



Preliminary Results Statement
Year Ended 31 July 2014

Results Summary

	2014 €'000	2013 €'000	% Change
Revenue - Agri-Services	1,415,239	1,418,173	(0.2%)
Group operating profit			
Operating profit - Agri-Services*	79,513	68,889	15.4%
Associates and joint ventures**	13,392	21,856	(38.7%)
Total group operating profit*	92,905	90,745	2.4%
Finance expense, net	(5,534)	(6,143)	(9.9%)
Profit before tax*	87,371	84,602	3.3%
Basic EPS (cent)	48.92	52.84	(7.4%)
Adjusted diluted EPS (cent)***	57.51	52.11	10.4%
Group net debt	11,912	29,559	(59.7%)
Dividend per ordinary share (cent)	20.00	17.25	15.9%

* Before amortisation of non-ERP intangible assets and exceptional items

** Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items

*** Before amortisation of non-ERP intangible assets, net of related deferred tax (2014: €6.4m, 2013: €3.8m) and exceptional items, net of tax (2014: €5.1m charge, 2013: €4.7m credit).

Financial and Operating Highlights

- 10.4 per cent increase in adjusted diluted earnings per share to 57.51 cent
- Operating profit from Agri-Services increased 15.4% underpinned by an excellent cropping profile and strong activity levels on farm
- Operating margin increase of 70 basis points to 5.6%
- Robust contribution from Agroscope since acquisition in January 2014
- Continued strong cash generation with net debt reduction of €17.7m to €11.9m (net debt to EBITDA of 0.14 times)
- €100m return of capital to shareholders in December 2013.
- 15.9 per cent increase in proposed annual dividend to 20.0 cent per ordinary share

Origin Enterprises plc

Chief Executive Officer's comment:

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

"Origin achieved an excellent result in 2014 recording a 16.7 per cent increase in underlying adjusted diluted earnings per share with year-end net debt under €12 million. The performance for 2014 underlines the strength of the Group's positioning in Agri-Services with growth achieved against the dilutive impact of the disposal of our marine proteins and oils joint venture interest.

Near perfect planting and growing conditions led to a strong recovery in the demand for agronomy services and farm inputs. This is in contrast to the prior year when activity levels on-farm were adversely impacted by very unseasonal autumn and spring weather. Growers are currently managing through a demanding planning environment principally reflecting the challenges associated with volatile output markets. These challenges highlight the strategic relevance of customised agronomic application and its role in securing superior crop performance to sustain grower profitability and investment returns.

Our near term priority is to leverage the Group's application know-how and knowledge transfer capabilities through geographic extension and modular bolt-on opportunity. Origin has a strong capacity to fund new market opportunities and we are confident of delivering further earnings growth in 2015."

ENDS

The Preliminary Results Statement 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.

Confirmation Code: 9150983

Participant access number:

Dublin: Tel: +353 (0)1 247 6528
UK/International: Tel: +44 (0)20 3427 1907
Switzerland: Tel: +41 (0)22 567 5432

Replay:

A replay of this call will be available for seven days.

Replay Access Code: 9150983

Replay Access Numbers:

Dublin: Tel: +353 (0)1 486 0902
UK/International: Tel: +44 (0)20 3427 0598
Switzerland: Tel: +41 (0)44 567 1860

Enquiries:

Origin Enterprises plc
Imelda Hurley
Chief Financial Officer Tel: +353 (0)1 612 1331

Goodbody Corporate Finance (ESM Adviser)
Kevin Keating Tel: +353 (0)1 667 0420

Davy (Nominated Adviser)
Anthony Farrell Tel: +353 (0)1 614 9993

Murray Consultants
Douglas Keatinge/Joe Heron Tel: +353 (0) 86 037 4163
Tel: +353 (0) 87 690 9735

Preliminary Results Statement

Financial Review - Summary

	2014 €'000	2013 €'000
Group revenue	<u>1,415,239</u>	<u>1,418,173</u>
Operating profit*	79,513	68,889
Associates and joint ventures, net**	<u>13,392</u>	<u>21,856</u>
Group operating profit*	<u>92,905</u>	<u>90,745</u>
Finance costs, net	<u>(5,534)</u>	<u>(6,143)</u>
Pre tax profits	<u>87,371</u>	<u>84,602</u>
Income tax	<u>(12,426)</u>	<u>(12,428)</u>
Adjusted net profit	<u>74,945</u>	<u>72,174</u>
Adjusted diluted EPS (cent)***	<u>57.51</u>	<u>52.11</u>
Adjusted net profit reconciliation		
Reported net profit	63,487	73,012
Amortisation of non-ERP intangible assets		
- Group	6,277	5,689
- Associates and joint ventures (net of tax)	1,548	-
Tax on amortisation of non-ERP related intangible assets	(1,438)	(1,873)
Net acquisition and restructuring costs	<u>5,071</u>	<u>(4,654)</u>
Adjusted net profit	<u>74,945</u>	<u>72,174</u>
Adjusted diluted EPS (cent)***	<u>57.51</u>	<u>52.11</u>

Origin Enterprises plc ('Origin' or 'the Group'), announces a 10.4 per cent increase in adjusted diluted earnings per share*** for the year ending 31 July 2014 to 57.51 cent. On a like-for-like basis (excluding the impact of currency movements, the Welcon disposal, the Tender Offer and the acquisition of Agroscope) the underlying increase in adjusted diluted earnings per share was 16.7 per cent.

