Origin Enterprises PLC

Interim Results Announcement
Half Year ended 31 January 2014

Results Summary

	6 months ended 31 Jan 2014 €'000	6 months ended 31 Jan 2013 €'000	Change
Revenue - Agri Services	517,606	567,680	(8.8%)
Operating profit*			
- Agri-Services	4,012	2,386	68.1%
Share of profit of associates and joint ventures**	6,693	10,866	(38.4%)
Group operating profit*	10,705	13,252	(19.2%)
Adjusted diluted EPS (cent per share)***	5.93	7.59	(21.9%)
Return of capital to shareholders	100,000	-	€100.0m
Net debt	163,550	178,736	(€15.2m)

** Before amortisation of non-ERP intangible assets and exceptional items.*
*** Share of profit of associates and joint ventures represents profit after interest and tax before exceptional items.*
**** Before amortisation of non-ERP intangible assets, net of related deferred tax (2014: €2.4 million, 2013: €2.3 million) and exceptional items (2014: €2.3 million, 2013: €1.5 million).*

Highlights

- Good performance from Agri-Services in seasonally quiet first half reflecting impact of delayed crop plantings in the prior period due to unseasonal weather.
- Excellent winter cropping profile established providing strong foundation for full year result.
- Satisfactory performance from the Group's strategic associate and joint venture interests against the backdrop of a highly competitive trading environment.
- Adjusted diluted earnings per share of 5.93 cent reflecting an underlying increase of 12.1 per cent.
- Completion of Agroscope acquisition on 30 January 2014.
- Net debt reduction of €15.2 million to €163.6 million.
- Increasing full year EPS guidance by 3 per cent to 53.5 cent per share.

Origin Enterprises plc

Chief Executive Officer's comment:

Commenting on the announcement of the 2014 Interim Results, Origin Chief Executive Officer, Tom O'Mahony said:

"Origin has delivered a solid operating and financial performance during the seasonally quiet first half of the financial year, recording a 12.1 per cent increase in underlying adjusted earnings per share.

Agri-Services has performed ahead of last year and is well positioned for the seasonally more significant second half of the year as near perfect autumn growing conditions, principally in the United Kingdom, supported a strong recovery in winter arable plantings.

The completion of the acquisition of Agroscope in the period underlines Origin's strategic priority to scale its technology and service portfolios in new markets providing meaningful agronomic extension opportunity.

The requirement of primary food producers for greater crop productivity whilst managing the environmental sustainability of their production systems underscores the urgent priority to reliably close the gap between optimum crop potential and what is credibly achievable. The Group, through its comprehensive co-ordinated growing systems and knowledge translation capability, is committed to delivering practical and relevant information on-farm that can positively influence the competitiveness, profitability and sustainability of primary arable, vegetable and fruit enterprises.

We are increasing full year guidance in adjusted diluted earnings per share by 3 per cent to 53.5 cent."

ENDS

The 2014 Interim Results Announcement is available on the company website www.originenterprises.com. There will be a live conference call at 8.30am (GMT) today. To listen to this conference call, please dial the number below. Participants are requested to dial in 5 to 10 minutes prior to the scheduled start time.

Participant access numbers:

Ireland:	Tel:	+353 (0)1	247 6528
UK/International:	Tel:	+44 (0)20	3427 1904
Switzerland:	Tel:	+41 (0)44	580 7215

Confirmation Code: 1698978

Enquiries:

Brendan Fitzgerald Chief Financial Officer Origin Enterprises plc	Tel:	+353 (0)1	612 1259
Joe Murray/Joe Heron	Tel:	+353 (0)1	498 0315
Murray Consultants	Mobile:	+353 (0)87	690 9735

6 March 2014

INTERIM RESULTS STATEMENT

Financial review – summary

	6 months ended 31 Jan 2014 €'000	6 months ended 31 Jan 2013 €'000
Group revenue	517,606	567,680
Operating profit*	4,012	2,386
Associates and joint ventures, net**	6,693	10,866
Group operating profit*	10,705	13,252
Finance costs, net	(2,374)	(3,034)
Pre tax profits	8,331	10,218
Income tax	(369)	290
Adjusted diluted net profit	7,962	10,508
Adjusted diluted EPS (cent)* **	5.93	7.59
Adjusted net profit reconciliation		
Reported net profit	3,353	6,701
Amortisation of non-ERP intangible assets	2,859	2,901
Tax on amortisation of non-ERP intangible assets	(509)	(586)
Net acquisition, disposal and restructuring costs and fair value adjustments	2,259	1,492
Adjusted diluted net profit	7,962	10,508
Adjusted diluted EPS (cent)* **	5.93	7.59

Financial review

Origin Enterprises plc ('Origin' or 'the Group'), announces adjusted diluted earnings per share*** for the period of 5.93 cent compared to 7.59 cent in the corresponding period last year. On a like for like basis (excluding the impact of currency movements, the dilutive impact of the Welcon disposal and the Tender Offer) the underlying increase was 12.1 per cent. The Group's earnings profile is significantly weighted towards the second half of the financial year with c.90 per cent of earnings typically arising in the second half.

