

Curitiba (State of Parana, Brazil), Thursday February 10th 2011

■ **Limagrain sets up business on the Brazilian corn market**

Limagrain has just signed a strategic alliance in corn, through its subsidiary Vilmorin & Cie¹, with the Brazilian seeds company Sementes Guerra in Curitiba in Brazil. This entry on the Brazilian corn seed market is part of the Group's international development strategy. This agreement will extend the genetic heritage of the two parties to create more efficient varieties for the benefit of farmers.

Sementes Guerra, based in Pato Branco (State of Parana) in the center-south of Brazil was founded by Fernando Guerra in 1979. This family company covers seed research and production (corn, wheat and soybean) and distribution to farmers in Brazil and neighboring countries. Sales for this activity in 2010 reached a little less than 10 million Euros. This strategic alliance exclusively concerns corn activities which are combined in a new company "**Limagrain Guerra do Brasil**".

Joël Arnaud, Farmer and Vice-Chairman of the Coopérative Limagrain² stated, at the time this agreement was announced publicly in Brazil, "We are delighted with this alliance which is being built up in a co-operative spirit. With Guerra, a successful and dynamic family company, we share the same sense of challenge demonstrated by our local anchorage and international scope. Our ambition is to remain one of the main players in field seeds and particularly in corn. Through the use of genetic progress we hope to rise to the major food challenges facing the world, which will require an improvement of agricultural productivity in Brazil, Europe and the rest of the world. By broadening our genetic resources this alliance will also enable us to reinforce our corn business in the Group.

Daniel Chéron, the CEO for Limagrain, presented this partnership to the Brazilian press: "Brazil is a world agricultural power. Brazil, the "world's farm" is the 3rd largest country for corn acreage with 13 million hectares, behind the United States (33 million hectares) and China (31 million hectares). The market for seeds in Brazil represented US \$1.5bn in 2009, half of which was for corn. In 2020, this market should be close to US \$3.4bn with more than half for corn"

And he added: "Limagrain, the 4th largest seeds company in the world through its subsidiary Vilmorin & Cie, definitely has a role to play on this highly dynamic market with strong potential for growth. Our investment in research, combined with Guerra's knowledge of the Brazilian market and its commercial network, will extend the range of varieties proposed to farmers."

¹ Limagrain is the majority shareholder of Vilmorin & Cie (a company listed on Euronext Paris), which holds all the seeds businesses.

² A cooperative based in the county of Puy-de-Dôme in France, founded in 1942, with 3,500 farmer members.

And he concluded this public meeting with Guerra in Brazil: “Limagrain remains convinced of the interest of GMOs, and this market is favorable to them. The rate of adoption of transgenic corn varieties has reached 50% in just three years! The development perspectives for this alliance are thus very strong, and we are confident about our collective future in Brazil.”

*Limagrain is an international agricultural co-operative group, **specialized in field seeds, vegetable seeds and cereal products**. It conducts its business within the framework of a global, sustainable vision of agriculture and agri-food based on innovation and regulation of agricultural markets. It is the 4th largest seed company in the world through its subsidiary **Vilmorin & Cie**, European leader for functional flours through **Limagrain Céréales Ingrédients** and 2nd largest French industrial baker through **Jacquet**. The Group makes annual sales of more than 1.3 billion Euros and has a headcount of 6,700, spread out over 40 countries, including 1,300 researchers.
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