Revenue

Revenue from Agri-Services was €1,415.2 million compared to €1,418.2 million in the previous year, a decrease of 0.2 per cent. On a like-for-like basis (excluding the impact of currency movements and the acquisition of Agroscope) Agri-Services revenues decreased by €46.5 million (3.3 per cent) principally reflecting a combination of lower global fertiliser and feed prices partially offset by higher fertiliser, crop protection and crop marketing volumes.

Operating profit*

Operating profit* from Agri-Services amounted to €79.5 million compared to €68.9 million in the previous year. Excluding the impact of currency and the acquisition of Agroscope, operating profit* from Agri-Services increased by €8.2 million (12.0 per cent) on a like-for-like basis. Agri-Services delivered a strong result reflecting a return to more normal cropping and growing conditions after the extreme weather conditions in the prior year.

The Group's earnings profile is significantly weighted towards the second half of the year with c.90 per cent of earnings typically arising in this time period.

Associates and joint ventures**

Origin's share of the profit after interest and taxation (excluding exceptional items and non-ERP amortisation) from associates and joint ventures decreased by €8.5 million (38.7 per cent) to €13.4 million. The decrease is principally attributable to the disposal of the Group's marine proteins and oils business.

Finance costs and net debt

Net finance costs amounted to €5.5 million, a decrease of €0.6 million (9.9 per cent) on the prior year. Average net debt amounted to €150 million compared to €207 million last year reflecting not only the continued strong cash generative nature of the business but also the timing of the receipt of the proceeds from the disposal of our interest in Welcon and the return of capital to shareholders. Actual net debt at 31 July 2014 was €11.9 million compared with €29.6 million at the end of the previous year.

Working capital

Investment in working capital remains a key area of focus for the Group given the associated funding costs. The year-end represents the low point in the working capital cycle for the Group reflecting the seasonality of the business.

Adjusted diluted earnings per share ('EPS')***

EPS*** amounted to 57.51 cent per share, an increase of 10.4 per cent from 2013. The 10.4 per cent increase is driven by underlying growth (16.7 per cent), the acquisition of Agroscope (2.8 per cent), the effect of the Tender Offer (6.5 per cent) all partially offset by the disposal of Welcon (15.4 per cent) and currency (0.2 per cent).

Exceptional items

Exceptional items amounting to €5.1 million, net of tax credit, were incurred in the period principally relating to rationalisation costs arising from a restructuring of Agri-Services in the UK (€3.1 million), our share of Associate and Joint Venture exceptional costs (€2.2 million), costs associated with the acquisition of Agroscope (€1.1 million) and a settlement gain arising on the closure of two of the Group's Irish based defined benefit pension schemes, net of other costs (€0.8m).

Dividend

The Board is recommending an increase in the dividend per ordinary share of 15.9 per cent to 20.0 cent per ordinary share. This represents a pay-out ratio of 35 per cent (2013: 33 per cent). Subject to shareholder approval at the Annual General Meeting, the dividend will be paid on 12 December 2014 to shareholders on the register on 28 November 2014.

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.

Board and management changes

Mr. Brendan Fitzgerald, resigned as Chief Financial Officer and as a director of the Group on 31 July 2014.

Ms. Imelda Hurley was appointed to the Board of Directors with effect from 1 August 2014. Ms. Hurley joined the Group in July 2014 as Chief Financial Officer from PCH International Holdings.

Annual General Meeting (AGM)

The AGM will be held on Monday 24 November 2014 at 10.00 a.m. in the Westbury Hotel, Grafton Street, Dublin 2.

* *Operating profit and group operating profit are stated before amortisation of non-ERP intangible assets and exceptional items*

** *Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items*

*** *Before amortisation of non-ERP intangible assets, net of related deferred tax (2014: €6.4m, 2013: €3.8m) and exceptional items, net of tax (2014: €5.1m charge, 2013: €4.7m credit)*

Review of Operations

Agri-Services

	2014 €m	2013 €m	Change on prior year Change €m	Underlying** €m
Revenue	1,415.2	1,418.2	(3.0)	(46.5)
Operating profit*	79.5	68.9	10.6	8.2
Operating margin*	5.6%	4.9%	70bps	-
Return on capital employed	23.2%	23.3%	(10bps)	-

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

** Excluding the impact of currency movements and the acquisition of Agroscope

Agri-Services comprises integrated on-farm agronomy services and business-to-business agri inputs (fertiliser, feed ingredients and amenity). These businesses provide customised solutions that address the efficiency, quality and output requirements of primary food producers in Ireland, the UK, Poland and Ukraine.

Revenue decreased by 0.2 per cent to €1,415.2 million with growth in overall fertiliser volumes and integrated on-farm agronomy offsetting lower global fertiliser and feed prices. Operating profit* increased by 15.4 per cent to €79.5 million or 12.0 per cent on a like-for-like basis (excluding the impact of currency and acquisitions).