Revenue

Revenue from Agri–Services was €517.6 million compared to €567.7 million in the previous period, a decrease of 8.8 per cent. On a like for like basis (excluding the impact of currency movements) revenues decreased by €30.7 million (5.4 per cent) principally reflecting a combination of lower global fertiliser and feed prices partially offset by increased fertiliser, crop protection and crop marketing volumes.

Operating profit*

Operating profit* from the Agri-Services business amounted to €4.0 million compared to €2.4 million in the previous period, an increase of €1.6 million. On a like for like basis (excluding the impact of currency) the increase year on year was €1.9 million. The increase in profits reflects a return to more normal winter cropping patterns after the extreme weather conditions in the prior period and more importantly provides a strong foundation for the second half of the year.

Associates and joint ventures**

Origin's share of the profit after interest and taxation from associates and joint ventures decreased by €4.2 million from €10.9 million to €6.7million. The decrease is principally attributable to the disposal of the Group's marine proteins and oils business, which was finalised in July 2013.

Financing costs, net debt and working capital

Net finance costs amounted to €2.4 million, a decrease of €0.7 million on the prior period. Average net debt amounted to €129 million compared to €205 million last year reflecting the timing of the receipt of the proceeds from the disposal of our interest in Welcon and the return of capital to shareholders. Net debt at 31 January 2014 was €163.6 million compared with €178.7 million at 31 January 2013 and is 1.97 times**** EBITDA for the twelve months to 31 January 2014.

Following the seasonal investment in working capital the net cash outflow from operating activities was €88.2 million (2013: €94.7 million) reflecting the impact of lower prices and a more normal season in the current year. Year on year there was a reduction of €3.3 million in working capital.

Exceptional items

Exceptional items amounting to €2.3 million were incurred in the period principally relating to rationalisation costs arising from a restructuring of Agri-Services in the UK (€0.7 million), our share of Valeo rationalisation costs (€0.7 million) and costs associated with the Agroscope acquisition (€0.9m).

Return of Capital - Tender Offer

Following approval from shareholders at the Extraordinary General Meeting held on 18 November 2013, Origin completed a Tender Offer in December 2013. The total number of Ordinary Shares purchased by the Company pursuant to the Tender Offer was 13,333,249 for a total consideration, before expenses, of approximately €100.0 million.

Dividend

On 2 December 2013 a dividend of 17.25 cent per share was paid in respect of the year ended 31 July 2013 totalling €23.2 million. As in prior years, reflecting the seasonality of the business, the Group will declare an annual dividend at the time of the preliminary results announcement in September 2014.

** Operating profit and Group operating profit are stated before amortisation of non-ERP intangible assets and exceptional items.*
*** Share of profit of associates and joint ventures represents profit after interest and tax before exceptional items.*
**** Adjusted diluted earnings per share is stated before amortisation of non-ERP intangible assets, net of related deferred tax (2014: €2.4 million, 2013: €2.3 million) and exceptional items (2014: €2.3 million, 2013: €1.5 million).*
***** Net debt/EBITDA ratio as per the requirements of the syndicated bank loan agreement.*

Review of Operations

Agri-Services

			Change on prior period	
	2014 €m	2013 €m	Change €m	Underlying €m
Revenue	517.6	567.7	(50.1)	(30.7)
Operating profit*	4.0	2.4	1.6	1.9

**before amortisation of non-ERP intangible assets and exceptional items.*

Agri-Services comprises on-farm integrated agronomy services and business-to-business agri-inputs. These businesses provide customised solutions that address the efficiency, quality and output requirements of primary food producers in Ireland, the UK, Poland and Ukraine. The Group's earnings profile is significantly weighted towards the second half of the financial year.

Revenue decreased by 8.8 per cent to €517.6 million reflecting lower global fertiliser and feed prices partially offset by increased fertiliser, crop protection and crop marketing volumes. Operating profit increased by €1.6 million to €4.0 million. On a like for like basis (excluding the impact of currency movements) operating profit increased by €1.9 million.

Integrated On-Farm Agronomy Services

United Kingdom

Agrii delivered a strong result in the period, recording higher revenues and profits as near perfect conditions on farm in the first quarter supported the early drilling of crops leading to a return to more normal winter cropping patterns. In the same period last year adverse weather conditions significantly curtailed in-field operations resulting in reduced cropping and lower levels of agronomy sales. The strengthening of Agrii's agronomy portfolio through integration was reflected in favourable serviced margins in the period which, along with increased sales of high performing seed varieties, helped to support the overall result.

Winter planting programmes are now complete with a total wheat area of approximately 2 million hectares, an increase of 23 per cent on last year. Oil seed rape plantings are some 15 per cent lower than the prior year at approximately 640,000 hectares, principally due to the impact of rotational disruption encountered last year due to unseasonal weather. This reduction is being more than offset by the increased planted area for wheat and other arable crops. The higher level of winter plantings combined with crops that are well established provides a strong foundation for the full year result.

Agrii has now established a single business and operational platform reflecting strong organisational and strategic alignment around the priorities for on-farm service provision. A fully integrated crop advisory and management system capability places on-farm knowledge transfer at the heart of the business today. New leadership and cross functional support capabilities are well embedded and are helping to support closer customer engagement and collaboration through providing the very best levels of agri-intelligence for agronomists and growers.

