ltd	India	Discoverer 9 <sup>th</sup> floor International Tech Park Whitefield Road 560066 Bangalore	99.99	99.99	GI	
Vegetable seeds						
Bio Seeds	Netherlands	Agro Business Park 90 3808 PW Wageningen	24.95	24.95	EM	
Mikado Kyowa Seed						
Mikado Kyowa K.K.	Japan	15-13 Nanpeidai-cho-Shibuya-Ku 150-0036 Tokyo	69.27	62.42	GI	
Dalian Mikado International Seed Co Ltd	China	Room 2702 Liangjiu International Building Dalian – 116011	80.00	49.93	GI	
Vilmorin SA						
Anadolu Tohum Uretim Ve Pazarlama Anonim Sirketi	Turkey	Güzelyali, Bati Sahili, Ciftlik Sok. No.9 Pendik Istanbul 34903	100.00	99.95	GI	
Vilmorin Atlas	Morocco	158 boulevard Abdellah Ben Yacine 20300 Casablanca	70.00	69.97	GI	
Vilmorin do Brasil Comércio de Sementes Ltda	Brazil	Rua Maria Monteiro, 830, 2 <sup>nd</sup> andar, sala 21 Campinas, Estado de Sao Paulo 13025-151 Cambui 151 Campinas/SP	100.00	99.95	GI	
Vilmorin Iberica SA	Spain	Calle Joaquim Orozco 17 03006 Alicante	99.91	99.86	GI	
Vilmorin Inc	United States	2551 North Dragon 85745 Tucson Arizona	100.00	100.00	GI	
Vilmorin Italia SRL	Italy	Center Gross CP 97 Blocco 22 Via dei Notai 123 40050 Funo	100.00	99.95	GI	
Vilmorin SA	France	Route du Manoir 49250 La Ménitré	562 050 864	99.95	99.95	GI
HM-Clause						
Alliance Semillas de Argentina	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	
Ceekay Seeds & Seedlings Pvt. Ltd	India	6-1-20/2, Walker New Bhoiguda 500 025 – Secunderabad	100.00	99.97	GI	
Clause SA	France	Rue Louis Saillant 26800 Portes-les-Valence	435 480 546	99.97	99.97	GI

## FINANCIAL AND LEGAL INFORMATION

NAME	COUNTRY	HEAD OFFICE	% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD
Clause (Thailand) Ltd	Thailand	11 <sup>th</sup> Floor, Panjabhum Building 127 South Sathorn Road, Tungmahamek 10120 Sathorn Bangkok	100.00	99.97	GI
Clause Brasil Comercio de Sementes Ltda	Brazil	Rua Miguel Penteado n°1038 Jardim Chapado CEP 13070118 Campesinas SP	100.00	99.97	GI
Clause India Private Ltd	India	6-1-20/2 New Bhoiguda Segunderabad Hyderabad 500025 – ANDHRA PRADESH	100.00	99.97	GI
Clause Italia	Italy	Via Emilia 11 10078 Venaria Real	100.00	99.97	GI
Clause Maghreb EURL	Algeria	Villa n°192 Quartier Amara 2 Lotissement Alioua Fodhil Chéraga – 16002 – Alger	100.00	99.97	GI
Clause Polska Sp.z.o.o.	Poland	ul. Kbicka 32A KRZECZOWICE	100.00	99.97	GI
Clause Spain SA	Spain	Paraje La Reserva s/n Apdo Correos n°17 La Mojonera Almeria 04745	A-46031258 100.00	99.97	GI
Harris Moran Seed Company	United States	555, Codoni avenue 95352 Modesto (Californie)	100.00	100.00	GI
Henderson Seed Group Trading AS Clause Pacific	Australia	165, Templestowe Road Lower Templestowe 3105 Bulleen Victoria	100.00	99.97	GI
Ica Seeds SAC	Peru	Fundo la Viña S/N Caserio La Poruma Ica	100.00	100.00	GI
Leafyco	United States	21866 Rosehart Way 93908-9726 Salinas – Californie	100.00	100.00	GI
Plant Development Australia	Australia	165, Templestowe Road Templestowe Lower – VIC 3107	100.00	99.97	GI
PT Clause Indonesia	Indonesia	Ruko Bumi Prayadan Permai Block B-6 Mertoyudan 56172 Magelang Jawa Tengah	100.00	99.97	GI
Semillas Harris Moran Mexicana	Mexico	Blvd. V. Carranza 2378-A Parque Industrial R.A.S.A.Mexicali, BC Mexico CP	100.00	100.00	GI
Su Tarim Turizm Insaat Taahhut Sanayi Ve Ticaret Anonim Sirketi	Turkey	Ali Cetinkaya Caddesi No : 125/7 07300 Antalya	51.00	50.98	GI
<b>Hazera-Nickerson</b>					
Asamia Cold Storage	Israel	DN Shikmim – Brurim	100.00	100.00	GI
Biotech Mah Management	Israel	DN Shikmim – Brurim	50.00	50.00	PI
Hazera Agriculture Technology and Services (Beijing) Co	China	Room 601-602, Tower D, Java Millenium Place No. 18 Jianguomenwai Dajie, Chaoyang District 100022 – Beijing	100.00	100.00	GI
Hazera Do Brasil Comercio de Sementes Ltda	Brazil	Rua Iris, 75 Holambra 13825-000 Sao Paulo	100.00	100.00	GI
Hazera España 1990	Spain	C/Torrelaguna 75 2/8 Madrid	100.00	100.00	GI
Hazera Genetics	Israel	Brurim Farm MP 79837 Shikmim	100.00	100.00	GI