Integrated On-Farm Agronomy

United Kingdom

Agrii achieved an excellent performance in the year, recording higher revenues and profits as near perfect conditions on farm supported the early drilling and accelerated development of winter and spring crops. There was strong demand for full service agronomy applications as growers sought to maximise the potential of their crops.

The return to more normal cropping patterns in the period resulted in the majority of Agrii's revenues and profits being earned in Quarter 3 in contrast to last year when unseasonal winter and spring weather conditions slowed crop development and significantly curtailed in-field operations leading to significant catch up activity taking place during Quarter 4 of 2013.

The performance in the period is set against the background of a challenging planning backdrop for growers reflecting a volatile output price environment in addition to the intense operational demands of the season which required rapid and customised agronomy responses. Supported by an extensive product portfolio and comprehensive technical specification strategies Agrii's commercial and technical teams were well placed to guide the critical planning, management and product specification decisions of growers.

Having established a single on-farm services organisation under the 'Agrii' identity, the business is now firmly focused on strengthening its applications and technology focus to further enhance the scope of service support to growers. There was solid development momentum within Agrii's seed and nutrition portfolios in the period with the emphasis on maximising grower return on investment through a combination of high output variety management and the adoption of specialist nutrition applications.

Global developments in data science, decision support and prescriptive farming technologies have the potential to transform the on-farm service relationship for the benefit of growers and agronomists. Agronomists are increasingly being empowered through electronic decision support systems to efficiently provide their farmers with the most comprehensive and up to date information, production technology and complementary expertise that are central to influencing the farm profit equation.

Agrii is well advanced in the development and implementation of a total agronomic decision support capability. This will incorporate a primary digital platform to integrate and present precision agronomy, disease and weather monitoring functionality supported by data analytics capabilities which will all be delivered through a single customer facing digital portal.

Maximising crop potential is identified as fundamentally strategic for growers 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 ongoing commitment to deliver sustainable yields is reflected in the establishment of a focused scientific capability within the business. An independently chaired scientific strategy board is now guiding the overall direction and development of applied research in cooperation with highly respected specialists and scientific organisations. Our goal is 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 total committed investment for an expansion in applied research, development and technical support for UK growers. Enhanced infrastructure and resourcing supports a more focused regional technical approach to provide greater relevance to local growing conditions whilst also facilitating a wider cropping focus. The redevelopment and upgrade of Agrii's Central Crop Technology Centre at Throws Farm in Essex was completed during the period. The Centre will now form a key communication hub to connect Agrii with the wider UK farming community. The facility will also act as a centre of excellence for emerging technologies and replicated trials work throughout the UK in addition to acting as a vehicle for external innovation investment.

Poland

Dalgety Agra Polska ('Dalgety') performed satisfactorily overall in the period as the benefit of higher agronomy revenues offset lower crop marketing margins due to weaker export market conditions compared to last year. Favourable crop planting and growing conditions throughout the year supported positive farming sentiment and underpinned good demand for Dalgety's integrated technology and agronomy packages.

The realignment of Dalgety's product and service offer strongly contributed to the result in the period. The business continues to successfully reposition its offer under more customer focused market segments that facilitate the creation and delivery of tailored crop solutions emphasising total performance per hectare. The emphasis on exclusive technology portfolios incorporating multi-product offers is providing good development potential across the larger intensive cropping sector while also supporting Dalgety's franchise offering through the independent shops channel which service the requirements of smaller scale farmers.

Investment in the period to provide increased flexibility across Dalgety's supply chain and product support infrastructure will ensure that the business is positioned to maintain the highest levels of customer service into the future.

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.

Agroscope delivered a robust contribution in the period supported by favourable margins for agronomy services and inputs. The performance is set against the backdrop of the current political and economic uncertainty in Ukraine and is informing a cautious planning approach throughout the business.

The process to extend Origin's crop management systems and on-farm knowledge transfer capability to Agroscope was commenced in the period. Two crop centres will be launched in central and western Ukraine in autumn 2014 to showcase growing systems and specialist crop technologies. This infrastructure will support the delivery of focused and tailored agronomy offerings dedicated to large scale growers. Regional implementation programmes for decision support in the areas of precision agronomy and satellite monitoring were initiated in the period and will help to differentiate the Agroscope offer in terms of crop planning and nutrition recommendations.

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

Business-to-business Agri Inputs delivered a strong performance in the period recording solid operating profit growth.

A combination of the strong backdrop to dairy output markets in the period together with favourable spring weather conditions resulted in Irish grassland farmers incorporating a higher proportion of specialist nutrition formulations to maximise grass growth and silage production for their winter fodder requirements. Prescription based and bespoke nutrition applications continue to provide value added growth opportunity and, importantly, address the requirements of primary producers for higher yielding and cost efficient output.

In the United Kingdom the business recorded higher fertiliser volumes in the period reflecting the benefit of a largely stable raw material pricing environment in the second half. In addition, there was a return to a more normal, albeit concentrated, demand pattern following last year's unseasonal weather with this year's mild and warm spring conditions encouraging earlier application.

The Group's fertiliser footprint benefits from well invested production facilities together with an extensive sourcing and logistical advantage. This capability underpins the prompt servicing of customers' requirements particularly during highly concentrated periods of peak demand.