The implementation of a comprehensive decision support capability continued during the period. This development supports the integration of modern electronic decision support within the overall service offer to incorporate systematic soil scanning, whole field sampling with nutrient recommendations, targeted input application, pest and disease forecasting and performance analysis.

Maximising crop potential is identified as fundamentally strategic in supporting primary producers to optimise competitive advantage and to positively influence their highly demanding planning and operating environment. A significant gap exists today between the outcomes of scientific research and their practical application on farm.

Agrii's on-going commitment to drive for sustainable yields is reflected in the establishment of a focused scientific capability within the business. An independently chaired scientific strategy board is now guiding overall direction and development for applied research in cooperation with highly respected specialists and scientific organisations to create relevant research and knowledge transfer that is targeted and focused on growers' needs.

Genetics, nutrition and soils, precision agronomy, crop protection and emerging technologies form the central pillars of a five year research strategy underpinning Agrii's €25 million investment for an expansion in applied research, development and technical support for UK growers. Through building excellence in research to the highest international standards, knowledge outcomes are transferred into practical information to support the competitiveness, profitability, productivity and sustainability of crop enterprises.

Poland

Dalgety Agra Polska delivered a solid performance in the first half, recording higher agronomy sales and margins. Lower crop marketing revenues in the period reflected slower export opportunities as customers largely focused on covering their immediate requirements only.

Good autumn weather has facilitated optimal crop drilling conditions underpinning robust activity levels on-farm. Combinable winter plantings at some 6 million hectares are broadly in line with last year. This, in addition to an anticipated area for spring maize of 1 million hectares, supports a solid platform for the second half.

Dalgety has continued to make good progress in strategically positioning its product and service offer across all customer channels. A realignment of the business under specific market focused segments is enabling more effective customer engagement and improved execution. Dalgety's franchise offering to the independent shops channel performed well with its solutions based approach for larger growers, focused on integrating seed variety, high specification inputs and advice also gaining further momentum in the period.

Ukraine

On 30 January 2014, the Group completed the acquisition of a controlling interest in the business of Agroscope. Based in Ukraine and founded in 2002, Agroscope, which employs 150 people, is a leading provider of agronomy services, high specification inputs and advisory support to arable and root crop growers. The business represents an excellent strategic fit for Origin adding complementary expertise and strong brand reputation on-farm with a dedicated commitment to excellence in customer fulfilment.

The business is now actively engaged with customers on planning their requirements for the key spring period where an early season is anticipated.

Business-to-business Agri Inputs – Ireland and the UK

Operating profit in the period was ahead of last year, principally reflecting the benefit of higher fertiliser volumes and an improved feed performance partially offset by lower fertiliser margins.

Higher fertiliser volumes in Ireland were supported by favourable weather in late summer and early autumn with dairy enterprises continuing to invest in nutrition programmes to maximise grass and silage production for their winter fodder requirements. In the United Kingdom sluggish margin and volume development in the first quarter was countered by improved demand in the second quarter as greater visibility on raw material pricing provided confidence to customers to fix a portion of their commitments ahead of the main application season.

We are optimistic in relation to full year fertiliser volumes in Ireland and the UK. In particular strong output prices in the case of the dairy enterprise combined with a return to a full cropping area following last year's extreme weather conditions are expected to support consumption in the seasonally more important second half of the year. Prescription based and bespoke nutrition applications continue to provide value added growth opportunity and, importantly, address the requirements of primary producers for high yielding and cost efficient output.

The business has developed a comprehensive sourcing and distribution capability which together with the benefit of well invested facilities leaves it well placed to fulfil customer off-take requirements in what is expected to be a concentrated volume off-take period in the second half of the financial year.

The Group's amenity business performed ahead of the prior year largely reflecting customers' renewed confidence of increased activity levels in the key second half period following lower demand last year due to the impact of poor weather. Building upon the successful integration of Rigby Taylor, acquired in 2011, the business has strengthened its market positioning across the landscaping, sports turf and broad based amenity channels through a combination of greater focus on core branded offerings and innovative new product development that is principally dedicated to the professional sectors.

Feed ingredients achieved a good result in the period benefiting from improved margins. A combination of favourable primary producer returns, principally in the case of dairy and the requirement to supplement winter feeding with high energy diets helped support a robust volume performance following last year's very strong feed demand. The outlook for volumes for the second half of the financial year is stable with greater visibility on raw material pricing providing support to customers to plan their forward commitments with greater confidence.

Associates and joint ventures

Valeo

Valeo, in which Origin has a 32 per cent shareholding, is a leading consumer foods company with a portfolio of some of Ireland's most iconic food brands. Valeo performed in line with expectations during the period and continues to maintain leadership positions across its core categories through programmes that prioritise value to consumers.

The grocery market in Ireland remains challenging as consumers seek to manage spend through shopping in discounters and buying into private label. Whilst Valeo continues to build its presence in both these channels, the business has further developed its offer through the successful launch of several new products and the pack renovation of key brands. These initiatives have been supported by a highly visible consumer communications programme. Valeo has also been successful in building its presence in the professional and business-to-business channels.

On 28 February, Valeo completed the acquisition of Rowse Honey which is the UK's leading honey producer and category brand. The acquisition strongly complements Valeo's existing categories and provides important geographic diversification to the business.