NAME	COUNTRY	HEAD OFFICE		% VOTING RIGHTS	% INTEREST	CONSOLIDATION METHOD
Hazera Mexico Services SA	Mexico	Calle Trapani No 4732 Local A Edificio Plaza Palermo Palermo Residencial 80104 – Culiacan – Sinaloa		100.00	100.00	GI
Hazera Hellas Seeds & Plant Material	Greece	Agamemnonos str. 51-53 Kallithea 17675 Athens		100.00	100.00	GI
Hazera Holding International BV	Israel	DN Shikmim 79837 Brurim		100.00	100.00	GI
Hazera Ltd	Mauritius	c/o Abacus Fin. Sces Ltd TM Building – Pope Hennessy Street Port-Louis		100.00	100.00	GI
Hazera Seeds Inc	United States	32 Loockerman Sq, Suite L 100 Dover – Delaware		100.00	100.00	GI
Hazera Tohumculuk Ve Ticaret	Turkey	Necatibey St. Bascerrah N. 6/27 Karakoy		100.00	100.00	GI
Nickerson Zwaan BV	Netherlands	Schanseind 27 BP28 – 4921 Pm Made		100.00	100.00	GI
Nickerson Zwaan GmbH	Germany	2 Am Griewenkamp D31234 Edemissen		100.00	100.00	GI
Nickersonn Zwaan Seeds Private	India	c/o Ajoy Ghosh & Associates, Chartered Accountants F202, Brigade Nest, 1/9, Airport Road, Kodihalli – 560017 Bangalore		100.00	100.00	GI
Nickerson Zwaan Ltd	United Kingdom	Joseph Nickerson Research Centre Market Rasen LN7 6DT Rothwell		100.00	100.00	GI
Nickerson Zwaan SA (Proprietary) Ltd	South Africa	121 Boshoff Street 0181 – New Muckleneuk		100.00	100.00	GI
Nickerson Zwaan Sp. zo.o.	Poland	ul. Marywilska 34 I 03-228 – Warszawa		100.00	100.00	GI
Nickerson Zwaan Ukraine	Ukraine	Office # 101 – Strategichne shose 16 Str – 03680 – Kiev		100.00	100.00	GI
Garden products						
Top Green SAS	France	ZA Les Pains – Les Alleuds 49320 Brissac Quince	432 004 679	33.33	33.33	EM
Oxadis						
C.H. Van Den Berg B.V.	Netherlands	Nijverheidsweg 1 (1693) Am Wervershoof		100.00	99.98	GI
Cnos Garden Sp. zo.o.	Poland	ul. Ks.P. Wawrzyniaka 2 62-052 - 62-052		100.00	99.98	GI
Oxadis SA	France	65, rue de Luzais – BP 37 38291 St Quentin Fallavier	959 503 111	99.98	99.98	GI
Suttons						
Suttons Seeds (Holding) Ltd	United Kingdom	Woodview road Paignton Devon – TQ4 7NG		100.00	100.00	GI

**Consolidation method:**

GI: global integration

PI: proportional integration

EM: equity method

## ***Resolutions of the Joint Annual General and Extraordinary Meeting of December 14<sup>th</sup> 2011***

### **> 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 (Annual General Meeting) approves the corporate financial statements for the fiscal year closing on June 30<sup>th</sup> 2011 as presented to the meeting, and the general running of the company as described in the above-mentioned financial statements and reports.

