Origin

ENTERPRISES PLC

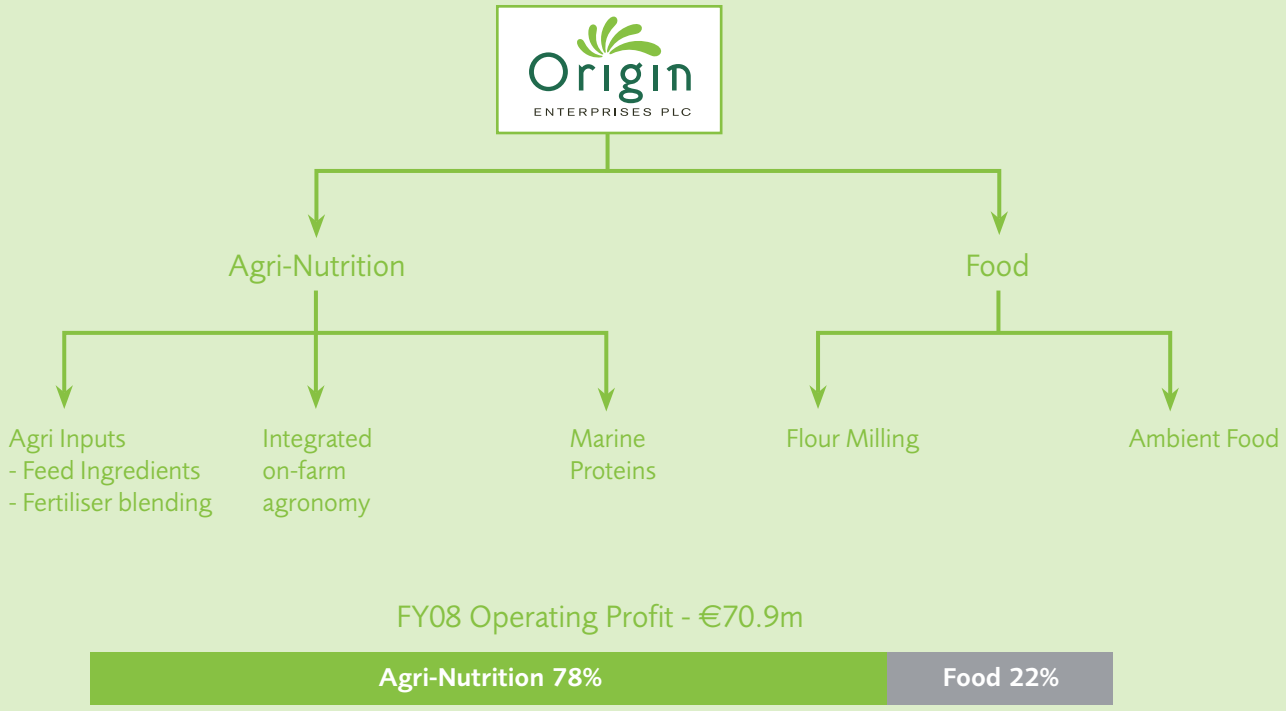
Annual Report and Accounts 2008

Contents

Corporate profile

Origin Enterprises plc is a leading Agri-Nutrition and Food company. The Agri-Nutrition Division, through its manufacturing and distribution operations in Ireland, the United Kingdom and Poland, has leading market positions in servicing primary food producers through the supply of feed ingredients, specialist agronomy services, crop nutrition and marine proteins. The Group's Food Division, comprising sales, marketing, distribution and manufacturing activities in Ireland, has leadership positions in ambient food across the retail, food service and manufacturing sectors. The Group's shares are traded on the IEX and AIM markets of the Irish and London Stock Exchanges.

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



Financial highlights

"2008 was a transformational year for Origin with an 86 per cent increase in Group operating profit reflecting strong underlying growth momentum across our enlarged Agri-Nutrition business. Masstock, our largest acquisition to-date, is the leading provider of integrated agronomy and farming systems advisory services to arable and grassland farm enterprises. Origin is now ideally positioned at the forefront in the provision of profitable and sustainable solutions directly to primary food producers. We also acquired the balance of Odlums Group and integration within our Food Division is well advanced.

During the year substantial progress was made in the development of the Group's business model and we now have an excellent platform with an enhanced management capability to support further progress. The Group is well positioned for another year of growth in 2009."

Tom O'Mahony
Chief Executive Officer

	2008 €m's	2007 €m's	% Change
Group revenue	**1,504.2**	889.4	69
Group operating profit*			
- Agri-Nutrition	**55.0**	27.6	99
- Food	**15.9**	10.5	52
Total Group operating profit*	**70.9**	38.1	86
Profit before financing costs*	**73.1**	41.8	75
Adjusted fully diluted EPS* (cent)	**34.05**	23.93	42
Comparable adjusted fully diluted EPS** (cent)	**34.05**	19.63	74
Net cashflow from operating activities	**74.6**	44.9	66
Group net debt	**175.1**	71.7	

* Before intangible amortisation and exceptional items
** 2007 adjusted to reflect the current capital structure of the Group

Locations


Shetland Islands
Feed Ingredients
Fertiliser
Horticultural Fertiliser
Marine Proteins
Food
Agronomy & Agi-Inputs Supply
Direct Farming
Aberdeen
Ayr
Derry
Killybegs
Belfast
Ardee
Dublin
Portarlington
Foynes
Askeaton
New Ross
Cork
Ringaskiddy
Immingham
Grimsby
Ipswich
Newport
Plymouth
Poland and Ukraine
Swincz
Olsztyn
Poznan
Alexandrow
Lublin
Pszenno
L'Viv

Directors and other information

Directors	O. Killian – Chairman T. O'Mahony – Chief Executive Officer B. Fitzgerald – Chief Financial Officer H. Cooney P. McEniff
Secretary	P. Morrissey
Registered office	151 Thomas Street Dublin 8
Syndicate bankers	Ulster Bank Group Allied Irish Banks plc Bank of Ireland National Irish Bank Rabobank Ireland plc
Registrars	Capita Corporate Registrars plc Unit 5 Manor Street Business Park Dublin 7
IEX Advisor, Nominated Advisor and Stockbroker	Davy Davy House 49 Dawson Street Dublin 2
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2

Owen Killian
Chairman

Chairman's statement

Primary Food Production is becoming strategic and centre stage after decades of being taken for granted in the more developed world. The challenge for farmers and food producers is enormous and relentless given the growth in population and even greater growth in demand for food throughout the world.

Origin Enterprises plc ('Origin') has a very long established tradition of servicing the needs of farmers and food producers. Origin understands the demand on producers and works in partnership with them to optimise, in a sustainable manner, the productive capacity of our most scarce resource soil.

Rapidly rising or falling commodity prices make for a difficult enterprise planning environment for agriculture but the volatility in the past 12 months serves to remind us about the delicate balance between supply and demand. It is this delicate balance that provides the backdrop for an industry which has an excellent future if provided with the proper support structure.

Origin is focused on supporting the industry and 2008 has been a transformational year in that regard.

The Group acquired Masstock Group Holdings Limited ('Masstock'), its largest acquisition to date. Masstock is the leading provider of integrated agronomy and advisory services to arable and grassland farm enterprises across the United Kingdom and Poland. The Group also acquired a 20 per cent interest in Continental Farmers Group plc ('Continental Farmers'), gaining exposure to direct farming in Poland and Ukraine.

In the Food business, the Group acquired full control of Odlum Group ('Odlums'), the largest cereal miller in Ireland.

Origin now has an excellent platform and is strategically well positioned to take advantage of growth opportunities in its markets.

As previously outlined no dividend will be paid in respect of the year ended 31 July 2008. The Board will review its dividend policy in advance of the announcement of its Interim Results in March 2009.

The Origin Board currently consists of two executive and three non-executive directors. Mr Hugh Cooney is the Board's Independent Director. There were no changes to the Board during the financial year.

On behalf of the Board, I would like to thank Tom O' Mahony and all of Origin's management and employees for their commitment and contribution to an excellent performance in 2008.

Owen Killian
Chairman

17 September 2008

Review of business operations

Tom O'Mahony
Chief Executive Officer

2008 has been a transformational year for Origin in which the Group achieved excellent earnings growth driven by strong demand led growth momentum across the Group's markets together with significant acquisition and business development initiatives.

Highlights of the year included:

- Group operating profit* increased 86 per cent to €70.9 million
- Comparable adjusted fully diluted EPS** increased 74 per cent to 34.05 cent
- Acquisition of full control of Odlums with integration within Origin's Food Division well advanced
- Acquisition of Masstock significantly extending the Group's business model and providing geographic extension opportunity
- Investment in direct farming through the acquisition of a 20 per cent stake in Continental Farmers Group plc
- Submission of detailed planning application for the Group's catalyst riverfront site in Cork South Docks
- Continued strong cashflow generation with net cashflow from operating activities up 66 per cent to €74.6 million.

Security of global food supply is placing an increasing emphasis on systems and technologies underpinning primary food production. This new focus is multi-faceted comprising efficient input sourcing, prescriptive farming systems, yield enhancing technologies and the identification of regions with well situated productive soils capable of large scale efficient production.

The Group made significant progress during 2008 in the development of its Agri-Nutrition businesses through acquisition and capital investment. We now have an extended business model with increased geographic reach potential which places the Group at the forefront in supporting the increasing requirement for systems and technologies underpinning high performing and scalable primary food production.