John Thompson & Sons Limited ('John Thompson')

John Thompson, the largest single site multi species animal feed mill in the European Union, in which Origin has a 50 per cent shareholding, delivered a satisfactory performance during the period.

Outlook

Origin has made good progress in building an integrated and intelligence led agri-services business capability which is well positioned to capitalise on the provision of innovation and technology transfer for the sustainable development of primary crop enterprises.

The current cropping profile provides a strong platform for the seasonally more important second half of the financial year. Following the completion of the acquisition of Agroscope on 30 January 2014 we are increasing full year guidance in adjusted diluted earnings per share by 3 per cent to 53.5 cent. Origin will provide a further update on the outlook for the year in its next Trading Update on 28 May 2014.

ENDS

About Origin Enterprises plc

Origin Enterprises plc is a focused Agri-Services group providing on-farm advice and the supply of agri-inputs. The Group also has an investment in consumer foods. The Agri-Services business through its manufacturing and distribution operations in Ireland, the United Kingdom, Poland and Ukraine has leading market positions in the supply of specialist agronomy services, crop nutrition and feed ingredients. The Group is listed on the ESM and AIM markets of the Irish and London Stock Exchanges.

ESM ticker symbol:	OIZ
AIM ticker symbol:	OGN
Website:	www.originenterprises.com

Origin Enterprises plc

Consolidated income statement

for the six months ended 31 January 2014

	Notes	Six months ended January 2014 Pre-Exceptional €'000 (Unaudited)	Six months ended January 2014 Exceptional €'000 (Note 4) (Unaudited)	Six months ended January 2014 Total €'000 (Unaudited)	Six months ended January 2013 Total €'000 (Note 6) (Unaudited)	Year ended July 2013 Total €'000 (Note 6) (Audited)
Revenue	*3*	517,606	-	517,606	567,680	1,418,173
Cost of sales		(456,418)	-	(456,418)	(506,901)	(1,225,557)
Gross profit		61,188	-	61,188	60,779	192,616
Operating costs		(60,035)	(1,746)	(61,781)	(62,633)	(126,647)
Share of profit of associates and joint ventures		6,693	(663)	6,030	10,414	21,545
Operating profit	*3*	7,846	(2,409)	5,437	8,560	87,514
Finance income	*2*	1,349	-	1,349	1,369	2,699
Finance expenses	*2*	(3,723)	-	(3,723)	(4,403)	(8,842)
Profit before tax		5,472	(2,409)	3,063	5,526	81,371
Income tax credit/(expense)		140	150	290	1,175	(8,359)
Profit attributable to equity shareholders		5,612	(2,259)	3,353	6,701	73,012

	Notes	Six months ended January 2014	Six months ended January 2013	Year ended July 2013
Basic earnings per share	*5*	2.50c	4.86c	52.84c
Diluted earnings per share	*5*	2.50c	4.84c	52.72c

Origin Enterprises plc

Consolidated statement of profit or loss and other comprehensive income

for the six months ended 31 January 2014

	Six months ended January 2014 €'000 (Unaudited)	Six months ended January 2013 €'000 (Unaudited)	Year ended July 2013 €'000 (Audited)
Profit for the period	3,353	6,701	73,012
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Group/associate defined benefit pension obligations			
-actuarial gain/(loss) on Group's defined benefit pension schemes	2,419	(663)	(5,258)
-deferred tax effect of actuarial gain/(loss)	(400)	253	711
-actuarial gain/(loss) on associate's defined benefit pension scheme, net of deferred tax	2,153	(3,255)	(4,552)
Deferred tax effect of change in tax rates	-	(495)	(462)
Items that may be reclassified subsequently to profit or loss:			
Group/associate foreign exchange translation details			
-foreign currency net investments	5,192	(6,336)	(8,280)
-share of associate and joint ventures foreign exchange translation effects	-	-	(2,035)
-recycling on disposal of joint venture	-	-	(3,653)
Group/associate cash flow hedges			
-effective portion of changes in fair value to cash flow hedges	(102)	1,729	2,487
-fair value of cash flow hedges transferred to income statement	(678)	522	(535)
-deferred tax effect of cash flow hedges	246	(496)	(344)
-share of associates and joint ventures cash flow hedges, net of deferred tax	(122)	214	339
Other comprehensive income/(expenses) for the period, net of tax	8,708	(8,527)	(21,582)
Total comprehensive income/(expense) for the period attributable to equity shareholders	12,061	(1,826)	51,430

Origin Enterprises plc

Consolidated statement of financial position

as at 31 January 2014

	Notes	January 2014 €'000 (Unaudited)	January 2013 €'000 (Unaudited) Restated (Note 13)	July 2013 €'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	*7*	86,012	88,899	80,647
Investment properties		7,575	13,308	7,575
Goodwill and intangible assets	*8*	149,471	131,953	129,812
Investments in associates and joint ventures	*9*	50,721	127,607	45,235
Receivables		40,452	38,329	39,433
Deferred tax assets		4,902	4,240	4,504
Total non-current assets		339,133	404,336	307,206
Current assets				
Inventory		155,117	155,460	108,366
Trade and other receivables		118,489	101,223	261,980
Amount due from disposal of joint venture		-	-	94,002
Derivative financial instruments		17	1,426	492
Cash and cash equivalents		66,266	49,135	125,484
Total current assets		339,889	307,244	590,324
TOTAL ASSETS		679,022	711,580	897,530