Origin's amenity business, which provides advice and input solutions to the professional sports turf, landscaping and amenity sectors achieved a strong result in the period and performed ahead of last year. There was significant volume catch up activity during the second half of the financial year as customer sentiment improved following a return to more normal weather patterns. Building upon the successful integration of Rigby Taylor the business has strengthened its market positioning with a greater focus on core branded offerings and new product development. The professional sports turf sector continues to provide a strong innovation pipeline largely through the requirement for customised and specialist nutrition applications. The Group's expertise in raw material specification, process, product formulation and development ensures a highly responsive and flexible approach to meeting customers' requirements for innovation.

Feed ingredients performed well in the period against the backdrop of lower volumes following last year's very strong demand. The season was characterised by excellent grass production which resulted in a reduction in spot demand for feed ingredients. Favourable primary producer returns, principally in the case of dairy, supported robust demand in the period as grassland farmers were incentivised to supplement their winter feed programmes with high energy diets.

The recent volatility in ingredient pricing combined with higher levels of quality winter fodder stocks is expected to result in customers adopting a more cautious approach to their forward commitments for feed ingredients.

Associates and joint ventures

Valeo Foods Group Limited ('Valeo')

Origin's principal strategic investment, Valeo, in which the Group has a 32 per cent shareholding, is a leading consumer foods company with a portfolio of iconic food brands.

Valeo performed in line with expectations, building on market share positions across key categories, in the context of a highly challenging and competitive environment for the grocery sector.

During the year Valeo acquired the Rowse Honey business which is the UK's leading honey category brand. The acquisition strongly complements Valeo's existing categories and provides important geographic diversification to the business. Rowse has now been successfully integrated into the Valeo operating structure and is performing to plan.

The business in Ireland will continue to focus on brand investment through product innovation and packaging re-design as well as building joint business plans with its customers and broadening its channel reach. In parallel to this the business is also investing to accelerate growth in the professional channel which delivers food ingredients and hot beverage solutions to the B2B sector. The UK business is prioritising category additive growth within the preserves sector, whilst leveraging its key customer relationships to build a broader Valeo branded footprint.

John Thompson & Sons Limited ('John Thompson')

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

Outlook

Origin has established a fully integrated and scalable business focused on meeting the requirements of primary food producers for innovation in growing systems and specialist crop solutions underpinning sustainable yields and farm profitability. Clear objectives have been set for on-farm knowledge transfer that emphasise the increased adoption of value added and integrated technologies.

Our near term priority is to leverage the Group's research application know-how and on-farm knowledge transfer capabilities through geographic extension and modular bolt on opportunity.

Origin has a strong capacity to fund new market opportunities and we are confident of delivering further earnings growth in 2015.

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

Year ended 31 July 2014

	Notes	Pre- exceptional 2014 €000	Exceptional 2014 €000 (Note 3)	Total 2014 €000	Pre- exceptional 2013 €000	Exceptional 2013 €000 (Note 3)	Total 2013 €000
Revenue	2	1,415,239	-	1,415,239	1,418,173	-	1,418,173
Cost of sales		(1,196,262)	-	(1,196,262)	(1,225,557)	-	(1,225,557)
Gross profit		218,977	-	218,977	192,616	-	192,616
Operating costs and other income		(145,741)	(3,416)	(149,157)	(129,416)	2,769	(126,647)
Share of profit of associates and joint ventures		11,844	(2,233)	9,611	21,856	(311)	21,545
Operating profit		85,080	(5,649)	79,431	85,056	2,458	87,514
Finance income		2,471	-	2,471	2,699	-	2,699
Finance expense		(8,005)	-	(8,005)	(8,842)	-	(8,842)
Profit before tax		79,546	(5,649)	73,897	78,913	2,458	81,371
Income tax (expense)/credit		(10,988)	578	(10,410)	(10,555)	2,196	(8,359)
Profit attributable to equity shareholders		68,558	(5,071)	63,487	68,358	4,654	73,012
				2014			2013
Earnings per share for the year							
Basic earnings per share	4			48.92c			52.84c
Diluted earnings per share	4			48.72c			52.72c

Origin Enterprises plc

Consolidated statement of profit and loss and other comprehensive income

Year ended 31 July 2014

	2014	2013
	€000	€000
Profit for the year	63,487	73,012
Other comprehensive income		
Items that are not reclassified subsequently to the Group income statement:		
<i>Group/associate defined benefit pension obligations</i>		
-remeasurements on Group's defined benefit pension schemes	(2,045)	(5,258)
-deferred tax effect of remeasurements	223	711
-share of remeasurements - associates and joint ventures, net of deferred tax	1,959	(4,552)
<i>Deferred tax effect of change in tax rates</i>	-	(462)
Items that may be reclassified subsequently to the Group income statement:		
<i>Group/associate foreign exchange translation details</i>		
-foreign currency net investments, net of deferred tax	8,030	(8,280)
-share of associates and joint ventures foreign exchange translation effects	-	(2,035)
-recycling on disposal of joint venture (Note 3)	-	(3,653)
<i>Group/associate cash flow hedges</i>		
-effective portion of changes in fair value to cash flow hedges	1,334	2,487
-fair value of cash flow hedges transferred to operating costs and other income	(834)	(535)
-deferred tax effect of cash flow hedges	(1)	(344)
-share of associates and joint ventures cash flow hedges, net of deferred tax	565	339
	<hr/>	<hr/>
Other comprehensive income/(expense) for the year, net of tax	9,231	(21,582)
	<hr/>	<hr/>
Total comprehensive income for the year attributable to equity shareholders	72,718	51,430
	<hr/>	<hr/>

