

PRESS RELEASE

Paris, 31 August 2010

RAGT and InVivo sign a strategic agreement in the seed sector

The two agricultural groups RAGT and InVivo have signed a strategic agreement in the seed sector on August 23. The agreement will lead to the creation of one of the European major companies for research and distribution in the domain of field crops seeds.

RAGT and InVivo have decided to combine their seed research businesses. Serasem, the research subsidiary of the InVivo cooperative group, is joining the research unit of RAGT Semences, R2n. Simultaneously, InVivo, accompanied by the French financial institutions of the farming sector : Unigrains and Sofiprotéol, is entering the capital of RAGT Semences through the Financière RAGT InVivo Semences holding company, which will hold a 34.5% stake in the new entity.

InVivo's seed production and sales activities (LS Production, IDF Production and Semences de France) are not concerned by the agreement.

The transaction reflects the M&A trend going on the seed industry, giving rise to transnational multi-crops players.

This operation will foster involvement in new research and breeding techniques, which require heavy investments, particularly in the domain of molecular biology and bioinformatics, thus allowing large-scale use of marker assisted selection.

With the operation, InVivo is strengthening its strategic involvement in plant breeding and sales and ensuring continued access to genetic progress for its affiliate cooperatives. For RAGT, the project boosts the staff as well as material and financial means dedicated to seed research, while respecting its governance principles and its fundamental values. The new French research unit will be grounded on the skills of the R2n and Serasem companies and all jobs will be maintained.

RAGT and InVivo share the same ambition of implementing new plant breeding approaches and playing a major role on the European territory. This strategic move was favoured by the strong complementary currently existing between R2n and Serasem. R2n operates an European network of 15 research stations located in Northern and Eastern Europe (7 in France, 3 in Germany and one in each of the UK, the Netherlands, the Czech Republic, Hungary and Ukraine) and is involved in all the major species for arable crops (small-grain cereals, corn, sorghum, soybean and sunflower) and for animal feed. Through its four research stations (3 in France and one in the UK), Serasem mainly focuses on autogamous species (small-grain cereals and protein seeds) and rapeseed.

From a €34 million current research budget, the new company will strengthen its work on wheat and triticale breeding and will allocate further resources to research programmes on rapeseed, barley and corn. Emphasis will also be given to developing varieties with agronomic and qualitative characteristics answering the needs of productive and environmentally friendly agriculture.

Commenting, Patrice Gollier, Chief Executive Officer of InVivo, said: “More than ever, seeds are a major strategic issue for the agriculture world. This partnership enables InVivo to pursue its investment through a new dimension.”

Daniel Segonds, Chairman of RAGT, commented: “With this operation, we are considerably strengthening our research capacity and giving ourselves the means to remain an independent seed company, with a new shareholder community that fully represent and endorse the values of farmers and the agriculture world.”