Origin has the benefit of businesses with scale, leading market positions, strong brands and a substantial operating asset base including a number of significant surplus property assets. Following the strategic acquisitions completed during the year, the Group now has an excellent platform with an enhanced management capability to support further progress.

** Before intangible amortisation and exceptional items.*
*** 2007 adjusted to reflect the current capital structure of the Group.*

Agri-Nutrition

Agri-Nutrition comprises agri-inputs (feed ingredients and fertiliser blending and distribution), integrated on-farm agronomy and marine proteins and oils (fishmeal and fish oil manufacturing and distribution). These businesses provide customised solutions that address the efficiency, quality and output requirements of primary food producers.

The Agri-Nutrition businesses achieved revenue growth of 80 per cent to €1,165 million. Underlying revenue growth, excluding the impact of acquisitions was 34 per cent. Operating profit increased by 99 per cent to €55.0 million. Excluding the impact of acquisitions, operating profit from the Agri-Nutrition businesses grew by 55 per cent.

The Group's strategic relationships with leading global suppliers of feed ingredients, crop protection and nutrition confers substantial sourcing benefits that are increasingly important in an environment of significantly greater volatility.

Feed Ingredients

R&H Hall is an all Ireland business involved in the global sourcing of the macro raw material ingredients for the Irish animal feed and cereal milling industries.

Ireland is deficit in the production of protein and energy raw materials which must be supplemented through the importation of feed ingredients. R&H Hall sources these ingredients from over 15 countries with the company having long standing relationships with many of the world's leading suppliers and shippers of dry bulk ingredients. The business has quality portside facilities with storage access in the deep water ports of Dublin, Cork, Ringaskiddy, Foynes, Belfast and Derry.

R&H Hall's trading and shipping capability gives it access to global markets thereby securing multiple sources of supply. The strength of these relationships with international manufacturers and shippers ensure that R&H Hall's customers are supplied with an extensive range of feed raw materials.

The business had a very satisfactory performance during the year with volume growth underpinned by stable livestock numbers.

John Thompson & Sons Limited

The Group has a 50 per cent interest in John Thompson & Sons Limited ('John Thomson'), located in Belfast. John Thompson manufactures and distributes a comprehensive range of poultry, pig and ruminant feeds. The business delivered a satisfactory performance in the year.

Origin

ENTERPRISES PLC

Fertiliser blending

Origin's fertiliser business encompasses both agricultural and horticultural fertiliser in Ireland and the United Kingdom. Operations are principally located at ports with strategic access to the major grassland and arable belts.

Agricultural Fertiliser

The agricultural fertiliser business involves the importation, storage, blending, packing, wholesaling and retailing of fertiliser to co-operatives, merchants, agents and farmers.

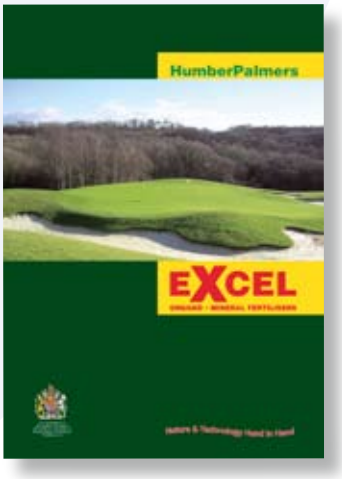
The core strength of the business is the ability to offer a prescription blend of nutrients (nitrogen, potassium and potash) tailored to the particular soil characteristics and farm production systems.

The Group's UK fertiliser business achieved volume growth on the back of higher application rates in the arable sector as farmers sought to maximise yields and benefit from higher output prices. Increased worldwide demand for fertiliser led to tighter supplies and the business delivered an excellent operational performance supported by its strategically located distribution facilities.

Grass production is the main driver of fertiliser usage in Ireland. The Irish fertiliser business delivered a strong performance against the background of higher prices driving an overall reduction in total market usage for fertiliser.

Horticultural Fertiliser

Origin's UK horticultural business manufactures and markets a range of bespoke granulated fertilisers under the Sheppy, Humber Palmer and Dingley brands for the home and garden, sports, amenity and niche agricultural sectors. The business operates from a modern manufacturing facility in Immingham, North Lincolnshire and is the leader in this specialised market. The business delivered an excellent performance in the year.



Integrated on-farm agronomy

Masstock

In February 2008, Origin acquired Masstock Group Holdings Limited ('Masstock'), the leading provider of integrated agronomy and farming systems advisory services directly to over 10,000 arable and grassland farm enterprises across the United Kingdom and Poland.

Masstock delivers prescription solutions providing farmers with the optimum combinations of crop varietal selection, cultivation systems, crop nutrition and protection designed to maximise quality and yield. This competence is underpinned by Masstock's advanced technical research based system in partnership with global manufacturers of seed, nutrition and crop protection.

Masstock's business model focuses on the following key areas;

Agronomy Services

Agronomy is the application of soil and plant sciences to land management and crop production. The agronomist acts as the key link for farmers to access impartial and trusted information needed to operate each area of their arable business profitably. Masstock field teams have access to unrivalled technical, farm management and environmental resources to ensure their customers grow high performing, marketable crops in a compliant manner.

Research

Masstock's integrated agronomy offering is grounded in an advanced Research and Development capability which provides the comprehensive knowledge base to drive improved farm performance.

Masstock's research is split into a number of key areas:

- Plant breeding
- Variety assessment
- Nutrition management
- Crop protection

Through the Masstock Co-ordinated Growing Systems ('COGS') the business makes replicated assessments of numerous crop protection and nutrition technologies with plant varieties under various growing systems. This overall research capability critically underpins the delivery of sustainable farming solutions for our customers. Research and development fosters strong linkages with Masstock's seed, nutrition and crop protection manufacturing partners.

The Group's presence in Poland is through Dalgety Agra Polska, a well-established leading provider of integrated agronomy and crop marketing services marketed under the Dalgety brand.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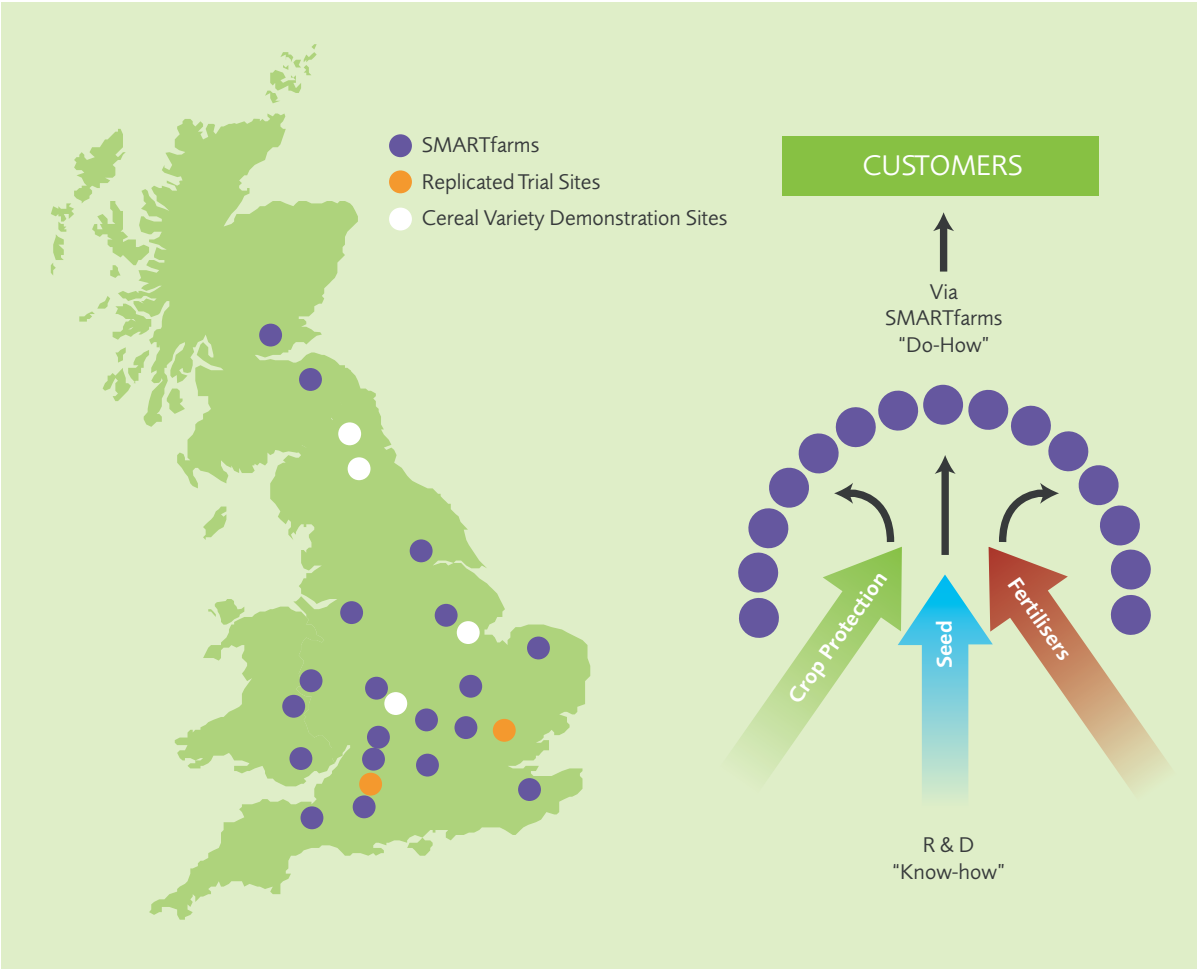

Masstock SMARTfarming

Masstock's system of SMARTfarms, located throughout the UK, form key communication platforms for customers which facilitate the tangible demonstration of Masstock's Research and Development "Know How".