Origin Enterprises plc

Consolidated statement of financial position

As at 31 July 2014

	Notes	2014 €000	2013 €000
ASSETS			
Non-current assets			
Property, plant and equipment	5	90,426	80,647
Investment properties		7,575	7,575
Goodwill and intangibles	6	151,372	129,812
Investments in associates and joint ventures	7	54,911	45,235
Other financial assets		42,586	39,433
Deferred tax assets		3,810	4,504
Derivative financial instruments		342	-
		<hr/>	<hr/>
Total non-current assets		351,022	307,206
		<hr/>	<hr/>
Current assets			
Inventory		134,314	108,366
Trade and other receivables		291,834	261,980
Amount due from disposal of joint venture	3 (iv)	-	94,002
Derivative financial instruments		230	492
Cash and cash equivalents		139,576	125,484
		<hr/>	<hr/>
Total current assets		565,954	590,324
		<hr/>	<hr/>
TOTAL ASSETS		916,976	897,530
		<hr/>	<hr/>

Origin Enterprises plc

Consolidated statement of financial position (continued)

As at 31 July 2014

	Notes	2014 €000	2013 €000
EQUITY			
Called up share capital	12	1,264	1,397
Share premium		160,399	160,399
Retained earnings and other reserves		62,293	112,790
TOTAL EQUITY		223,956	274,586
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings		116,409	150,503
Deferred tax liabilities		16,429	15,238
Other payables		7,674	3,549
Put option liability		16,360	-
Post employment benefit obligations	8	5,193	12,385
Derivative financial instruments		1,155	2,136
Total non-current liabilities		163,220	183,811
Current liabilities			
Interest-bearing borrowings		35,079	4,540
Trade and other payables		472,138	417,985
Corporation tax payable		19,133	13,228
Provision for liabilities	9	2,818	3,309
Derivative financial instruments		632	71
Total current liabilities		529,800	439,133
TOTAL LIABILITIES		693,020	622,944
TOTAL EQUITY AND LIABILITIES		916,976	897,530

Origin Enterprises plc

Consolidated statement of changes in equity

Year ended 31 July 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	Re-organisation reserve €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 year	-	-	-	-	-	-	-	-	-	63,487	63,487
Other comprehensive income for the year	-	-	-	-	1,064	-	-	-	8,030	137	9,231
Total comprehensive income for the year	-	-	-	-	1,064	-	-	-	8,030	63,624	72,718
Share-based payment charge	-	-	-	-	-	-	764	-	-	-	764
Share buyback (Note 12)	(133)	-	-	133	-	-	-	-	-	(100,221)	(100,221)
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(23,891)	(23,891)
At 31 July 2014	1,264	160,399	(12)	134	(1,883)	12,843	1,825	(196,884)	(14,282)	260,552	223,956

Origin Enterprises plc

Consolidated statement of cash flows

Year ended 31 July 2014

	2014	2013
	€000	€000
Cash flows from operating activities		
Profit before tax	73,897	81,371
Exceptional items	5,649	(2,458)
Finance income	(2,471)	(2,699)
Finance expenses	8,005	8,842
Share of profit of associates and joint ventures, net of intangible amortisation	(11,844)	(21,856)
Depreciation of property, plant and equipment	5,379	5,369
Amortisation of intangible assets	8,685	7,366
Employee share-based payment charge	764	1,269
Pension contributions and payments in excess of service costs	(1,742)	(1,834)
Special pension contribution on wind up	(6,500)	-
Payment of exceptional rationalisation costs	(3,065)	(5,152)
Payment of exceptional acquisition costs	(1,124)	-
	<hr/>	<hr/>
Operating cash flow before changes in working capital	75,633	70,218
Increase in inventory	(7,574)	(10,709)
Increase in trade and other receivables	(7,080)	(10,404)
Increase in trade and other payables	26,184	17,635
	<hr/>	<hr/>
Cash generated from operating activities	87,163	66,740
Interest paid	(7,374)	(7,410)
Income tax paid	(4,453)	(9,664)
	<hr/>	<hr/>
Cash inflow from operating activities	75,336	49,666
	<hr/>	<hr/>

Origin Enterprises plc

Consolidated statement of cash flows (continued)