As a result they give full discharge to the members of the Board of Directors for their management of the company for fiscal year 2010-2011.

#### **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 Annual General Meeting approves the agreements concerned.

#### **THIRD RESOLUTION**

##### **Application of the profits**

The Annual General Meeting, following the proposal of the members of the Board of Directors, decides to apply the profits of 63,395,246.41 Euros in the following manner:

Net profit on June au 30 <sup>th</sup> 2011	63,395,246.41 Euros
Application to legal reserve	3,169,762.32 Euros
Profit available on June 30 <sup>th</sup> 2011	60,225,484.09 Euros
Brought forward	19,770,048.20 Euros
Dividends to distribute	25,827,151.50 Euros
To carry forward	54,168,380.79 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 1.50 Euros per share.

The Annual General Meeting decides that the dividends will be detached on December 19<sup>th</sup> 2011 and will be paid on December 22<sup>nd</sup> 2011.

#### **FOURTH RESOLUTION**

##### **Approval of the annual consolidated financial statements and full discharge to the Board of Directors**

After hearing the reports of the Board of Directors and the Statutory Auditors on the annual financial statements, the Annual General Meeting approves the consolidated financial statements for the fiscal year closing on June 30<sup>th</sup> 2011 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 2010-2011.

#### **FIFTH RESOLUTION**

##### **Fixing the amount for token payments**

After acknowledging the report of the Board of Directors, the Annual General Meeting, decides, in compliance with article 24 of the by-laws, to fix the token payment for its Directors for fiscal 2010-2011, at 20,600 Euros.

**SIXTH RESOLUTION****Renewal of the term of office of a Director**

The Annual General Meeting acknowledges that Mr. Joël ARNAUD's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30<sup>th</sup> 2014.

**SEVENTH RESOLUTION****Renewal of the term of office of a Director**

The Annual General Meeting acknowledges that Mr. Philippe AYMARD's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30<sup>th</sup> 2014.

**EIGHTH RESOLUTION****Renewal of the term of office of a Director**

The Annual General Meeting acknowledges that Mr. Daniel CHERON's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30<sup>th</sup> 2014.

**NINTH RESOLUTION****Renewal of the term of office of a Director**

The Annual General Meeting acknowledges that Mr. François HEYRAUD's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30<sup>th</sup> 2014.

**TENTH RESOLUTION****Renewal of the term of office of a Director**

The Annual General Meeting acknowledges that Mr. Gérard RENARD's term of office as Director expires on this day, and approves the renewal of his term of office for a duration of three years, expiring at the end of the Annual General Meeting of Shareholders called to deliberate on the financial statements closing on June 30<sup>th</sup> 2014.

**ELEVENTH RESOLUTION****Purchase and sale  
by the company of treasury shares**

After acknowledging the report of the Board of Directors, the Annual General Meeting gives authorization to the Board of Directors, with the faculty of sub-delegation, in compliance with the provisions of article L.225-209 and the following articles of the French Commercial Code, of Title IV, Book II of the General Regulation of the Autorité des marchés financiers (authority governing French markets) and the implementing directive of Regulation No. 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:

- insuring liquidity and managing the market for shares through a fully independent investment provider service, with which Vilmorin has signed a liquidity contract in compliance with applicable legislation;
- handing over shares when rights are exercised with regard to securities that provide access by whatever means, immediately or when due, to company shares;
- holding or handing over shares for the purposes of exchange or payment for external growth operations, in compliance with recognized market practices and regulations in force;
- following any other practice that is authorized or recognized by the Autorité des marchés financiers or any other objective compliant with regulations in force.

## FINANCIAL AND LEGAL INFORMATION

The Annual General Meeting fixes the maximum purchasing price at 120 Euros per share, and fixes the maximum number of shares liable to be purchased at one million shares, representing a maximum potential sum of 120 million Euros, on condition legal limits are also respected.

Shares may be acquired, sold or transferred at any moment, except during periods of public issue of the company's capital stock, and by any means, on the market, outside the market, by private agreement, including through blocks of securities or bids, optional mechanisms, derivatives, call options or securities, respecting applicable regulatory conditions.