SMARTfarms showcase Masstock's service offering and effectively communicate product strategy and foster awareness and relationship development with customers.

The acquisition of Masstock represents an exceptional strategic fit with our existing Agri-Nutrition business and Masstock delivered an excellent contribution in the seasonally important second half of the financial year.

Poland

Marine proteins

The Marine proteins business involves the manufacture of fishmeal and fish oil, which are specialised protein and energy raw materials principally supplied to the aquaculture fish feed industry.

Origin is the largest producer of fishmeal and fish oil in Ireland and the United Kingdom, and the third largest in Europe. The raw material is sourced from sustainable fishing resources combining fish trimmings (by-products from the fish filleting industry) and industrial whole pelagic species which typically do not feature in human diets.

Proximity to raw materials supply is a key strength of the business. The Group operates four manufacturing facilities in Killybegs, Aberdeen, Grimsby and the Shetland Islands. These facilities are strategically located in proximity to major fish processing centres as well as the main pelagic fisheries in the North Atlantic. Trawler efficiency in terms of proximity of the fishing resource to the landing location is assuming greater significance driven by an increasing focus on energy consumption.

Marine proteins delivered a satisfactory performance against the background of lower price realisations for fishmeal and reduced raw material intake. The business continues to benefit from growth in aquaculture and is also benefiting from higher inclusion levels of fishmeal in pig and poultry diets.

Pressure on raw material availability combined with higher landing and conversion costs present a compelling case for industry consolidation. Origin is ideally positioned to lead and support a consolidation initiative and discussions which commenced earlier in the year with Austevoll Seafood ASA with a view to combining our respective fishmeal and fish oil operations in Europe are ongoing.

Food

Origin's Food Division has market leading positions within key ambient baking, Italian food ingredients and convenience snacking categories servicing the retail, food service and manufacturing sectors in Ireland.

Food delivered a very satisfactory performance during 2008 with the Group's brands maintaining their strong market positions with good underlying sales growth.

Revenues increased by 40 per cent to €339 million. Excluding the impact of the Odlums acquisition underlying revenue growth was 6 per cent. Operating profit increased by 52 per cent to €15.9 million. Excluding the impact of acquisitions, operating profit increased by 6 per cent.

Through focussed product development and innovation the Group has established brand leadership positions within two main ambient food categories; *'Shamrock'*, Ireland's leading home-baking brand and *'Roma'*, a brand leader within Italian food ingredients.

Retail category extension and foodservice channel expansion drove underlying sales growth of 14 per cent within our ambient food brands. The Shamrock *Just* brand proved very successful in the healthy snacking market, gaining increased distribution. *Roma's* extension into Mediterranean food ingredients combined with a renewed focus and rebranding of *Roma Organics*, resulted in increased distribution driving strong underlying sales growth. One of the key features of the year was the significant increase in raw material price inflation experienced across a number of categories. The businesses were successful in recovering these increases during the year.

Shamrock Foods also provides full route-to-market solutions for third party food manufacturers. The service encompasses supply chain management, national account management, trade marketing management, field sales management, customer care, quality assurance and working capital management. The company currently services approximately 2,400 customers and approximately 3,100 delivery points. This agency business continued to perform well.

Odlums, Ireland's premier cereal miller, delivered a satisfactory performance in the period. The business experienced a challenging first half relating to the timing of the implementation of price increases reflecting higher raw material costs which were fully implemented from the start of the second half of the financial year. Key sales, marketing and distribution activities were integrated into Shamrock Foods during the year resulting in improved customer service levels and streamlined distribution.

Odlums, *Shamrock* and *Roma* are market leading brands across the home baking, snacking and ambient Italian food ingredients categories. This complementary product range is now supported by a focussed sales, marketing, distribution and product development capability, enabling the Group to capitalise on the key characteristics demanded by consumers for quality, healthy and natural products.

Group Outlook

During 2008 the Group made substantial investment in the expansion of its capability to service primary food producers. We are confident that our extended business model positions the Group to provide superior benefits to our customers and we are well placed to achieve further growth in 2009.

Tom O'Mahony
Chief Executive Officer

17 September 2008


Shamrock
Quality Ingredients
Californian Raisins
Odlums
100% Irish
CREAM
PLAIN FLOUR
Shamrock
Glacé Cherries
Shamrock
Cut Mixed Peel
Shamrock
Quality Ingredients
Jumbo Sultanas
Ready to Eat
375g

Financial review

Accounting policies and basis of preparation

The 2008 Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU. Details of the significant accounting policies adopted by the Group are set out on pages 40 to 45.

Capital structure and Bank facilities

The financing structure of the Group is managed in order to maximise shareholder value while allowing the Group to take advantage of opportunities that might arise to grow the business. The Group targets acquisition and investment opportunities that are value enhancing and the Group's policy is to fund these transactions in the most efficient manner.

Prior to May 2007 the Origin businesses were funded as part of the wider IAWS Group. Accordingly financing costs for the year ended 31 July 2008 are not directly comparable with the 2007 numbers.

Acquisitions

In August 2007 the Group acquired a controlling interest in Odlums for a total consideration of €59.6 million (including debt assumed). The integration of this business is well advanced.

Masstock Group Holdings Limited ('Masstock') was acquired in February 2008 for a total consideration of €82.2 million (including debt assumed).

In July 2008, the Group acquired a 20 per cent interest in Continental Farmers Group plc ('Continental Farmers') a large scale producer of high value agriculture crops in Poland and Ukraine.

Analysis of results

A comprehensive commentary on the Group's performance for 2008 is included in the review of business operations on pages 8 to 18.

Key performance indicators

The Group considers the following measures to be important indicators of the underlying performance of the business:

Summary segmental analysis

	FY08 €m's	FY07 €m's	Change	Excluding Acquisitions
Revenue				
- Agri-Nutrition	1,165.3	647.7	80%	34%
- Food	338.9	241.7	40%	6%
Total	**1,504.2**	**889.4**	**69%**	**26%**
Operating profit*				
- Agri-Nutrition	55.0	27.6	99%	55%
- Food	15.9	10.5	52%	6%
Total	**70.9**	**38.1**	**86%**	**42%**
Operating margin*				
- Agri-Nutrition	4.7%	4.3%		
- Food	4.7%	4.3%		
Total	**4.7%**	**4.3%**		

Revenue

Group revenue was 69 per cent higher at €1.5 billion with underlying revenue growth excluding the impact of acquisitions at 26 per cent.

The Agri-Nutrition businesses achieved revenues of €1.17 billion, an increase of 80 per cent. Underlying revenue growth excluding the impact of acquisitions was 34 per cent. The Food businesses recorded revenue growth of 40 per cent to €339 million. Excluding the impact of the Odlums acquisition underlying revenue growth was 6 per cent.

Operating profit*

Group operating profit increased by 86 per cent to €70.9 million. Excluding the impact of acquisitions, group operating profit increased by 42 per cent.

Operating profit from Agri-Nutrition increased by 99 per cent to €55 million. Excluding the impact of the acquisition of Masstock operating profit from the Agri-Nutrition businesses increased by 55 per cent.

Operating profit from the Food businesses increased by 52 per cent to €15.9 million. Excluding the impact of the acquisition of Odlums operating profit increased by 6 per cent.

Financial review *(continued)*

Operating margin*

Operating margin for the Group was 4.7 per cent in 2008 compared to 4.3 per cent in 2007.

Profit before financing costs*

Profit before financing costs increased by 75 per cent to €73.1m with 35 per cent due to acquisitions and 40 per cent due to growth in the existing business.

Financing costs

Net financing costs amounted to €14.6 million and are covered 5.5 times by EBITDA.

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

EPS amounted to 34.05 cent per share, an increase of 42 per cent from 2007. As outlined earlier financing costs for 2008 are not directly comparable with 2007 – on a directly comparable basis** adjusted fully diluted EPS increased by 74%.

Cashflow and Group net debt

A summary cashflow is presented below.

	2008 €m's	2007 €m's
EBITDA	79.9	46.7
Change in working capital	16.8	0.9
Other	0.7	(0.9)
Interest	(9.7)	(1.8)
Taxation	(13.1)	-
Net cashflow from operating activities	**74.6**	**44.9**
Capital expenditure	(21.5)	(6.1)
Insurance/disposal proceeds	-	7.6
Acquisition expenditure incl. debt assumed	(141.8)	-
Investment in associates	(15.6)	-
Issue of shares/restructuring/payment to IAWS	-	(153.2)
Dividends received	0.2	0.6
Net cashflow	**(104.1)**	**(106.2)**
Opening net debt	(71.7)	34.4
Translation	0.7	0.1
Closing net debt	**(175.1)**	**(71.7)**

Net cashflow from operating activities increased by 66 per cent to €74.6 million in 2008. This is attributable to a strong underlying performance across the businesses and focused cash management against the backdrop of significant increases in commodity prices. The reduction in working capital in 2008 arises as the working capital profile of the businesses acquired at their date of acquisition differs from the year end level.

Group net debt at 31 July 2008 amounted to €175.1 million compared with €71.7 million at the end of the previous year. This represents a very strong performance after a capital expenditure and acquisition spend of €179 million.