Year ended 31 July 2014

	2014	2013
	€000	€000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	341	367
Purchase of property, plant and equipment	(12,072)	(7,893)
Additions to intangible assets	(2,969)	(6,121)
Acquisition of subsidiary undertakings	(12,992)	-
Disposal of associate undertakings	-	16,319
Cash consideration on disposal of joint venture	94,002	-
Payment of contingent acquisition consideration	-	(8,846)
Investment in/loans to associates and joint ventures	(423)	-
Dividends received from associates and joint ventures	2,278	6,908
	<hr/>	<hr/>
Cash inflow from investing activities	68,165	734
	<hr/>	<hr/>
Cash flows from financing activities		
(Repayment)/drawdown of bank loans	(14,125)	10,517
Share buyback (Note 12)	(100,221)	-
Payment of dividends to equity shareholders	(23,891)	(20,703)
Payment of finance lease obligations	(156)	(352)
	<hr/>	<hr/>
Cash outflow from financing activities	(138,393)	(10,538)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,108	39,862
Translation adjustment	8,468	(7,624)
Cash and cash equivalents at start of year	121,060	88,822
	<hr/>	<hr/>
Cash and cash equivalents at end of year (Note 10)	134,636	121,060
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement

for the year ended 31 July 2014

1 Basis of preparation

The financial information included on pages 13 to 34 of this preliminary results statement have been extracted from the Group financial statements for the year ended 31 July 2014 on which the auditor has issued an unqualified audit opinion.

The financial information has been prepared in accordance with the accounting policies set out in the Group's consolidated financial statements for the year ended 31 July 2014 which were prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The consolidated financial information is presented in euro, rounded to the nearest thousand which is the functional currency of the parent and majority of the Group's operations.

2 Segment information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segments and to assess their performance. Two operating segments have been identified; Agri-Services and Associates and Joint Ventures.

Origin's Agri-Services segment comprises integrated agronomy services and agri-inputs. The Associates and Joint Ventures operating segment is comprised of our existing investments in Valeo, John Thompson & Son Limited and R&H Hall. The segment results and revenue from the Associates and Joint Ventures operating segment in the comparative period also included our investments in Continental Farmers plc and Welcon prior to their disposal in June and July 2013, respectively.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Board of Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments. Segment results include all items directly attributable to a segment.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

2 Segment information (continued)

(i) Segment revenue and results

	Agri-Services		Associates & joint ventures		Total Group	
	2014	2013	2014	2013	2014	2013
	€000	€000	€000	€000	€000	€000
Total revenue	1,415,239	1,418,173	416,089	594,692	1,831,328	2,012,865
Less revenue from associates and joint ventures	-	-	(416,089)	(594,692)	(416,089)	(594,692)
Revenue	1,415,239	1,418,173	-	-	1,415,239	1,418,173
Segment result	79,513	68,889	13,392	21,856	92,905	90,745
Amortisation of non-ERP intangible assets- Group					(6,277)	(5,689)
Amortisation of non-ERP intangible assets- Associates and joint ventures					(1,548)	-
Total operating profit before exceptional items					85,080	85,056
Exceptional items					(5,649)	2,458
Operating profit					79,431	87,514

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

2 Segment information (continued)

(ii) Segment earnings before financing costs and tax is reconciled to reported profit before tax and profit after tax as follows:

	2014 €000	2013 €000
Segment earnings before financing costs and tax	79,431	87,514
Finance income	2,471	2,699
Finance expense	(8,005)	(8,842)
	<hr/>	<hr/>
Reported profit before tax	73,897	81,371
Income tax expense	(10,410)	(8,359)
	<hr/>	<hr/>
Reported profit after tax	63,487	73,012
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement (continued) for the year ended 31 July 2014

3 Exceptional items

Exceptional items are those that, in management's judgement, should be separately presented and 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 during the year;

	2014	2013
	€000	€000
Rationalisation costs (i)	3,065	3,819
Acquisition related costs (ii)	1,124	-
Pension related costs (iii)	(773)	-
Gain on disposal of interest in joint venture (iv)	-	(20,631)
Fair value adjustment on investment properties	-	6,333
Impairment of property, plant and equipment (v)	-	8,612
Release of Rigby Taylor contingent consideration	-	(579)
Gain on disposal of interest in associate (Note 7 (i))	-	(323)
Arising in associates and joint ventures, net of tax (vi)	2,233	311
	<hr/>	<hr/>
Total exceptional charge/(credit) before tax	5,649	(2,458)
Tax credit on exceptional items	(578)	(2,196)
	<hr/>	<hr/>
Total exceptional charge/(credit) after tax	5,071	(4,654)

(i) Rationalisation costs

Rationalisation costs comprise termination payments and property exit costs arising from the restructuring of Agri-services in the UK.

(ii) Acquisition related costs

Acquisition related costs principally comprise expenses arising on the acquisition of Agroscope International LLC which completed in January 2014 (Note 11).

(iii) Pension related costs

Pension costs comprise a settlement gain of €1.3 million arising on the closure of two of the Group's Irish based defined benefit pension schemes during the year and costs of €0.5 million in relation to the merger of the UK based defined benefit pension schemes.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

3 Exceptional items (continued)

(iv) Gain on disposal of interest in joint venture

On 4 July 2013, Origin announced that it had reached conditional agreement to dispose of its 50% interest in Welcon, to its joint venture partner, Austevoll Seafoods ASA for a cash consideration of 740 million NOK. As all conditions were fulfilled by 31 July 2013 the disposal was reflected in the financial year ended 31 July 2013. The consideration receivable of 740 million NOK (€94 million), was shown as a receivable in the Consolidated Statement of Financial Position at 31 July 2013. The transaction completed on 12 August 2013 and the proceeds were received in full. A gain of €20.6 million arose on the disposal as follows:

	2013
	€000
Consideration receivable from disposal of interest in Welcon	94,002
Carrying value of investment (Note 7)	(73,873)
Foreign exchange differences previously taken to comprehensive income	3,653
Disposal related costs	<u>(3,151)</u>
Gain arising on disposal of joint venture	<u>20,631</u>

(v) Impairment of property, plant and equipment

During the prior year, the Directors commissioned an independent valuations expert to conduct a valuation of a property in Ireland held on the balance sheet within property, plant and equipment in light of its anticipated future use and against the background of the current conditions in the Irish property market. The valuation was on the basis of the RICS Red Book – RICS Valuation – Professional Standards published in March 2012. The valuation resulted in a write down in the carrying value of €8.6 million.