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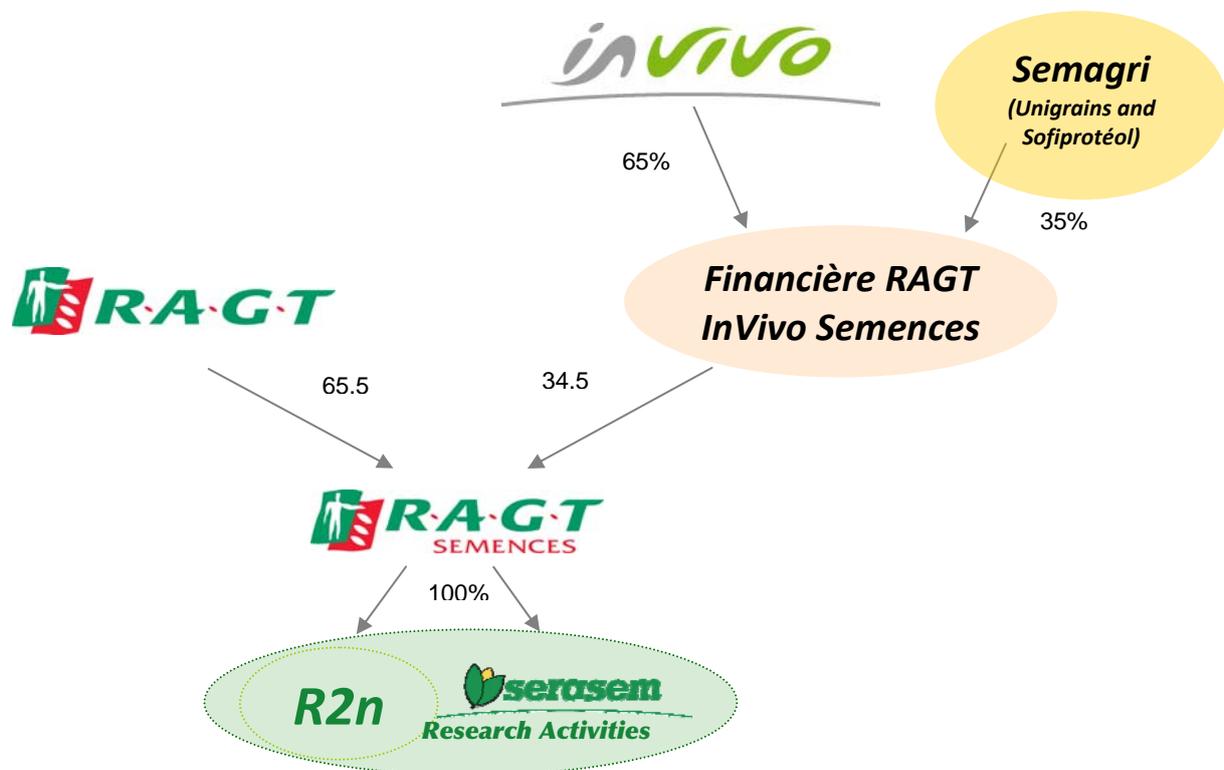
RAGT SA, based in Rodez (Aveyron), is organised into two main activities: farming and gardening supply for its region of origin, and a seed activity, RAGT Semences, which make it one of the major players in Europe, particularly in cereals, corn, oil seeds and fodder plants. The RAGT group reports revenue of €275 million and has a workforce of over 1,000 worldwide.

InVivo, a union of farming cooperatives, is a major player in four activities: seeds and agricultural distribution, animal nutrition and health, international grain trading and storage, and green distribution (Gamm vert). The InVivo group has revenue of €5.1 billion and employs more than 6,100 people worldwide.

RAGT – InVIVO PRESS KIT

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Legal and financial diagramme



Overview of RAGT and InVivo seed businesses

RAGT Semences

- Turnover: €140 million
- 607 employees

Research resources at R2n (pre-transaction)

- €25 million budget
- 200 employees
- 15 research stations: 7 in France: Druelle (south), la Courtade (south), Port de Lanne (southwest), Montours (Brittany), Savigné (west), Villampuy (centre), Louville (centre); 3 in Germany; one in each of the UK, the Netherlands, the Czech Republic, Hungary and Ukraine.
- Species:
 - corn, sorghum
 - cereals: soft wheat, hard wheat, triticale
 - oil seeds: sunflower, rapeseed
 - protein seeds: soybean
 - fodder and turf grass

Production and sales

Production and sales of varieties developed by R2n research are handled by RAGT Semences and its 13 commercial subsidiaries (France, Germany, Austria, Benelux, the Netherlands, Poland, Hungary, the UK, the Czech Republic, Spain, Northern Europe, Romania and Ukraine).

InVivo Seed activity

- Turnover: €104 million
- 184 employees

Research resources at Serasem (integrated in R2n following agreement with RAGT)

- €9 million budget
- 80 employees
- 4 research stations: 3 in France - La Chapelle d'Armentières (north), Milly-la-Forêt (Ile-de-France) and Montbartier (southwest) – and one in the UK.
- Species:
 - cereals: wheat, durum wheat, barley, triticale, oats
 - oil seeds: rapeseed
 - protein seeds: peas, horse beans

Production and sales (activities not affected by the operation)

Two companies are specialised in seed production: LS Production, owned 50/50 with NPZ Lembke, that produces rapeseed; and IDF Production, which produces autogamous seeds sold under the GAE brand.