Origin Enterprises plc

Consolidated statement of financial position (*continued*)

as at 31 January 2014

	Notes	January 2014 €'000 (Unaudited)	January 2013 €'000 (Unaudited) Restated (Note 13)	July 2013 €'000 (Audited)
EQUITY				
Called up share capital	*15*	1,264	1,397	1,397
Share premium		160,399	160,399	160,399
Retained earnings and other reserves		872	58,415	112,790
TOTAL EQUITY		162,535	220,211	274,586
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings		227,537	226,111	150,503
Deferred tax liabilities		17,721	19,643	15,238
Other payables		3,598	939	3,549
Put option in respect of Agroscope	*14*	15,784	-	-
Post employment benefit obligations	*10*	10,057	9,454	12,385
Derivative financial instruments		721	2,519	2,136
Total non-current liabilities		275,418	258,666	183,811
Current liabilities				
Interest-bearing borrowings		2,279	1,760	4,540
Trade and other payables		222,546	213,905	417,985
Corporation tax payable		11,474	5,010	13,228
Provision for liabilities	*11*	2,979	11,609	3,309
Derivative financial instruments		1,791	419	71
Total current liabilities		241,069	232,703	439,133
TOTAL LIABILITIES		516,487	491,369	622,944
TOTAL EQUITY AND LIABILITIES		679,022	711,580	897,530

Origin Enterprises plc

Consolidated statement of changes in equity

for the six months ended 31 January 2014

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Reorganisation reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2013	1,397	160,399	(12)	1	(2,947)	12,843	1,061	(196,884)	(22,312)	321,040	274,586
Profit for the period	-	-	-	-	-	-	-	-	-	3,353	3,353
Total comprehensive income for the period	-	-	-	-	(656)	-	-	-	5,192	4,172	8,708
Share buyback (Note 15 (iii))	(133)	-	-	133	-	-	-	-	-	(100,221)	(100,221)
Dividend paid to shareholders (Note 16)	-	-	-	-	-	-	-	-	-	(23,891)	(23,891)
At 31 January 2014	1,264	160,399	(12)	134	(3,603)	12,843	1,061	(196,884)	(17,120)	204,453	162,535

Origin Enterprises plc

Consolidated statement of changes in equity

for the six months ended 31 January 2013

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Reorganisation reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2012	1,385	160,399	-	1	(4,894)	14,836	1,332	(196,884)	(8,344)	274,759	242,590
Issue of shares	12	-	(12)	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	150	-	-	-	150
Total comprehensive expense for the period	-	-	-	-	1,969	-	-	-	(6,336)	2,541	(1,826)
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(20,703)	(20,703)
At 31 January 2013	1,397	160,399	(12)	1	(2,925)	14,836	1,482	(196,884)	(14,680)	256,597	220,211

Origin Enterprises plc

Consolidated statement of cash flows
for the six months ended 31 January 2014

	Six months ended January 2014 €'000 (Unaudited)	Six months ended January 2013 €'000 (Unaudited)	Year ended July 2013 €'000 (Audited)
Cash flows from operating activities			
Profit before tax	3,063	5,526	81,371
Exceptional items	2,409	1,791	(2,458)
Finance income	(1,349)	(1,369)	(2,699)
Finance expenses	3,723	4,403	8,842
Share of profit of associates and joint ventures	(6,693)	(10,866)	(21,856)
Depreciation of property, plant and equipment	2,582	2,669	5,369
Amortisation of intangible assets	4,053	3,482	7,366
Employee share-based payment charge	-	150	1,269
Pension contributions and payments in excess of service costs	-	-	(1,834)
Payment of exceptional rationalisation costs	(1,876)	(1,339)	(5,152)
Operating cashflow before changes in working capital	5,912	4,447	70,218
Increase in inventory	(31,574)	(57,558)	(10,709)
Decrease/(increase) in trade and other receivables	155,559	159,618	(10,404)
(Decrease)/increase in trade and other payables	(213,386)	(193,583)	17,635
Cash (absorbed)/generated from operating activities	(83,489)	(87,076)	66,740
Interest paid	(2,740)	(2,987)	(7,410)
Income tax paid	(2,008)	(4,622)	(9,664)
Net cash (outflow)/inflow from operating activities	(88,237)	(94,685)	49,666

Origin Enterprises plc

Consolidated statement of cash flows (*continued*)
for the six months ended 31 January 2014

	Six months Ended January 2014 €'000 (Unaudited)	Six months ended January 2013 €'000 (Unaudited)	Year Ended July 2013 €'000 (Audited)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	112	59	367
Purchase of property, plant and equipment	(6,131)	(3,964)	(7,893)
Additions to intangible assets	(791)	(2,906)	(6,121)
Disposal of associate undertaking	-	-	16,319
Payment of contingent acquisition consideration	-	(1,873)	(8,846)
Cash consideration received on disposal of joint venture	94,002	-	-
Cash consideration paid for acquisition of Agroscope	(7,259)	-	-
Dividends received/loans to associates and joint ventures	1,703	2,220	6,908
Net cash inflow/(outflow) from investing activities	81,636	(6,464)	734
Cash flows from financing activities			
Drawdown of bank loans	70,572	84,358	10,517
Share buyback (see note 15)	(100,221)	-	-
Dividend paid to equity shareholders (see note 16)	(23,891)	(20,703)	(20,703)
Decrease in finance lease obligations	(96)	(219)	(352)
Net cash (outflow)/inflow from financing activities	(53,636)	63,436	(10,538)
Net (decrease)/increase in cash and cash equivalents	(60,237)	(37,713)	39,862
Translation adjustment	3,286	(3,612)	(7,624)
Cash and cash equivalents at start of period	121,060	88,822	88,822
Cash and cash equivalents at end of period (note 12)	64,109	47,497	121,060