(vi) Arising in associates and joint ventures

The exceptional loss arising in associates and joint ventures in the current year relates to the Group's share of redundancy, acquisition and financing costs arising in Valeo Foods Group Limited ('Valeo').

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

4 Earnings per share

Basic earnings per share

	2014 €000	2013 €000
Profit for the financial year attributable to equity shareholders	<u>63,487</u>	<u>73,012</u>
	'000	'000
Weighted average number of ordinary shares for the year	<u>129,769</u>	<u>138,179</u>
	Cent	Cent
Basic earnings per share	<u>48.92</u>	<u>52.84</u>

Diluted earnings per share

	2014 €000	2013 €000
Profit for the financial year attributable to equity shareholders	<u>63,487</u>	<u>73,012</u>
	'000	'000
Weighted average number of ordinary shares used in basic calculation	129,769	138,179
Impact of shares with a dilutive effect	548	320
Weighted average number of ordinary shares (diluted) for the year	<u>130,317</u>	<u>138,499</u>
	Cent	Cent
Diluted earnings per share	<u>48.72</u>	<u>52.72</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued) for the year ended 31 July 2014

4 Earnings per share (continued)

	2014 €000	2013 €000
Adjusted basic earnings per share		
Weighted average number of ordinary shares for the year	<u>129,769</u>	<u>138,179</u>
	2014 €000	2013 €000
Profit for the financial year	63,487	73,012
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 6)	6,277	5,689
Share of associate and joint ventures amortisation of non-ERP related intangible assets, net of tax (Note 7)	1,548	-
Tax on amortisation of non-ERP related intangible assets	(1,438)	(1,873)
Exceptional items, net of tax	5,071	(4,654)
Adjusted earnings	<u>74,945</u>	<u>72,174</u>
	Cent	Cent
Adjusted earnings per share	<u>57.75</u>	<u>52.23</u>
Adjusted diluted earnings per share		
	2014 €000	2013 €000
Weighted average number of ordinary shares used in basic calculation	129,769	138,179
Impact of shares with a dilutive effect	548	320
Weighted average number of ordinary shares (diluted) for the year	<u>130,317</u>	<u>138,499</u>
	2014 €000	2013 €000
Adjusted earnings (as above)	<u>74,945</u>	<u>72,174</u>
	Cent	Cent
Adjusted diluted earnings per share	<u>57.51</u>	<u>52.11</u>

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

5 Property, plant and equipment

	2014 €000	2013 €000
At 1 August	80,647	91,148
Arising on acquisition (Note 11)	463	-
Additions	11,688	7,964
Transfer to investment property	-	(600)
Impairment (Note 3)	-	(8,612)
Disposals	(341)	(367)
Depreciation charge for the year	(5,379)	(5,369)
Translation adjustments	3,348	(3,517)
	<hr/>	<hr/>
At 31 July	90,426	80,647
	<hr/>	<hr/>

6 Goodwill and intangibles

	2014 €000	2013 €000
At 1 August	129,812	142,642
Arising on acquisition (Note 11)	17,037	-
Additions	3,018	6,121
Amortisation of non-ERP intangible assets	(6,277)	(5,689)
ERP intangible amortisation	(2,408)	(1,677)
Translation adjustments	10,190	(11,585)
	<hr/>	<hr/>
At 31 July	151,372	129,812
	<hr/>	<hr/>

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

7 Investments in associates and joint ventures

	2014	2013
	€000	€000
At 1 August	45,235	124,839
Share of profits after tax, before exceptional items	13,392	21,856
Share of intangible amortisation, net of tax	(1,548)	-
Share of acquisition and rationalisation costs, net of tax	(2,233)	(311)
Dividends received	(2,278)	(6,908)
Disposal of interest in Continental Farmers Group (i)	-	(16,587)
Disposal of interest in Welcon (Note 3 (iv))	-	(73,873)
Share of other comprehensive income/(expense)	2,524	(6,248)
Translation adjustment	(181)	2,467
	<hr/>	<hr/>
At 31 July	54,911	45,235
	<hr/>	<hr/>
Split as follows;		
Total associates	41,323	33,890
Total joint ventures	13,588	11,345
	<hr/>	<hr/>
	54,911	45,235
	<hr/>	<hr/>

(i) In June 2013, Continental Farmers Group ('Continental') was acquired by United Farmers Holding Company. As a result Origin no longer has an investment in Continental. This gave rise to a gain on disposal of €23,000 which was recorded in the Consolidated Income Statement as an exceptional gain for the year ended 31 July 2013 (Note 3).