This authorization is granted for a period of twelve months commencing as of the date of this Annual General Meeting, replacing the authorization granted by the Annual General Meeting of December 17<sup>th</sup> 2010 regarding the unused proportion on this date.

The Annual General Meeting 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 Annual General Meeting of any operations carried out, in compliance with applicable regulations.

### TWELFTH RESOLUTION

#### Issue of bonds and other assimilated debt securities

After acknowledging the report of the Board of Directors, the Annual General Meeting delegates full authority to the Board of Directors to take decisions to proceed in one or several operations, whether in France or another country and/or on international markets, in Euros or any other currency or unit of account fixed in reference to several currencies, with the issue of bonds or other assimilated debt securities, with or without a public issue, up to the nominal value of 250 million Euros or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies.

The Board of Directors may decide that the bonds, or other debt securities, will be of the perpetual floating or limited floating rate type, either for the stock and/or the interest accrued for these securities.

Full authority is granted to the Board of Directors to proceed with these issues in the limits fixed above, in compliance with legal provisions and with the by-laws, and in particular:

- determine the period or periods of issue;
- determine the issue currency and the nominal value of the loan, within the limits authorized above;
- fix the terms and conditions of the bonds and/or debt securities to issue, and in particular their nominal value, their issue price, their fixed and/or variable rates of interest, and the payment dates, their fixed or variable redemption price, with or without premium, and according to market conditions, fix the duration and conditions of amortization for the loan;
- more generally sign any contract documents or agreements with any banks or institutes, make any provisions and fulfill any formalities concerning the issue, the quotation and the financial management of the aforementioned bonds and/or aforementioned debt securities, and constitute the body of bondholders in compliance with legal provisions, and in a general manner, do all that is required.

The Board of Directors will also have full powers to decide, where necessary, to attach a guarantee to the securities issued and, if this is the case, to define and grant this guarantee, and take any measures for this purpose.

Within the framework of this resolution, the Board of Directors may, in application of article L.228-40 of the French Commercial Code, delegate to its Chairman or one of its members, the powers that it has received for the purpose of the present authorization.

The present authorization is given for a maximum duration of eighteen months. It supersedes the authorization previously granted by the Annual General Meeting of December 17<sup>th</sup> 2010.

## ➤ RESOLUTIONS OF AN EXTRAORDINARY NATURE

### THIRTEENTH RESOLUTION

#### **Issue, with pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares**

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of articles L.225-129 and the following of the French Commercial Code, and in particular articles L.225-129-2, L.228-91 to L.228-93, the Annual General Meeting, 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 Annual General Meeting, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed – whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, with pre-emptive shareholder subscription rights – with the issue of ordinary shares and/or securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by capital increase. The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential share and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.

➤ decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date, and that are liable to result from the present delegation cannot be greater than 250 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the sixteenth resolution be respected.

➤ decides that the securities issued providing access to ordinary shares in the company may, in particular consist in debt securities, or be associated to the issue of such securities.

In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 250 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

➤ decides that in the conditions stimulated by law, the shareholders can exercise their pre-emptive right to subscription, without reduction. Moreover the Board of Directors may institute, for the benefit of the shareholders, a pre-emptive subscription right with deduction which may be exercised proportionately to their rights and within the limit of the number requested.

If subscriptions without reduction, or where appropriate with reduction, have not absorbed all the issue of shares or securities providing access to the capital stock as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

➤ acknowledges that the present delegation gives full preference to bearers of securities issued that provide access to the company's capital stock, if the shareholders renounce their pre-emptive right to subscribe the ordinary shares to which these securities otherwise give the right.



## FINANCIAL AND LEGAL INFORMATION

- decides that stock purchase warrants in the company may be issued either by subscription offers, or by free allotment to those who already hold shares.

Where autonomous stock subscription warrants are allocated free, the Board of Directors will be entitled to stipulate that any odd lots of allotment rights are not negotiable, and that the corresponding securities may be sold.

- grants full powers to the Board of Directors, to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company, and to determine how, where relevant, they can be bought back on the Paris stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allocate ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provisions.
- decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will also have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or optional cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.
- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues envisaged, and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.

- finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of shareholders on how it has used the authorizations granted in this resolution.