**EPS, operating profit, operating margin and profit before financing costs are stated before intangible amortisation and exceptional items.*

***2007 adjusted to reflect the current capital structure of the Group.*

Investment properties

The Group made significant progress in relation to its property assets during the year. Origin's major property asset comprises a 32 acre footprint in the Cork South Docks.

After extensive consultation the Cork South Docks Local Area Plan ('SDLAP') was formally adopted by Cork City Council in February 2008. The SDLAP provides greater certainty on the extent and timing of development and Origin supports the recommendations set out in the plan.

Following the adoption of the SDLAP Origin submitted a detailed Masterplan for its entire footprint. A planning application for the Group's first two acre riverfront site at the apex of the docks was submitted in June 2008. This planning application is for buildings with an aggregate area of 51,000 sq. metres comprising a mixture of retail, office and residential space.

We will continue to advance our objective of maximising the marketability of our surplus property assets over the medium term.

Retirement benefits

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.

Under IAS 19, *Employee Benefits* the total deficit in the Group's defined benefit schemes at 31 July 2008 was €22.7 million *(2007: €1.4 million)*. The increase year on year is attributable to the pension liabilities assumed as part of the acquisitions of Odlums and Masstock along with lower returns on the assets principally reflecting the performance of world stock markets during the year.

Taxation

The effective tax rate on ordinary activities relating to wholly owned businesses for the year ended 31 July 2008 was 21.7 per cent reflecting a higher proportion of profits in the UK due to the acquisition of Masstock and the strong performance from our existing UK business.

Financial review *(continued)*

Risk exposures

The Group's international operations expose it to financial risks that include currency risk, credit risk, liquidity risk, commodity price risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

Details of the Group's risk exposures and the controls in place to monitor such exposures are set out in note 20 to the financial statements.

Insurance

The Group is focussed on risk and its management. Accordingly, insurance is held for all significant insurable risk and against major catastrophes.

Dividends

No dividend will be paid in respect of the year ended 31 July 2008. The Board will review its dividend policy in advance of the announcement of its interim results in March 2009.

Share price

The Group's ordinary shares traded in the range of €3.10 to €5.39 during the period from 1 August 2007 to 31 July 2008. The Group's share price at 31 July 2008 was €4.34.

Brendan Fitzgerald
Chief Financial Officer

17 September 2008

Directors

The Board of Origin Enterprises plc ('Origin') consists of two executive directors and three non-executive directors.

(a) Chairman

Owen Killian (55) is Chief Executive Officer of ARYZTA AG ('ARYZTA'), successor to IAWS Group plc ('IAWS'), where he previously held the same position. He joined IAWS in 1977 and has held a number of senior executive positions, including Chief Operations Officer, where he played a key role in the development of strategy, in particular in relation to growth opportunities in the food sector driven by lifestyle change.

(b) Executive directors

Tom O'Mahony (46) was appointed Chief Executive Officer of Origin upon its formation. He previously played a key management role in acquisitions, disposals, business integration and financial control in IAWS, which he joined in 1985. He was formerly Chief Operating Officer of IAWS Group plc.

Brendan Fitzgerald (45) joined Origin in November 2006 as Chief Financial Officer. A former director with NCB Corporate Finance he has held senior financial positions with Greencore Group plc and Waterford Foods plc. He qualified as a Chartered Accountant with Arthur Andersen.

(c) Non-executive directors

Patrick McEniff (40) is Chief Financial Officer of ARYZTA, having worked with IAWS since 1989. He qualified as an accountant in 1991 and has filled several senior positions, most recently as Finance Director of the IAWS Lifestyle Foods business.

Hugh Cooney (56) is non-executive chairman of Siteserv plc. He has been involved in corporate finance since 1995 and is currently a consultant with BDO Simpson Xavier. He has also worked for Arthur Andersen as a global corporate finance partner and was formerly Managing Director of NCB Corporate Finance.

Directors' report

for the year ended 31 July 2008

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 July 2008, which are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Principal activity and business review

The Group's principal activities comprise the supply, distribution, and manufacture of agri-nutrition products as well as the manufacture, marketing and distribution of ambient food products. Through its subsidiaries and associates, the Group currently has manufacturing, trading and distribution operations based in the Republic of Ireland, the United Kingdom, Poland and Ukraine.

During the year under review, the Group continued to expand and develop its core activities. A comprehensive review of the performance of the Group is included in the Chairman's Statement and Review of Business Operations. The directors consider the state of affairs of the Company and the Group to be very satisfactory. A list of the Company's significant subsidiaries and associates is set out on page 89.

Principal risks and uncertainties

Significant time and resources have been invested in identifying specific risks across the Group and in developing a culture of balanced risk minimisation. To facilitate this, the Group has formal risk assessment processes in place through which risks and mitigating controls are thoroughly evaluated. These processes are driven by business unit management who are best placed to identify the significant ongoing and emerging risks facing their businesses. The outputs of these risk assessment processes are subject to various levels of review and the risks identified and associated mitigating controls are also subject to audit as part of health and safety and operational/financial audit programmes.

The risks identified fall broadly into three categories: strategic/commercial, operational and financial. Some of the most significant strategic/commercial risks facing the Group include the availability of product, potential changes in the regulatory environment affecting this supply, potential changes in EU fishing regulations, the potential impact of competitor activity and bad debts. The Group closely monitors emerging changes to regulations and legislation on an ongoing basis. The Group also addresses these risks by developing diverse sources of supply and distribution capability to ensure that the Group continues to compete effectively and that customer requirements are being anticipated and met on a continuing basis.

Origin faces risks and challenges associated with acquiring new businesses to generate growth. There is substantial experience within the Group in this regard and there is also strong project management capability with a track record of success in this area. Financial, commercial and operational due diligence is performed both by external consultants and in-house resources in advance of all acquisitions.

A key operational risk facing the Group, in common with most companies, is the risk of failure to address the increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control. These types of risks are mitigated through the establishment of thorough hygiene and health and safety systems, environmental/discharge controls and ensuring product traceability.

The loss of a significant manufacturing/operational site through natural catastrophe or act of vandalism represents another risk that could, potentially, have a material impact on the Group. As a result, emphasis is given to ensuring that site security measures at all Group locations are robust. In addition, the Board is satisfied that significant management attention is given to the development of comprehensive disaster recovery plans. Similarly, a significant IT system failure could adversely impact on operations. As a result, IT disaster recovery plans and system backup processes are implemented.

While the Group has a track record of attracting and retaining high quality senior management and staff, it faces risks associated with the potential loss of key management personnel. The Board addresses these risks through incentivisation and retention initiatives in addition to robust succession planning.

As a Group with operations and interests outside the euro-zone, Origin is subject to the risk of adverse movements in foreign currency exchange rates. Exposures are managed through the use of foreign currency contracts. Financial risk management objectives and policies are identified in the financial review and in notes 19 and 20 to the Group financial statements on pages 63 to 75.

Results for the year

The results for the year are set out in the Group income statement on page 34. Profit for the financial year was €44,462,000 *(2007: €32,649,000)*.

Dividends

No dividend was paid or proposed by the Company for the year ended 31 July 2008.

Directors' report *(continued)*

for the year ended 31 July 2008

Future developments

The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

Research and development

The Group pursues ongoing research and development programmes directed towards the development of product range extensions in its Food business and specialised products in its Agri-Nutrition business.

Accounting records

The directors believe that they have complied with the requirement of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at the Company's registered office at 151 Thomas Street, Dublin 8.

Corporate governance

The Board recognises the importance of sound corporate governance and that it is accountable to its shareholders in this regard. While there is no distinct Irish corporate governance regime for companies whose shares are traded on the AIM and IEX markets the directors have provided the following disclosures in relation to corporate governance having regard to the Company's size and the markets on which its shares are traded.

The Board

The Board currently comprises two executive and three non-executive directors. The Board considers all non-executive directors capable of exercising independent judgement.

Enhanced and effective governance is achieved by the separation of the roles of Chairman and Chief Executive Officer. The Board is responsible for setting the strategic direction and for providing leadership and control of the Company and Group.

The Board has reserved to itself decision making in the areas of:

- Continuity or alteration of strategic direction of the Group.
- Appointment or dismissal of the Chief Executive Officer or the Company Secretary and recommendation for appointment or dismissal of any member of the Board.
- Director and senior executive management succession planning.
- Policy on remuneration for executive directors and senior management.
- The issue of shares and debentures.
- Authorisation of arrangement of borrowing facilities.
- Setting budgets.
- Authorisation of major capital expenditure, acquisitions and disposals.
- Dividend policy.

Certain matters are delegated to Board committees, the details of which are set out below. Written terms of reference of all committees have been established.

The Chairman is responsible for the operational efficiency of the Board and for ensuring that all directors have full and timely access to the information necessary to enable them to discharge their duties. The Board has delegated responsibility for the day-to-day management of the Group, through the Chief Executive Officer, to executive management.

The directors have full access to the advice and services of the Company Secretary, who also acts as secretary to all of the Board committees, is responsible to the Board for ensuring that Board procedures are followed and ensuring compliance with applicable rules and regulations. The directors also have access to independent professional advice, at the Group's expense, if and when required.

On appointment to the Board, non-executive directors are provided with a comprehensive introduction to the Group's operations, including the opportunity to visit sites and meet with key management.