1 Basis of preparation

The Group condensed interim financial information has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements in respect of the year ended 31 July 2013, which have been prepared in accordance with IFRSs. The financial statements for the year ended 31 July 2013 were filed with the Registrar of Companies and are available on the company's website www.originenterprises.com. Those financial statements contained an unqualified audit report.

The group condensed interim financial information for the six months ended 31 January 2014 and the comparative figures for the six months ended 31 January 2013 are unaudited and have not been reviewed by the Auditors. The financial information for the year ended 31 July 2013 represents an abbreviated version of the Group's full accounts for that year.

The Group condensed financial information is presented in euro, rounded to the nearest thousand, which is the functional currency of the Parent.

A comprehensive review of the group's performance for the six months ended 31 January 2014 is included in the financial highlights section included on pages 1 to 10. The group's business is seasonal and is heavily weighted towards the second half of the financial year.

2 Accounting policies

Except as described below, the group interim financial information has been prepared on the basis of the accounting policies as set out on pages 48 to 54 of the Group's Annual Report for the year ended 31 July 2013.

The following standards and interepretations, issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the Group for the first time in the current financial period and where relevant have been adopted by the Group:

- IAS 19 (revised)- Employee Benefits
- IFRS 13- Fair Value Measurement

Adoption of the standards above have had no significant impact on the results or financial position of the Group during the period. IAS 19 (revised) - Employee Benefits amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group's result is as follows:

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost which is calculated based on the net defined benefit liability and the discount rate, measured at the beginning of the year. The adoption of IAS 19 (revised) - Employee Benefits has resulted in a decrease in both finance income and finance expense. However the effect on the net interest expense is immaterial.

The pension deficit, 'post employment benefit obligations' as previously reported on the balance sheet has not changed as a result of the above.

The Group has not applied early adoption of any standards for which the effective date is not yet required.

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Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

3 Segment information

Segment revenue and result	Agri-Services		Associates & Joint Ventures		TOTAL	
	Six months ended 31/01/14	Six months ended 31/01/13	Six months ended 31/01/14	Six months ended 31/01/13	Six months ended 31/01/14	Six months ended 31/01/13
	€'000	€'000	€'000	€'000	€'000	€'000
Total revenue	517,606	567,680	207,604	298,550	725,210	866,230
Less revenue from associates and joint ventures	-	-	(207,604)	(298,550)	(207,604)	(298,550)
Revenue	517,606	567,680	-	-	517,606	567,680
Segment result	4,012	2,386	6,693	10,866	10,705	13,252
Amortisation of non-ERP intangible assets					(2,859)	(2,901)
Total operating profit before exceptional items					7,846	10,351
Exceptional items					(2,409)	(1,791)
Operating profit					5,437	8,560

Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

4 Exceptional items

Exceptional items are those that, in management's judgement, should be disclosed by virtue of their nature or amount. Such items are included within the Consolidated income statement caption to which they relate. The following exceptional items arose in the period;

	Six months ended January 2014 €'000	Six months ended January 2013 €'000
Rationalisation costs (i)	834	1,339
Agroscope related transaction costs	912	-
Arising in associates and joint ventures (ii)	663	452
Total exceptional items	2,409	1,791
Tax on exceptional items	(150)	(299)
Total exceptional items, net of tax	2,259	1,492

(i) Rationalisation costs include termination payments arising from a restructuring of Agri-Services in the UK.

(ii) During the current and prior period, the exceptional loss arising in associates and joint ventures related to the Group's share of rationalisation costs arising in Valeo.

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Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

5 Earnings per share

Basic earnings per share

	Six months ended January 2014 €'000	Six months ended January 2013 €'000
Profit for the financial period attributable to equity shareholders	3,353	6,701
	'000	'000
Weighted average number of ordinary shares for the period	134,296	138,019
	Cent	Cent
Basic earnings per share	2.50	4.86

Diluted earnings per share

	Six months ended January 2014 €'000	Six months ended January 2013 €'000
Profit for the financial period attributable to equity shareholders	3,353	6,701
	'000	'000
Weighted average number of ordinary shares used in basic calculation	134,296	138,019
Effect of convertible shares with a dilutive effect	-	480
Weighted average number of ordinary shares (diluted) for the period	134,296	138,499
	Cent	Cent
Diluted earnings per share	2.50	4.84

Notes to the group condensed interim financial information *(continued)*

for the six months ended 31 January 2014

5 Earnings per share (continued)

Adjusted earnings per share

	Six months ended January 2014 €'000	Six months ended January 2013 €'000
Profit for the financial period attributable to equity shareholders	3,353	6,701
Amortisation of non-ERP intangible assets	2,859	2,901
Tax on amortisation of non-ERP intangible assets	(509)	(586)
Exceptional items, net of tax	2,259	1,492
Total adjusted basic earnings	7,962	10,508
	cent	cent
Total adjusted basic earnings per share	5.93	7.61
Total adjusted earnings- as above	7,962	10,508
	cent	cent
Total adjusted diluted earnings per share	5.93	7.59

The calculation of basic adjusted earnings per share is based on the weighted average number of shares in issue during the period of 134,296,257 (*31 January 2013:* 138,018,810). The weighted average number of shares used in the calculation of adjusted diluted earnings per share is 134,296,257 (*31 January 2013:* 138,499,155).