Semences de France is a commercial company for arable crops (small-grain cereals, corn, oil and protein seeds) selling varieties developed by Serasem research or by other plant breeders. It also sells fodder grasses and turf grass under the "Semences vertes" brand.

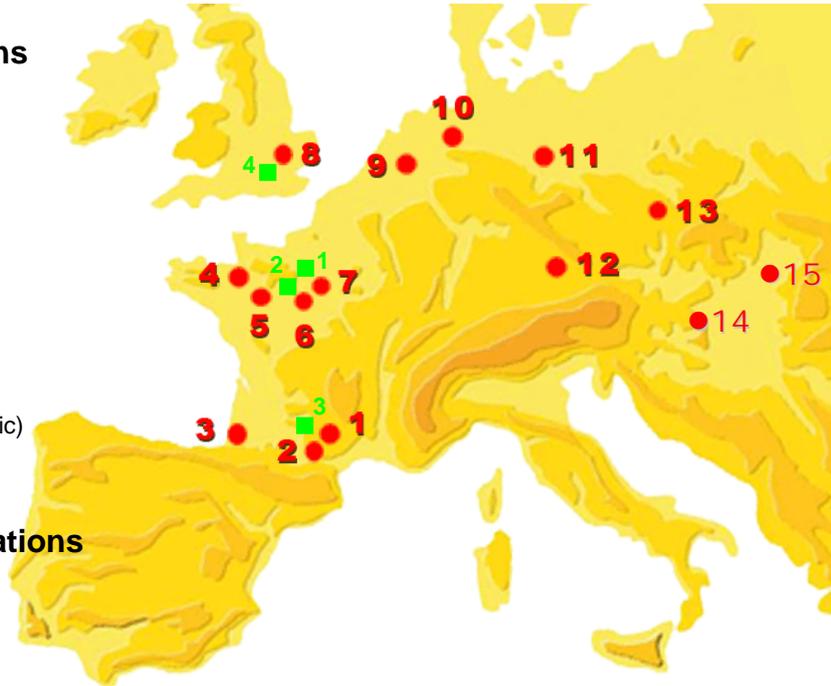
Map of R2n and Serasem research stations in Europe

15 R2n research stations

- 1 – Druelle (France)
- 2 – La Courtade (France)
- 3 – Port de Lanne (France)
- 4 – Montours (France)
- 5 – Savigné (France)
- 6 – Villampuy (France)
- 7 – Louville (France)
- 8 – Ickleton (UK)
- 9 – Neer (Netherlands)
- 10 – Saerbeck (Germany)
- 11 – Silstedt (Germany)
- 12 – Ottmaring (Germany)
- 13 – Branisovice (Czech Republic)
- 14 – Mezofalva (Hungary)
- 15 – Ternivka (Ukraine)

4 Serasem research stations

- 1 – Premesque (France)
- 2 – Milly la Forêt (France)
- 3 – Montbartier (France)
- 4 – Cambridge (UK)



RAGT Semences governance

- Following the agreement, RAGT will become an SAS company (similar to a limited liability company), directed by Daniel Segonds, Chairman, and Claude Grand, Chief Executive Officer.
- The executive committee comprises six members: Daniel Segonds, Claude Grand, Claude Tabel and Laurent Bordas for RAGT and Jeremy Macklin and Philippe Hamelin for InVivo.
- The strategic committee comprises 11 members: for RAGT: Daniel Segonds, Alain Fabre, Sabine Singla-Delattre, Christian Singla, Georges Despres and Jean-François Laurens; for InVivo: Michel Fosseppez, Patrice Gollier and Jérôme Duchalais; and for Semagri: Pascale Bensman and François-Xavier Masson.

Claude Tabel took over the management of Serasem on August 23. He is seconded by Eric Margalé. Claude Tabel is the Chief Executive Officer of R2n.

A shared ambition

The RAGT – InVivo alliance is based on a shared vision of the challenges and objectives to be met. The significant increase of research resources and the new shareholder structure will enable the new company RAGT Semences to build a sustainable position as a major European player in all species.