All directors are required to retire by rotation in accordance with the Company's Articles of Association. At every Annual General Meeting of the Company, as nearly as possible one-third will retire by rotation. The directors to retire are those who have been longest in office. A retiring director shall be eligible for re-election.

Meetings of directors are held regularly, usually on a monthly basis. The Board has established an Audit Committee and a Remuneration Committee. The Board does not have a formal Nominations Committee and considerations of appointments are made by the Board. Details of the meetings held during the year, both of the Board and of the Board committees are contained in the schedule on the next page, which also includes information on individual attendance.

Directors' report *(continued)*

for the year ended 31 July 2008

Audit Committee

The Audit Committee comprises two non-executive directors, namely Mr. H. Cooney (Chairman) and Mr. P. McEniff, both of whom have recent and relevant financial experience. The Committee met three times during the year. The responsibilities of the Audit Committee are set out in the terms of reference of the Audit Committee which are available on the Company's website, **www.originenterprises.com**.

The Audit Committee is responsible for monitoring the integrity of the Group's financial statements and for reviewing significant financial reporting issues and judgements contained therein. The Committee reviews the accounting principles, policies and practices adopted in the preparation of the interim, preliminary and annual financial statements.

The Audit Committee is also responsible for monitoring the effectiveness of the external auditor and audit process, and for making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor, and for approving their remuneration and terms of engagement. The Committee monitors the external auditor's independence and objectivity, taking into consideration relevant professional and regulatory requirements, extent of services provided and fees paid. The Audit Committee is also responsible for developing a policy on the engagement of the external auditor to provide non-audit services.

The Audit Committee monitors the effectiveness of the Group's systems of internal control, the processes for monitoring and evaluating risks and the effectiveness of the Internal Audit function. The Committee also reviews the Group's arrangements for its employees to raise concerns about possible improprieties in financial reporting or other matters in confidence.

Remuneration Committee

The Remuneration Committee comprises Mr. O. Killian (Chairman) and Mr. P. McEniff, both non-executive directors. The Committee met three times during the year. The terms of reference of the Remuneration Committee are to determine the Group's policy on remuneration of executive directors and to consider and approve the salaries and other terms of the remuneration package for the executive directors.

The remuneration of the non-executive directors is determined by the Board, and reflects the time commitment and responsibilities of the role. The Group's policy on executive directors' remuneration recognises that employment and remuneration conditions for senior executives must properly reward and motivate them to perform in the best interests of the shareholders. The typical elements of the remuneration package for executive directors are basic salary and benefits, performance related bonuses, pensions and participation in the Company's Long Term Incentive Plan. Remuneration policy reflects the need to ensure that the Group can attract, retain and motivate executives to perform at the highest levels of expectation.

Basic salary of executive directors is reviewed annually with regard to personal performance, Group performance and competitive market practice. Employment related benefits consist principally of a company car. The Group pays performance related annual bonuses to executive directors which are linked to the overall performance of the Group. Pension benefits are determined solely in relation to basic salary.

Under the terms of the 2006 Origin Enterprises Long Term Incentive Plan ("the Origin Plan") directors and senior management acquired Ordinary Shares in the Company prior to admission to trading of the shares on the AIM and IEX markets. To retain the Ordinary Shares issued under the Origin Plan the directors and senior management must remain with the Group for five years and financial/operational targets must be achieved. Directors and senior management also acquired Equity Entitlements in Origin. Provided certain targets are achieved the Equity Entitlements will be converted on a one-for-one basis into Ordinary Shares in Origin. Further details on the Origin Plan are outlined on page 51.

Meetings held and attended in the financial year ended 31 July 2008 during the tenure of each director

	Board		Audit		Remuneration	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
H. Cooney	13	16	3	3	-	-
B. Fitzgerald	16	16	-	-	-	-
O. Killian	14	16	-	-	3	3
P. McEniff	13	16	3	3	3	3
T. O'Mahony	16	16	-	-	-	-

Directors' report *(continued)*

for the year ended 31 July 2008

Internal controls

The directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. This involves an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and reviewing the effectiveness of the resultant system of internal control throughout the year and up to the date of approval of the Annual Report and Financial Statements. This system is designed to manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. The internal control system therefore provides reasonable, though not absolute, assurance against material misstatement or loss.

The directors have established a number of key procedures designed to provide an effective system of internal control. The key procedures, which are supported by detailed controls and processes, include:

Internal audit

A Group internal audit function, reporting directly to the Audit Committee, undertakes examinations of business processes on a risk basis and reports on controls throughout the Group.

Control environment

Maintaining an organisation structure with defined lines of responsibility and specified delegation of authority within which the Group's activities can be planned and monitored.

Financial reporting

A comprehensive financial reporting system involving the setting of annual budgets and plans, timely monthly reporting and variance analysis and ongoing review, supported by information systems developed for the purpose.

Risk management policies

Comprehensive policies and procedures are in place relating to computer security, capital expenditure, treasury risk management and credit risk management. Reputational risk management is also a key focus for the Group across all areas of the business.

Annual review of internal controls

The directors confirm that they have conducted an annual review of the effectiveness of the system of internal control as operated up to and including the date of approval of the financial statements. This has had regard to the processes for identifying the principal business risks facing the Group, the methods of managing those risks, the controls that are in place to contain them and the procedures to monitor them.

Communication with shareholders

Shareholder communication is given high priority by the Group. The Group has an ongoing programme of meetings between its senior executives, institutional shareholders, analysts and brokers as well as general presentations at the time of the release of the annual and interim results. The Board is kept appraised of the views of shareholders, and the market in general, through feedback from the meetings programme. Analysts' reports on the Group are also circulated to the Board on a regular basis.

The Group issues its results promptly to shareholders and also publishes them on the Group's website, www.originenterprises.com. The Company's Annual General Meeting will afford each shareholder the opportunity to question the Chairman of the Board, the Chairmen of all committees and all other Board members. The notice of AGM and related papers will be sent to shareholders at least 20 working days before the meeting.

Directors and Secretary and their interests

There were no changes in directors or secretary during the year or subsequent to year end.

The following directors and secretary held office as at 31 July 2008.

O. Killian
T. O'Mahony
B. Fitzgerald
H. Cooney
P. McEniff
P. Morrissey – Secretary

None of these directors has a service contract with any Group company. Mr. H. Cooney's appointment is for an initial three year period under his letter of appointment.

The directors and Company Secretary who held office at 31 July 2008 had no interests, other than those shown below, in the shares in, or loan stock of, the Company or in any Group company. Beneficial interests at 31 July 2008 and 31 July 2007 were as follows:

Ordinary Shares in Origin Enterprises plc at €0.01 cent each

Directors	31 July 2008	31 July 2007
	Number of ordinary shares	Number of ordinary shares
T. O'Mahony	783,217	783,217
B. Fitzgerald	394,038	394,038
H. Cooney	66,667	66,667

There have been no changes in the interests as shown above between 31 July 2008 and 17 September 2008.

Directors' report *(continued)*

for the year ended 31 July 2008

Equity Entitlements in Origin Enterprises plc

In addition, through Origin LTIP Trustee Limited, the directors held the following Equity Entitlements under the terms of the Origin Long Term Incentive Plan:

Directors	31 July 2008	31 July 2007
	Number of equity entitlements	Number of equity entitlements
T. O'Mahony	958,182	958,182
B. Fitzgerald	482,069	482,069

There have been no changes in the interests as shown above between 31 July 2008 and 17 September 2008.

Directors' and Company Secretary's interests in the Ordinary Shares of IAWS Group plc

Directors	31 July 2008	31 July 2007
	Number of shares	Number of shares
O. Killian	418,792	381,595
T. O'Mahony	81,766	81,766
P. McEniff	47,331	161,507
H. Cooney	2,850	-
Secretary		
P. Morrissey	52,652	74,038

On 21 August 2008, ARYZTA completed the acquisition of IAWS Group plc and the directors now hold shares in ARYZTA. One share in ARYZTA was issued for every two shares held in IAWS Group plc.

Directors' and Company Secretary's interests in share options of IAWS Group plc

1997 Share Option Scheme

	31 July 2007 and 2008	Earliest exercisable date †	Latest expiry date ‡	Weighted average option price at 31 July 2008
O. Killian	370,000	30/10/2006	21/04/2016	€12.62
P. McEniff	300,000	30/10/2006	21/04/2016	€12.68
T. O'Mahony	150,000	30/10/2006	21/04/2016	€11.57
Secretary				
P. Morrissey	150,000	30/10/2006	21/04/2016	€11.57

† First tranche of options granted

‡ Last tranche of options granted

Long term incentive scheme interests held during 2008 in respect of the ordinary shares of IAWS Group plc, are as follows:

LTIP – Matching Scheme

	Share entitlements held at 31 July 2007	Share entitlements awarded during the year	Share entitlements held at 31 July 2008	Earliest date by which qualifying conditions must be met
O. Killian	150,000	225,000	375,000	01/12/2009
P. McEniff	75,000	150,000	225,000	01/12/2009
P. Morrissey	30,000	60,000	90,000	01/12/2009

Notes:

1. Matching shares are issued to a participant on a 3:1 basis by reference to Qualifying Investment Shares (in shares or equivalents) acquired by the participant. Matching shares may generally not vest earlier than the expiry of the third financial year ending following their provision and then only to the extent that the relevant Qualifying Investment Shares are retained. EPS growth, measured over three financial years, has been fixed as the performance vesting criteria per the following table:

EPS Growth	Multiple (re Qualifying Investment Shares)
CPI plus 10% or more	3
CPI plus > 7.5% < 10%	2
CPI plus > 5% < 7.5%	1
CPI plus < 5%	0

LTIP – Employee Equity Participation Scheme ("EEPS")

	Share entitlements held at 31 July 2007	Share entitlements awarded during the year	Share entitlements held at 31 July 2008	Earliest date by which qualifying conditions must be met	Weighted average exercise price at 31 July 2008
O. Killian	350,000	300,000	650,000	12/03/2010	€15.91
P. McEniff	200,000	200,000	400,000	12/03/2010	€15.82
P. Morrissey	50,000	80,000	130,000	12/03/2010	€15.52

Notes:

1. Benefits under the Employee Equity Participation Scheme will generally not vest unless the growth in EPS during the performance period exceeds the growth in the Consumer Price Index plus 5 per cent on an annualised basis over such period. Other performance criteria which are acceptable under institutional investment guidelines may alternatively be applied by the Remuneration Committee. Where at least 50 per cent of a performance criterion has been achieved, the Remuneration Committee may apply the criterion on a scaled basis so as to allow a partial vesting of the benefit. Benefits will generally not vest earlier than the expiry of the third financial year ending following their provision.