Origin Enterprises plc

Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

6 Consolidated Income Statements for the six months ended 31 January 2013 and year ended 31 July 2013

Six months ended 31 January 2013

	Six months ended January 2013 Pre-Exceptional €'000 (Unaudited)	Six months ended January 2013 Exceptional €'000 (Unaudited)	Six months ended January 2013 Total €'000 (Unaudited)
Revenue	567,680	-	567,680
Cost of sales	(506,901)	-	(506,901)
Gross profit	60,779	-	60,779
Operating costs	(61,294)	(1,339)	(62,633)
Share of profit of associates and joint ventures	10,866	(452)	10,414
Operating profit	10,351	(1,791)	8,560
Finance income (note 2)	1,369	-	1,369
Finance expenses (note 2)	(4,403)	-	(4,403)
Profit before tax	7,317	(1,791)	5,526
Income tax credit	876	299	1,175
Profit attributable to equity shareholders	8,193	(1,492)	6,701

Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

6 Consolidated Income Statements for the six months ended 31 January 2013 and year ended 31 July 2013 (continued)

Year ended 31 July 2013

	Year Ended July 2013 Pre-Exceptional €'000 (Audited)	Year Ended July 2013 Exceptional €'000 (Audited)	Year Ended July 2013 Total €'000 (Audited)
Revenue	1,418,173	-	1,418,173
Cost of sales	(1,225,557)	-	(1,225,557)
Gross profit	192,616	-	192,616
Operating costs	(129,416)	2,769	(126,647)
Share of profit of associates and joint ventures	21,856	(311)	21,545
Operating profit	85,056	2,458	87,514
Finance income (note 2)	2,699	-	2,699
Finance expenses (note 2)	(8,842)	-	(8,842)
Profit before tax	78,913	2,458	81,371
Income tax charge	(10,555)	2,196	(8,359)
Profit attributable to equity shareholders	68,358	4,654	73,012

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Notes to the group condensed interim financial information *(continued)*

for the six months ended 31 January 2014

7 Property, plant and equipment

	January 2014 €'000	July 2013 €'000
At beginning of period	80,647	91,148
Acquisitions (note 14)	483	-
Additions	5,704	7,964
Disposals	(111)	(367)
Transfer to investment property	-	(600)
Impairment of property, plant and equipment	-	(8,612)
Depreciation charge	(2,582)	(5,369)
Translation adjustments	1,871	(3,517)
At end of period	86,012	80,647

8 Goodwill and intangible assets

	January 2014 €'000	July 2013 €'000
At beginning of period	129,812	142,642
Acquisitions (note 14)	17,572	-
Additions	791	6,121
Amortisation of non-ERP intangible assets	(2,859)	(5,689)
ERP intangible amortisation	(1,194)	(1,677)
Translation adjustments	5,349	(11,585)
At end of period	149,471	129,812

Included in the total goodwill and intangible assets above is goodwill of €85,145,000 (July 2013: €74,570,000).

9 Investments in associates and joint ventures

	January 2014 €'000	July 2013 €'000
At beginning of period	45,235	124,839
Share of profits after tax and before exceptional items	6,693	21,856
Share of exceptional items, net of tax	(663)	(311)
Dividends received from associates	(2,119)	(6,908)
Disposal of interest in Continental Farners Group	-	(16,587)
Disposal of interest in Welcon	-	(73,873)
Share of other comprehensive income/(expense)	2,031	(6,248)
Translation adjustments and other	(456)	2,467
At end of period	50,721	45,235

10 Post employment benefit obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes are closed to new members.

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial review carried out effective 31 January 2014 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

10 Post employment benefit obligations (continued)

Movement in net liability recognised in the Consolidated Statement of Financial Position

	January 2014 €'000	July 2013 €'000
Net liability in schemes at beginning of the period	(12,385)	(8,559)
Current service cost	(247)	(441)
Negative past service cost	65	536
Contributions	327	1,739
Other finance expense	(298)	(358)
Actuarial gain/(loss)	2,419	(5,258)
Translation adjustments	62	(44)
Net liability in schemes at end of the period	(10,057)	(12,385)

11 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	Rationalisation €'000 (i)	Other €'000 (ii)	Total €'000
2014			
At beginning of period	387	2,922	3,309
Provided in period	1,746	-	1,746
Paid in period	(1,876)	(222)	(2,098)
Currency translation adjustment	15	7	22
At end of period	272	2,707	2,979

(i) Rationalisation and redundancy costs relate to termination payments and property exit costs primarily arising from a restructuring of Agri Services in the UK.

(ii) Other provisions relate to various operating and employment related costs.