### FOURTEENTH RESOLUTION

**Issue, without pre-emptive subscription rights, of ordinary shares and/or securities providing access immediately or when due, to company shares or shares in a company in which it directly or indirectly holds more than half the capital stock, or debt securities in particular such as bonds with an option of conversion and/or exchange for new or existing shares**

After acknowledging the report of the Board of Directors and the special report of the Statutory Auditors and in compliance with the provisions of article L.225-129 and the following articles of the French Commercial Code, and in particular articles L.225-129-2, L.225-135, L.225-136, L.228-91 to L.228-93, the Annual General Meeting, 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 Annual General Meeting, with the faculty of sub-delegation, in compliance with legislative provisions, its authority to proceed, whether through a public issue or not, in one or several operations, in the proportion and at the time it deems most opportune, whether in France or another country, in Euros or any other currency or unit of account fixed in reference to several currencies, without pre-emptive shareholder subscription rights - with the issue of ordinary shares and securities providing access immediately or when due, to company shares or to shares in a company in which it directly or indirectly holds more than half the capital stock, or to securities that give the right to the allotment of debt securities, and which may be subscribed to either in cash, or by compensation of receivables.

The present delegation can be used for one or several issues in application of article L.228-93 of the French Commercial Code.

Any preferential shares and security issues providing access by any means, immediately or when due, to preferential shares, are excluded from the present delegation.



► decides that the nominal amount for any increases in the capital stock that are immediate and/or at a due date and that are liable to result from the present delegation cannot be greater than 250 million Euros, to which may be added, where appropriate, and in compliance with applicable regulatory and legislative provisions, and with any contractual stipulations allowing for other cases of adjustment, the nominal amount of extra shares issued to preserve the rights of the bearers of securities that grant rights to the company's shares, on condition that the global limit fixed in the sixteenth resolution be respected.

► decides that the securities issued providing access to ordinary shares in the company may, in particular, consist in debt securities, or be associated to the issue of such securities. In particular they may take the form of perpetual or non-perpetual floating rate notes, and be issued either in Euros, or any other currency or unit of account fixed in reference to several currencies.

The nominal amount for any such issued debt securities shall not exceed 250 million Euros or the equivalent of this sum if issued in a foreign currency at the date of the decision to issue.

► acknowledges that the present delegation gives full preference to others if the shareholders renounce their pre-emptive right to subscribe the ordinary shares in the company to which these securities, on the basis of this delegation, otherwise give the right.

► decides to cancel pre-emptive subscription rights of shareholders to securities concerned by this resolution, while granting the Board of Directors the powers to institute, for the benefit of the shareholders, a pre-emptive subscription right with or without deduction which does not grant the right to the creation of negotiable rights.

► decides that the issue price of the new shares issued will at least be equal to the minimum set in regulatory provisions applied on the date of issue, which today is the weighted average of the quoted price of the company's shares for the last three sessions of the Eurolist d'Euronext Paris stock market preceding the date this price is fixed, reduced where necessary by the maximum discount of 5% stipulated by legislation in force.

► decides that the Board of Directors will be responsible, with the faculty of sub-delegation, for fixing the price of issuing ordinary shares or securities granting the right to the company's capital stock.

► decides that if the subscriptions of shareholders and the public have not absorbed all the issue of shares or securities as defined above, the Board of Directors may, in any order it may consider to be efficient, make use of the faculties offered by article L.225-134 of the French Commercial Code, and in particular the faculty of proposing to the public all or part of the unsubscribed shares or securities.

► grants full powers to the Board of Directors, to implement this delegation, with the faculty of sub-delegation, and in compliance with legislation, and in particular with the possibility of determining the dates and methods of issues, and the forms and characteristics of the securities to be created, to decide on the prices and conditions of the issues, to fix the amount to issue and the date of entitlement, albeit retroactive, of the securities to be issued, to determine how the ordinary shares or other issued securities are to be paid up, and the conditions in which these securities procure the right to ordinary shares in the company, and to determine how, where relevant, they can be bought back on the stock market, how they can be cancelled and the possibility of suspending the exercise of rights to allot ordinary shares associated to securities to be issued, and determine how to protect the interests of the holders of securities that, upon maturity, provide access to the capital stock, in compliance with legislative and regulatory provision.