Substantial holdings

As at 17 September 2008 the directors have been notified of the following shareholdings which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares	%
ARYZTA AG	95,000,004	71.4
Origin LTIP Trustee Limited	4,682,134	3.5
The Capital Group Companies, Inc.	4,986,600	3.7

Directors' report *(continued)*

for the year ended 31 July 2008

Political donations

No political donations were made in the current year *(2007: €nil)*.

Post balance sheet events

There have been no significant events since the year-end which would require disclosure in the financial statements.

Going concern

The directors have a reasonable expectation, having made appropriate enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditor

KPMG, Chartered Accountants, have expressed their willingness to be re-appointed in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board

O. Killian
Director

T. O'Mahony
Director

17 September 2008

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. As permitted by that law and as required by the Rules of the AIM and IEX exchanges the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU (EU IFRS) and have elected to prepare the Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the financial reporting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Group financial statements are required by EU IFRS to present fairly the financial position and performance of the Group; the Companies Acts 1963 to 2006 provide, in relation to such financial statements, that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 1963 to 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

O. Killian
Director

T. O'Mahony
Director

17 September 2008

Independent auditor's report to the members of Origin Enterprises plc

We have audited the Group and Company financial statements (the "financial statements") of Origin Enterprises plc for the year ended 31 July 2008, which comprise the Group Income Statement, the Group Statement of Recognised Income and Expense, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Accounting Policies and the related notes, and the Company Balance Sheet, Company Statement of Accounting Policies and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with applicable law and EU IFRS, and for preparing the Company financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 31.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts 1963 to 2006. We also report to you our opinion as to: whether proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Financial Highlights, the Chairman's Statement, the Review of Business Operations, the Financial Review and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the Group financial statements give a true and fair view, in accordance with EU IFRS, of the state of the Group's affairs as at 31 July 2008 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006;
- the Company financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 31 July 2008; and

Independent auditor's report to the members of Origin Enterprises plc *(continued)*

Opinion *(continued)*

- the Company financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 July 2008 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG

Chartered Accountants
Registered Auditor

17 September 2008

Group income statement

for the year ended 31 July 2008

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	Notes	2008 €'000	2007 €'000
Revenue	1	**1,504,242**	889,363
Cost of sales		**(1,335,032)**	(793,046)
Gross profit		**169,210**	96,317
Operating costs	2	**(100,681)**	(57,841)
Operating profit	1	**68,529**	38,476
Share of profit of associates	6	**2,252**	3,674
Profit before financing costs	1	**70,781**	42,150
Finance income	3	**5,287**	2,310
Finance expenses	3	**(19,859)**	(4,955)
Profit before tax		**56,209**	39,505
Income tax expense	9	**(11,747)**	(6,856)
Profit for the financial year		**44,462**	32,649
Attributable as follows:			
Equity shareholders		**44,701**	32,686
Minority interest	27	**(239)**	(37)
		44,462	32,649
Basic earnings per share	10	**33.61c**	24.57c
Diluted earnings per share	10	**32.47c**	23.86c

Group statement of recognised income and expense

for the year ended 31 July 2008

	Notes	2008 €'000	2007 €'000
Items of income and expense recognised directly in equity			
Net revaluation of previously held interest in associate		**17,960**	-
Foreign exchange translation effects			
– foreign currency net investments		**(11,193)**	-
– foreign currency borrowings		**2,755**	2,053
Actuarial (loss)/gain on Group's defined benefit pension schemes		**(19,591)**	7,039
Deferred tax effect of actuarial (loss)/gain		**2,377**	(895)
Actuarial gain on associate's defined benefit scheme, net of deferred tax		**1,778**	3,745
Gain/(loss) relating to cash flow hedges		**553**	(1,027)
Deferred tax effect of cash flow hedges		**(71)**	298
Revaluation gains on properties transferred to investment properties		**-**	87,380
Deferred tax effect of gains on revaluation of properties transferred to investment properties		**-**	(15,208)
Net (expense)/income recognised directly in equity		**(5,432)**	83,385
Profit for the financial year		**44,462**	32,649
Total recognised income and expense for the year		**39,030**	116,034
Attributable as follows:			
Equity shareholders		**39,531**	116,071
Minority interest	27	**(501)**	(37)
Total recognised income and expense for the year		**39,030**	116,034

Group balance sheet

as at 31 July 2008

	Notes	**2008 €'000**	2007 €'000
ASSETS			
Non current assets			
Property, plant and equipment	11	**106,099**	71,149
Investment properties	12	**192,418**	165,473
Goodwill and intangible assets	13	**116,367**	15,220
Investments in associates	14	**32,844**	26,521
Deferred tax assets	22	**4,651**	1,633
Total non current assets		**452,379**	279,996
Current assets			
Inventory	15	**160,669**	67,476
Trade and other receivables	16	**203,156**	84,993
Derivative financial instruments	20	**1,958**	-
Cash and cash equivalents	18	**75,232**	31,989
Total current assets		**441,015**	184,458
TOTAL ASSETS		**893,394**	464,454

Group balance sheet *(continued)*

as at 31 July 2008

	Notes	2008 €'000	2007 €'000
EQUITY			
Called up share capital	25	**1,386**	1,382
Share premium	26	**265,182**	265,182
Retained earnings and other reserves	26	**(44,686)**	(84,926)
Total equity attributable to equity shareholders of parent		**221,882**	181,638
Minority interest	27	**1,495**	1,996
TOTAL EQUITY	26	**223,377**	183,634
LIABILITIES			
Non current liabilities			
Interest bearing borrowings	19	**249,272**	83,000
Employee benefits	24	**23,071**	1,771
Deferred government grants	21	**2,644**	2,674
Deferred tax liabilities	22	**42,741**	31,740
Deferred consideration on acquisition	23	**12,483**	-
Total non current liabilities		**330,211**	119,185
Current liabilities			
Interest bearing borrowings	19	**1,085**	20,691
Trade and other payables	17	**328,350**	130,172
Corporation tax payable		**6,751**	8,556
Derivative financial instruments	20	**3,620**	2,216
Total current liabilities		**339,806**	161,635
TOTAL LIABILITIES		**670,017**	280,820
TOTAL EQUITY AND LIABILITIES		**893,394**	464,454

Group cash flow statement

for the year ended 31 July 2008

	Notes	2008 €'000	2007 €'000
Cash flows from operating activities			
Profit before tax		**56,209**	39,505
Finance income	3	**(5,287)**	(2,310)
Finance expenses	3	**19,859**	4,955
Share of profit of associates	6	**(2,252)**	(3,674)
Depreciation of property, plant and equipment	11	**9,060**	7,527
Amortisation of intangible assets	13	**2,397**	797
Amortisation of government grants	21	**(115)**	(124)
Employee share-based payment charge	8	**709**	205
Exceptional items	2	**-**	(1,146)
Foreign exchange gains		**-**	32
Operating profit before changes in working capital		**80,580**	45,767
(Increase) in inventory		**(72,805)**	(11,736)
(Increase)/decrease in trade and other receivables		**(49,820)**	9,103
Increase in trade and other payables		**139,405**	3,561
Cash generated from operating activities		**97,360**	46,695
Interest paid		**(9,662)**	(1,792)
Income tax paid		**(13,083)**	-
Net cashflow from operating activities		**74,615**	44,903

Group cash flow statement *(continued)*

for the year ended 31 July 2008

	Notes	2008 €'000	2007 €'000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**411**	205
Purchase of property, plant and equipment			
– Ongoing		**(6,010)**	(3,767)
– New investments		**(2,814)**	(2,336)
Additions to investment properties		**(12,945)**	-
Insurance proceeds, net		**-**	6,118
(Acquisition)/disposal of subsidiary undertaking, net of cash acquired	31	**(75,798)**	1,045
Investment in associates	14	**(15,632)**	-
Dividends received		**158**	574
Net cash flow from investing activities		**(112,630)**	1,839
Cash flows from financing activities			
Proceeds from issue of share capital		**4**	104,192
Share issue expenses		**-**	(1,691)
Net cash movement in balance with IAWS		**-**	(255,545)
Drawdown of loan capital		**104,195**	83,000
Payment of finance lease obligations		**(399)**	-
Net cash flow from financing activities		**103,800**	(70,044)
Net increase/(decrease) in cash and cash equivalents		**65,785**	(23,302)
Translation adjustment		**(2,076)**	177
Cash and cash equivalents at start of year		**11,298**	34,423
Cash and cash equivalents at end of year	18	**75,007**	11,298

Statement of accounting policies

for the year ended 31 July 2008

Origin Enterprises plc (the "Company") is a company domiciled and incorporated in Ireland. The Group's financial statements for the year ended 31 July 2008 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as "the Group") and show the Group's interest in associates using the equity method of accounting.