12 Analysis of net debt

	31 July 2013 €'000	Cashflow €'000	Non cash movements €'000	Translation Adjustment €'000	31 January 2014 €'000
Cash	125,484	(62,571)	-	3,353	66,266
Overdrafts	(4,424)	2,334	-	(67)	(2,157)
Cash and cash equivalents	121,060	(60,237)	-	3,286	64,109
Finance lease obligations	(394)	96	-	(17)	(315)
Loans	(150,225)	(70,572)	(315)	(6,232)	(227,344)
Net Debt	(29,559)	(130,713)	(315)	(2,963)	(163,550)

The loans included above are unsecured and the facility extends to July 2016.

13 Reclassifications and adjustments

Certain amounts in the 31 January 2013 Group condensed interim financial information have been reclassified or adjusted to conform to the 31 January 2014 presentation. These reclassifications or adjustments were made for presentation purposes and have no effect on total revenues, expenses, profit for the year, total assets, total liabilities, equity or cash flow classifications as previously reported.

14 Acquisition of subsidiary undertaking

On 30 January 2014 the Group completed the acquisition of a controlling interest in the business of Agroscope. Based in the Ukraine, Agroscope is a leading provider of agronomy services, high specification inputs and advisory support to arable and root crop growers.

Details of the net assets acquired and goodwill arising from the business combination are as follows;

	Fair value €'000
Net assets acquired:	
Property, plant and equipment	483
Intangible assets	10,564
Inventory	11,216
Other receivables	1,724
Deferred tax liabilities	(2,002)
Net assets acquired	21,985
Goodwill arising on acquisition	7,008
Consideration	28,993
Satisfied by:	
Cash consideration	7,259
Cash consideration payable (payable within one year)	5,950
Put option liability	15,784
Total Consideration	28,993

The goodwill recognised on acquisition is attributable to the skills and technical talent of the acquired business's workforce, and the synergies expected to be achieved from integrating the company into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Origin acquired a 60 percent interest in the business of Agroscope for cash consideration on 30 January 2014. The Group have also entered into an arrangement with the minority shareholder of Agroscope, under which the minority shareholder has the right at various dates to sell the remaining 40 percent interest to Origin based on an agreed formula. In the event that this is not exercised Origin has a similar right to acquire the 40 percent interest. Origin has recognised an option liability of €15.8 million which is the fair value of the future estimated amount payable to exercise the option. This has been determined based on an agreed formula which includes an expectation of future trading performance and timing of when the options are expected to be exercised, discounted to present day value using a cost of debt rate of 3%.

Origin has elected to apply the anticipated acquisition method in accounting for the option whereby the non-controlling interest is not recognized but rather treated as already acquired by Origin both in the Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income. This treatment has been adopted as the Directors have formed the view that based on the structure and timing of the option contracts sufficient risks and rewards are deemed to have transferred to Origin. Profits and losses attributable to the minority shareholder in respect of their 40 percent interest will be presented as attributable to the equity shareholders of Origin and not as attributable to minority interests. The €15.8 million financial liability recognised by the Group forms part of the contingent consideration for the acquisition. All components of contingent consideration will be carried at fair value in future accounting periods and any adjustments arising will be reflected in the income statement.

The fair values presented in this note are based on provisional valuations due to the close proximity of the transaction to the end of the half year period.

Origin Enterprises plc

Notes to the group condensed interim financial information *(continued)*
for the six months ended 31 January 2014

15 Share capital

	January 2014 €'000	July 2013 €'000
Authorised		
Ordinary shares of €0.01 each (i)	2,500	2,400
Deferred convertible ordinary shares of €0.01 each (ii)	-	100
Total	2,500	2,500
Allotted, called up and fully paid		
Ordinary shares of €0.01 each (i)	1,264	1,397

Allotted, called up and fully paid	No of ordinary shares	Ordinary shares €'000
At 1 August 2013 (iv)	139,712,026	1,397
Share buyback (iii)	(13,333,249)	(133)
At 31 January 2014 (iv)	126,378,777	1,264

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) Following the conversion and redesignation of all the issued deferred convertible shares as ordinary shares all of the unissed deferred convertible shares were converted to and redesignated as ordinary shares at the annual general meeting on 18 November 2013.

(iii) Following approval from shareholders at an extraordinary general meeting on 18 November 2013 Origin completed a Tender Offer in December 2013. The total number of ordinary shares purchased by Origin at €7.50 per share pursuant to the tender offer was 13,333,249 for a total consideration before expenses of €100 million.

(iv) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Long Term Incentive Plan 2012 ("2012 LTIP plan"). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the group during that period. These shares are classified as treasury shares for accounting purposes pending satisfaction of the applicable terms of the 2012 LTIP plan.

16 Dividends

On 2 December 2013 a dividend of 17.25 cent per ordinary share was paid in respect of the year ended 31 July 2013 totalling €23,891,104. The dividend was approved by shareholders at the Annual General Meeting on 18 November 2013.

17 Contingent liabilities

The group is not aware of any major changes with regard to contingent liabilities in comparison with the situation as of 31 July 2013.

18 Related party transactions

Related party transactions occurring in the period were similar in nature to those described in the 2013 Annual Report.

19 Release of half yearly condensed financial statements

The group condensed financial information was approved for release by the Board on 5 March 2014.