► decides, furthermore, that when securities for issue consist in, or are associated to debt securities, the Board of Directors will have full powers, with the faculty of sub-delegation, to decide whether they are perpetual or not, their remuneration, and, where relevant, mandatory or facultative cases of suspension or non-payment of interest, their duration, the possibility of reducing or increasing the nominal value of the securities and other methods of issue and amortization.

When securities for issue consist in, or are associated to debt securities, the Board of Directors will decide whether they are subordinated or not, will fix their rate of interest and how this interest is to be paid, whether they are perpetual floating or not, their fixed or variable price of redemption, with or without premium, the possibility of reducing or increasing the par value of the securities, and all other methods of issue and amortization according, in particular, to market conditions and the conditions in which these securities grant the right to shares in the company.

## FINANCIAL AND LEGAL INFORMATION

Where appropriate, the securities to be issued may be associated with warrants granting the right to the allotment, acquisition or subscription of bonds or other debt securities, or may stipulate that the company may issue debt securities, whether fungible treasury bonds or not, to pay for interest that has been suspended by the company, or take the form of complex bonds as defined by the stock market authorities.

The Board of Directors may decide, during the life cycle of the securities concerned, to modify the provisions presented above, on condition that applicable formalities are respected.

- decides that the Board of Directors may also, with the faculty of sub-delegation, and upon its own initiative, deduct capital increase costs from the amount of premiums associated to this increase, and also deduct from this amount the legal reserves required, and take all necessary measures, and reach any agreements to insure the successful conclusion of the issues envisaged and to record any capital increases that result from any issue made through this delegation and modify the by-laws accordingly.
- finally, decides that this delegation supersedes any previous delegation with the same object, for any unused sums.

If the Board of Directors uses the delegation granted in this resolution, it must report back to the following Annual General Meeting of shareholders on how it has used the authorizations granted in this resolution.

### FIFTEENTH RESOLUTION

#### Possibility to make use of the thirteenth and fourteenth resolutions

After acknowledging the report of the Board of Directors, the Annual General Meeting, deliberating in compliance with conditions of quorum and majority required for Extraordinary General Meetings of shareholders, delegates its authority to the Board of Directors, with the faculty of sub-delegation, and within the framework of legal provisions, to use all or part of the various delegations resulting from the thirteenth and fourteenth resolutions, if any takeover or security exchange bid were to be made with regard to the securities issued by the company.

The Annual General Meeting decides that the Board of Directors shall have all powers, with the faculty of sub-delegation, to implement this present delegation in conditions laid down by the law.

This present delegation is granted for a period of twelve months that will expire at the end of the Annual General Meeting called to deliberate on the financial statements closing on June 30<sup>th</sup> 2012.

### SIXTEENTH RESOLUTION

#### Global limit of the total amount to be issued

After acknowledging the report of the Board of Directors, the Annual General Meeting decides that any capital increases resulting from the use of delegations involving the authorization to issue shares and other securities granted in the thirteenth, fourteenth and fifteenth resolutions above, whether immediate, deferred or potential, and also any issue of securities according to the provisions of the twelfth resolution above, shall not globally exceed the total nominal value of 400 million Euros, or the equivalent of this sum if issued in a foreign currency, or in a unit of account fixed in reference to several currencies; to this sum may be added, where relevant for capital increases as described above, the nominal amount of extra shares issued in order to protect the interests of the holders of securities that provide access to the capital stock, in accordance with legal and regulatory provisions.

### SEVENTEENTH RESOLUTION

#### Increase in the capital stock reserved for employees

After hearing the reports of the Board of Directors and the Statutory Auditors, the Annual General Meeting, 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 Annual General Meeting delegates to the Board of Directors the powers necessary to take decisions to proceed with the increase in the capital stock, in one or several operations, in the proportion and at the time it deems most opportune, through the issue of shares in the capital stock or securities providing access to the company's capital stock, with pre-emptive rights to the subscription of shares; the capital increase is reserved to the company's employees still under contract, or those with work contracts in companies that are linked according to the definition of L.225-180 of the French Commercial Code, that participate in the company or group savings plan, and that satisfy the any conditions that are laid down by the Board of Directors.

The amount of increase in the capital stock liable to be made through the delegation presented above may not exceed 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 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 Annual General Meeting of December 17<sup>th</sup> 2010.