Origin Enterprises plc

Notes to the preliminary results statement (continued) for the year ended 31 July 2014

8 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.

During the year following discussions with the Trustees of the schemes, the Company ceased its liability to contribute to two of its Irish based defined benefit pension schemes with effect from 12 May 2014. A payment of €6,500,000 was made in full and final settlement of the Group's obligation under the trust deed and rules. This results in a reduction in the pension liabilities on the Consolidated Statement of Financial Position and the related volatility. A termination gain of €1.3m arose and is shown as an exceptional item in the Consolidated Income Statement (Note 3).

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial reviews carried out at 30 June 2014 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

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

	2014 €000	2013 €000
Net liability in schemes at 1 August	(12,385)	(8,559)
Current service cost	(537)	(441)
Negative past service cost	-	536
Settlement gain	1,294	-
Contributions:		
-Normal	2,434	1,739
-Special contribution on wind up	6,500	-
Administration expenses	(155)	-
Other finance expense	(375)	(358)
Remeasurements	(2,045)	(5,258)
Translation adjustments	76	(44)
	<hr/>	<hr/>
Net liability in schemes at 31 July	(5,193)	(12,385)

Origin Enterprises plc

Notes to the preliminary results statement (continued) for the year ended 31 July 2014

9 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 year	387	2,922	3,309
Provided in year	3,065	-	3,065
Paid in year	(3,065)	(111)	(3,176)
Released in year	(402)	-	(402)
Currency translation adjustment	15	7	22
At end of year	-	2,818	2,818

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

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

10 Analysis of net debt

	2013 €000	Cashflow €000	Non-cash movements €000	Translation adjustment €000	2014 €000
Cash	125,484	5,521	-	8,571	139,576
Overdraft	(4,424)	(413)	-	(103)	(4,940)
Cash and cash equivalents	121,060	5,108	-	8,468	134,636
Finance lease obligations	(394)	156	-	(28)	(266)
Loans	(150,225)	14,125	(631)	(9,551)	(146,282)
Net debt	(29,559)	19,389	(631)	(1,111)	(11,912)

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

11 Acquisition of subsidiary undertaking

On 30 January 2014 the Group completed the acquisition of a controlling interest in the business of Agroscope International LLC ('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 and offers an important geographic extension opportunity in line with the Group's objective of identifying businesses that leverage Origin's on-farm service capability.

Fair values are currently provisional. 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	463
Intangible assets	10,430
Inventory	11,416
Other receivables	1,696
Deferred tax liabilities	(1,664)
	<hr/>
Net assets acquired	22,341
Goodwill arising on acquisition	6,607
	<hr/>
Consideration	28,948
	<hr/>
Satisfied by:	
Cash consideration	12,992
Cash consideration payable (payable within one year)	172
Put option liability	15,784
	<hr/>
Total Consideration	28,948
	<hr/>

Origin acquired a 60 per cent interest in the business of Agroscope for cash consideration on 30 January 2014. The Group has 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 per cent 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 per cent 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 earnings before interest and tax based formula that is not capped 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 per cent. This is a level 3 fair value measurement. There has been no material movement in the fair value of the put option liability since the date of acquisition.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

11 Acquisition of subsidiary undertaking (continued)

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 per cent interest will be presented as attributable to the equity shareholders of Origin and not as attributable to minority interests. The €5.8 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 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 certain assets, trade and goodwill of the original Agroscope business. The assets acquired were principally stock and a small amount of fixed assets. Origin did not acquire any trade debtors or creditors, rather, the shareholders of the original Agroscope business retained all the trade debtors and trade creditors. In view of the structure, it is impracticable to determine what the consolidated revenues and profits would have been if the acquisition occurred on 1 August 2013. Acquisition-related costs of €1,124,000 (Note 3) have been charged to exceptional items, within operating expenses, in the Consolidated Income Statement for the year ended 31 July 2014. The current political and economic uncertainty in Ukraine could result in variability in the fair value of the contingent consideration and acquired assets.

Origin Enterprises plc

Notes to the preliminary results statement (continued) for the year ended 31 July 2014

12 Share capital	2014	2013
	€000	€000
Authorised		
Ordinary shares of €0.01 each (i)	2,500	2,400
Deferred convertible ordinary shares of €0.01 each (ii)	<u>-</u>	<u>100</u>
Total	2,500	2,500
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of €0.01 each (i)	1,264	1,397
	<hr/>	<hr/>
Allotted, called up and fully paid	No. of ordinary shares	Ordinary shares €000
At 1 August 2013 (iii)	139,712,026	1,397
Share buyback (iv)	<u>(13,333,249)</u>	<u>(133)</u>
At 31 July 2014	126,378,777	1,264
	<hr/>	<hr/>

- (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 unissued deferred convertible shares were converted to and redesignated as ordinary shares at the annual general meeting on 18 November 2013.
- (iii) 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 Origin 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.
- (iv) 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 approximately €100 million.

Origin Enterprises plc

Notes to the preliminary results statement (continued)
for the year ended 31 July 2014

13 Related party transactions

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

14 Dividend

The Board is recommending a dividend of 20 cent per ordinary share (2013: 17.25 cent per ordinary share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 12 December 2014 to shareholders on the register on 28 November 2014. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2014.