The individual and Group financial statements of the Company were authorised for issue by the directors on 17 September 2008.

Statement of compliance

As permitted by Company law and as required by the Rules of the AIM and IEX exchanges the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The IFRSs adopted by the EU applied by the Group in the preparation of these financial statements are those that were effective for accounting periods ending on or before 31 July 2008.

The Group has not applied the following IFRSs and International Financial Reporting Interpretations Committee (IFRIC) Interpretations that have been issued and adopted by the EU but are not yet effective. The directors have formed the opinion that the adoption of these pronouncements will not have a significant effect on the Group financial statements. Their likely impact is briefly outlined below.

IFRS 8 Operating Segments which is effective for annual periods beginning on or after 1 January 2009 sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments, its products and services, the geographical areas in which it operates and its major customers and will replace *IAS 14 Segment Reporting*.

IAS 23 (Revised) Borrowing Costs, which is effective for accounting periods beginning on or after 1 January 2009. This will require disclosure in relation to the amount of borrowing costs capitalised.

Basis of preparation

As outlined in detail in the 2007 Annual Report, IAWS Group plc established the company to create a specialist focus around its original core Agri and Ambient Foods businesses. In April 2007 as part of a group reorganisation the original core Agri and Ambient Foods businesses were transferred to the Company (which was incorporated on 11 September 2006) at which stage it was a wholly owned subsidiary of IAWS Group plc. It converted to a plc on 29 May 2007 and shares in Origin were admitted to trading on the IEX and AIM markets of the Dublin and London Stock Exchanges on 5 June 2007.

The consolidated financial statements for the Group for the year ended 31 July 2007 were prepared as if the Group had always existed and consequently reflect the pre-existing carrying values in IAWS Group plc of the assets and liabilities transferred to the Company while the Group income statement, Group statement of recognised income and expenses and Group cash flow statement present the results, performance and cash flows of the businesses for the full year to 31 July 2007.

Accordingly, profit before tax, profit for the financial year and earnings per share for the year ended 31 July 2008 are not directly comparable with the 2007 comparatives as the financial information for 2007 reflects the financing costs associated with the separate bank facilities put in place by Origin from May 2007. Prior to May 2007 the Origin businesses were funded as part of the wider IAWS Group plc and the interest charge prior to that date accordingly does not reflect the current financial structure.

In accordance with Section 62 of the Companies Act, 1963, the ordinary shares issued by the Company in connection with the acquisition of the net assets from IAWS Group plc have been recorded at fair value.

The difference between the carrying value of the investment recorded in the Company balance sheet at fair value and the book value of the assets and liabilities transferred has been recognised as a reorganisation reserve in other reserves within equity together with the currency translation reserve and revaluation reserve. The amount shown for these separate reserves are the amounts which would have been recorded if the Group had always existed as a separate Group.

The Group financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment properties and derivative financial instruments. The accounting policies have been applied consistently over both years. The financial statements are presented in euro, rounded to the nearest thousand, which is the functional currency of the parent and the majority of the Group's operations.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Statement of accounting policies *(continued)*

for the year ended 31 July 2008

Basis of preparation *(continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group financial statements, relate primarily to accounting for defined benefit pension schemes, financial instruments, investment properties, share-based payments, provisions, intangible assets, goodwill impairment and deferred tax. The relevant assumptions and estimates have been discussed in the notes to the financial statements.

Basis of consolidation

The Group financial statements reflect the consolidation of the results, assets and liabilities of the parent undertaking and all of its subsidiaries, together with the Group's share of profits/losses of associates. Where a subsidiary or associate is acquired or disposed of during the financial year, the Group financial statements include the attributable results from or to the effective date when control passes.

Subsidiary undertakings

Subsidiary undertakings are those entities over which the Group has the power to control the operating and financial policies so as to obtain economic benefit from their activities. The amounts included in these financial statements in respect of the subsidiaries are taken from their latest financial statements prepared up to the year end. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Associates

Associates are those entities in which the Group has significant influence over, but not control of, the financial and operating policies. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates is recognised in the income statement. The income statement reflects, in profit before tax, the Group's share of profit after tax of its associates in accordance with IAS 28, *Investments in Associates*. The Group's interest in their net assets is included as investments in associates in the Group balance sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post acquisition retained income and expenses. The Group's investment in associates includes goodwill on acquisition. The amounts included in the financial statements in respect of the post acquisition income and expenses of associates are taken from their latest financial statements prepared up to their respective year ends together with management accounts for the intervening periods to the Group's year end. Where necessary, the accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Revenue

Revenue represents the fair value of the sale consideration received for the goods supplied to third parties, after deducting discounts and exclusive of value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and returns different from those of other segments.

The Group's primary format for segmental reporting is business segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the different products that the Group sells rather than the geographical location of the Group's operations.

The Group has two business segments: Food and Agri-Nutrition. The Group's geographical segments are Ireland and the United Kingdom. Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities principally include current and deferred income tax balances together with financial assets and liabilities.

Statement of accounting policies *(continued)*

for the year ended 31 July 2008

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Employee benefits

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated, separately for each plan, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in the statement of recognised income and expense. Current and past service costs, interest on scheme liabilities and expected return on assets are recognised in the income statement.

Long Term Incentive Plan

The Group has established the "Origin Enterprises Long Term Incentive Plan" ("the Origin Plan").

All equity instruments issued under the Origin Plan are equity settled share-based payments as defined in IFRS 2, *Share-based Payment*. The fair value of equity instruments issued is recognised as an expense with a corresponding increase in equity. The fair value is measured at issue date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments issued is measured taking into account the terms and conditions under which the equity instruments were issued. The plan is subject to non-market vesting conditions and, therefore, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. If the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, it is not recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Origin businesses were part of the tax arrangements of IAWS Group plc for part of the year-ended 31 July 2007. The tax charge for the Group for the year ended 31 July 2007 reflects the tax position of the Origin businesses as they existed within these tax arrangements.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Statement of accounting policies *(continued)*

for the year ended 31 July 2008

Foreign currency *(continued)*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euro at the actual rates when the transactions occurred. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised directly in equity, in a translation reserve.

Exchange gains or losses on long term intra-group loans and on foreign currency borrowings, used to finance or provide a hedge against Group equity investments in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future or provide an effective hedge of the net investment. Any differences that have arisen are recognised in the currency translation reserve and are recycled through the income statement on the repayment of the intra-group loan or on disposal of the related business.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred.

Depreciation is calculated to write off the cost less estimated residual value of property, plant and equipment, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Buildings	25 to 50 years
Plant & machinery	3 to 15 years
Motor vehicles	3 to 7.5 years

The residual value of assets, if significant, and the useful life of assets is reassessed annually.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Investment properties

Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. Any gain or loss arising from a change in fair value is recognised in the income statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain. Upon disposal of the property, the gain would be transferred to retained earnings in equity. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the income statement.

Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term.

Leases where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing loans and borrowings. The interest element of the payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under the finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries and associates. In respect of acquisitions that have occurred since 1 August 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, i.e. original cost less accumulated amortisation from the date of acquisition up to 31 July 2005, which represents the amount recorded under Irish GAAP. Goodwill is now stated at cost or deemed cost less any accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

Statement of accounting policies *(continued)*

for the year ended 31 July 2008

Intangible assets

Intangible assets acquired as part of a business combination are valued at their fair value at the date of acquisition. These generally include brand and customer related intangible assets. Where intangible assets are separately acquired they are capitalised at cost. Intangible assets are amortised over the period of their expected useful lives in equal annual instalments.

The expected useful lives of intangible assets range from 5 to 30 years.

Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset. These intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost comprises purchase price and other directly attributable costs. The expected useful life of computer software is 5 years.

Impairment

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), investment properties (which are carried at fair value), and those financial instruments, which are carried at fair value, are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be, except for goodwill. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount. An impairment test is carried out annually on goodwill.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventory

Inventory is stated at the lower of cost on a first in, first out basis and net realisable value. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost less impairments, which normally approximates fair value given the short-dated nature of these assets and liabilities.

Trade receivables are carried at original invoice amount less an allowance for uncollectible debts. Provision is made when there is objective evidence that the Group may not be in a position to collect the associated debts.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Financial assets and liabilities

Set out below are the major methods and assumptions used in estimating the fair values of financial assets and liabilities.

Derivatives

Forward currency contracts are marked to market using quoted market values.

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates remeasured to their fair value. The gain or loss arising on remeasurement is recognised in the income statement except where the instrument is a designated hedging instrument.

Derivative financial instruments are used to manage the Group's exposure to foreign currency risk and commodity price risk through the use of forward currency contracts and futures contracts. These derivatives are generally designated as cash flow hedges in accordance with IAS 39. The Group does not enter into speculative derivative transactions.

Statement of accounting policies *(continued)*

for the year ended 31 July 2008

Cash flow hedges

Subject to the satisfaction of certain criteria, relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules. In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in the cash flow hedging reserve, a separate component of equity. Unrealised gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction occurs the related gains or losses in the hedging reserve are transferred to the income statement.