## ➤ RESOLUTIONS OF AN ORDINARY CHARACTER

### EIGHTEENTH RESOLUTION

#### **Renewal of the term of office of an incumbent Statutory Auditor**

Since the mandate of VISAS 4 Commissariat, 56 Bd Gustave Flaubert – Clermont-Ferrand – France, incumbent Statutory Auditor, has reached expiry date, the Board of Directors proposes to renew this mandate for a period of six fiscal years up until the date of the Annual General Meeting deliberating on the consolidated financial statements for the fiscal year closing on June 30<sup>th</sup> 2017.

### NINETEENTH RESOLUTION

#### **Appointment of a substitute Statutory Auditor**

Since the mandate of Monsieur Olivier DELARUE, 56 Bd Gustave Flaubert – Clermont-Ferrand – France, the substitute Statutory Auditor, has reached expiry date, the Board of Directors proposes to renew this mandate for a period of six fiscal years up until the date of the Annual General Meeting deliberating on the consolidated financial statements for the fiscal year closing on June 30<sup>th</sup> 2017.

### TWENTIETH RESOLUTION

#### **Delegation of powers**

The Annual General Meeting grants full powers to the bearer of a copy or extracts of the minutes recording the present deliberations with the aim of completing all legal and administrative formalities as required.

# GLOSSARY >

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**BIOLOGICAL FIGHT:**

The fight against crop pathogens using their natural predators.

**BIOTECHNOLOGY:**

The application of science and engineering to the use of living organisms in their natural or modified forms.

**BREEDING/SELECTION:**

Choosing the individuals with the best phenotypical characteristics for reproduction from a population of plants earmarked for improvement.

By extension: all the techniques used in plant improvement.

**CRITICALITY:**

Cumulative effect of the probability of a risk occurring and the gravity of the damage it would cause.

**GENETIC RESOURCES:**

Group of genes from various plant species.

**GENETICALLY MODIFIED ORGANISM (GMO):**

Organism (plant, animal or micro-organism) whose genome has been voluntarily modified by man using a technique, transgenesis, combining in vitro culture and genetic engineering.

**GENOME:**

All the genetic material in the chromosomes of a particular organism.

**GENOMICS:**

The study of genes, their resulting proteins, and the role played by the proteins in the body's biochemical processes.

**GENOTYPING:**

Testing using different techniques, including genomics and molecular marking, to analyze genes in order to reveal the specific alleles or traits inherited by an individual.

**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.

**IN VITRO CULTURE:**

Propagation of cells in an experimental situation outside the organism. Biological or chemical work done in the test tube (in vitro is Latin for "in glass") rather than in living systems.

**MOLECULAR MARKING:**

Following the presence or absence of a particular trait in a plant, by studying its genome (without the need to grow the plant to check whether the trait is present or absent).

**MYCOTOXIN:**

Toxic substance produced by fungi or molds on agricultural crops that may cause sickness in animals or humans that eat feed or food made from contaminated crops.

**ORGANOLEPTIC:**

Relating to perception by or the use of a sensory organ.

**PATHOGEN:**

Pathogens are infectious or toxin forming micro-organisms causing disease.

**PELLETING:**

Technique whereby inert materials are added to change seed size and shape for improved planting.

**PHENOTYPING:**

Different techniques to observe the outward appearance (structure) or other visible characteristics of an organism as expressed by the DNA of its genotype.

**SEED MULTIPLICATION FARMER:**

Farmer specialized in large-scale multiplication or production of seed, with a view to selling the seed.

**SALES FROM PROPRIETARY VARIETIES:**

Sales made on varieties coming out of the research programs of Vilmorin.

**SEED TECHNOLOGY**

The science dealing with the methods of improving physical and genetic characteristics of seed.

**STRATEGIC INVESTMENT FUND (SIF)**

The Strategic Investment Fund is a government-owned sovereign wealth fund operated by France. The fund is run jointly by the French government and the state bank Caisse des Depots et Consignations.

**STACKING:**

The process of introducing several traits (not necessarily GM) into one plant or plant type by either selective (human) or natural breeding methods.

**THINK TANK:**

A group or an institution organized for intensive research and solving of problems, especially in the areas of technology, social or political strategy, or armament.

**TRAITS:**

The gene or genes providing the plant with resistance to various aggressions from pests, weed-killers, etc.

**TRANSGENESIS:**

Integration into a living organism of a gene that confers upon the organism a new property that it will transmit to its descendents.

**Sources:**

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

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