Interest bearing loans and borrowings

For interest bearing loans and borrowings with a contractual repricing date of less than one year, the nominal amount is considered to approximate fair value. For loans with a repricing date of greater than one year, the fair value is calculated based on the expected future principal and interest cash flows, discounted at appropriate current market interest rates.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using an effective interest rate method.

Government grants

Grants that compensate the Group for the cost of an asset are shown as deferred income and amortised in the Group income statement by instalments on a basis consistent with the depreciation policy of the relevant assets.

Other grants are credited to the income statement to offset the matching expenditure.

Borrowing costs

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the profit and loss using the effective interest method.

Notes to the Group financial statements

for the year ended 31 July 2008

1 Segment information

(a) Analysis by business segment

(i) Segment revenue and result	Food		Agri-Nutrition		Total Group	
	2008 €'000	2007 €'000	**2008 €'000**	2007 €'000	**2008 €'000**	2007 €'000
Segment revenue	**338,980**	241,680	**1,165,262**	647,683	**1,504,242**	889,363
Operating profit before exceptional items and amortisation of intangible assets	**15,914**	10,474	**55,012**	27,653	**70,926**	38,127
Amortisation of intangible assets	**(1,367)**	(501)	**(1,030)**	(296)	**(2,397)**	(797)
Exceptional items	**-**	(1,314)	**-**	2,460	**-**	1,146
Operating profit	**14,547**	8,659	**53,982**	29,817	**68,529**	38,476
Share of profit of associates	**201**	1,886	**2,051**	1,788	**2,252**	3,674
Profit before financing costs	**14,748**	10,545	**56,033**	31,605	**70,781**	42,150

(ii) Segment assets	Food		Agri-Nutrition		Total Group	
	2008 €'000	2007 €'000	**2008 €'000**	2007 €'000	**2008 €'000**	2007 €'000
Segment assets excluding investment in associates and investment properties	**142,311**	69,313	**443,980**	169,525	**586,291**	238,838
Investment in associates	**-**	10,247	**32,844**	16,274	**32,844**	26,521
Investment properties	**14,000**	-	**178,418**	165,473	**192,418**	165,473
Segment assets	**156,311**	79,560	**655,242**	351,272	**811,553**	430,832
Reconciliation to total assets as reported in Group balance sheet						
Cash and cash equivalents					**75,232**	31,989
Derivative financial instruments					**1,958**	-
Deferred tax assets					**4,651**	1,633
Total assets as reported in Group balance sheet					**893,394**	464,454

Notes *(continued)*

for the year ended 31 July 2008

1 Segment information *(continued)*

(a) Analysis by business segment (continued)

(iii) Segment liabilities	Food		Agri-Nutrition		Total Group	
	2008 €'000	2007 €'000	**2008 €'000**	2007 €'000	**2008 €'000**	2007 €'000
Segment liabilities	**41,538**	23,896	**325,010**	110,721	**366,548**	134,617
Reconciliation to total liabilities as reported in Group balance sheet						
Interest bearing loans and liabilities					**250,357**	103,691
Derivative financial instruments					**3,620**	2,216
Current and deferred tax liabilities					**49,492**	40,296
Total liabilities as reported in Group balance sheet					**670,017**	280,820

(iv) Other segment information	Food		Agri-Nutrition		Total Group	
	2008 €'000	2007 €'000	**2008 €'000**	2007 €'000	**2008 €'000**	2007 €'000
Depreciation	**2,448**	1,109	**6,612**	6,418	**9,060**	7,527
Intangible amortisation	**1,367**	501	**1,030**	296	**2,397**	797
Capital expenditure – property, plant and equipment	**1,654**	567	**7,379**	9,620	**9,033**	10,187
Capital expenditure – computer related intangibles	**-**	-	**74**	29	**74**	29
Total capital expenditure	**1,654**	567	**7,453**	9,649	**9,107**	10,216

(b) Analysis by geographical segment

	Ireland		United Kingdom		Total Group	
	2008 €'000	2007 €'000	**2008 €'000**	2007 €'000	**2008 €'000**	2007 €'000
Segment revenue	**868,118**	612,841	**636,124**	276,522	**1,504,242**	889,363
Segment assets	**574,214**	339,173	**237,339**	91,659	**811,553**	430,832
Capital expenditure	**6,563**	6,708	**2,544**	3,508	**9,107**	10,216

2 Operating costs

	2008 €'000	2007 €'000
Distribution expenses	**40,871**	22,094
Administration expenses	**57,528**	36,220
Exceptional items	**-**	(1,146)
Capital grants released to income statement	**(115)**	(124)
Amortisation of intangible assets	**2,397**	797
	100,681	57,841

Exceptional items comprise the following:

	2008 €'000	2007 €'000
Loss on disposal of operations	**-**	(980)
Loss on disposal of property, plant and equipment	**-**	(1,314)
Insurance settlement and other restructuring costs (i)	**-**	3,440
	-	1,146

(i) During 2007 two facilities operated by the Group suffered fire damage. Contingency plans were implemented and the impact on customers and operations was minimised. The gain represents the excess of the insurance claim proceeds over the net book value of the assets destroyed and other restructuring costs incurred during the year.

3 Financial income and expense

	2008 €'000	2007 €'000
Recognised in profit or loss		
Finance income		
Interest income on bank deposits	**(628)**	(159)
Defined benefit pension obligations: expected return on scheme assets (note 24)	**(4,659)**	(2,151)
Total finance income	**(5,287)**	(2,310)
Finance expenses		
Interest payable on bank loans and overdrafts	**15,499**	2,838
Financing charge on deferred consideration	**307**	-
Defined benefit pension obligations: interest cost on scheme liabilities (note 24)	**4,053**	2,117
Total finance expenses	**19,859**	4,955
Financing costs, net	**14,572**	2,645
Recognised directly in equity		
Gains/(losses) related to cash flow hedges	**553**	(1,027)

Notes *(continued)*

for the year ended 31 July 2008

4 Statutory and other information

Group operating profit was arrived at after charging/(crediting) the following amounts:

	2008 €'000	2007 €'000
Depreciation of property, plant and equipment		
– owned assets	**9,060**	7,527
Amortisation of intangible assets	**2,397**	797
Amortisation of government grants	**(115)**	(124)
Operating lease rentals		
– plant and machinery	**818**	203
– other	**2,672**	1,890
Research and development expenditure	**1,856**	867
Auditor's remuneration for audit services	**420**	373
Auditor's remuneration for non audit services	**1,629**	-

5 Directors' emoluments

The remuneration paid to the directors in their capacity as directors of Origin Enterprises plc is set out below:

	2008 €'000	2007 €'000 (a)
Executive directors		
Basic salaries	**575**	218
Performance bonus	**695**	196
Benefits in kind	**43**	16
Pension contributions	**79**	29
	1,392	459
Average number of executive directors	**2**	2
Non-executive directors (b)	**€'000**	€'000
Fees	**70**	8
Average number of non-executive directors	**3**	3

(a) Directors' emoluments relate to the period from the date of appointment of the director to the year end.

(b) No emoluments were paid to Mr. O. Killian or Mr. P. McEniff in their capacity as directors of Origin Enterprises plc. Details of their emoluments are outlined in the Annual Report of IAWS Group plc and none of these emoluments are borne by Origin Enterprises plc.

5 Directors' emoluments *(continued)*

Pension entitlements

The aggregate pension benefits attributable to directors under defined benefit schemes for the year were as follows:

	2008 €'000	2007 €'000
Increase in accrued pension (excluding inflation)	**47**	2
Transfer value of increase (excluding inflation)	**285**	-
Accrued annual pension at 31 July	**112**	62

6 Group's share of associates' profit after tax

	2008 €'000	2007 €'000
Group share of:		
Revenue	**86,638**	132,082
Profit after tax	**2,252**	3,674

7 Employment

The average number of persons employed by the Group during the year was as follows:

	2008	2007
Sales and distribution	**336**	172
Production	**393**	250
Management and administration	**297**	187
	1,026	609

Aggregate employment costs of the Group are analysed as follows:

	2008 €'000	2007 €'000
Wages and salaries	**52,279**	27,060
Social welfare costs	**5,811**	2,847
Pension costs		
– defined benefit schemes – statement of recognised income and expense	**19,591**	(7,039)
– defined benefit schemes – income statement	**620**	904
– defined contribution schemes	**781**	644
Share-based payment	**709**	205
	79,791	24,621

8 Share-based payments

Under the terms of the 2006 Origin Enterprises Long Term Incentive Plan ("the Origin Plan"), which was approved by the shareholders of IAWS Group plc on 4 December 2006, 4,682,134 Ordinary Shares in Origin have been issued to senior executives in Origin. As the consideration paid for these shares equalled their fair value, no share-based compensation charge was recorded under IFRS 2, *Share-based Payment*. To retain the Ordinary Shares issued under the terms of the Origin Plan the senior executives must remain with the Group for five years and specified targets (financial and business development related) must be achieved. If a senior executive leaves before the end of the five year period or the targets are not achieved the Ordinary Shares issued under the terms of the Origin Plan may be reacquired by Origin at the lower of the amount paid for the shares and the then fair market value of the shares.

Senior executives of the Group have also acquired 5,555,270 (414,500 issued in the current year) Equity Entitlements of €0.01 each in Origin (see note 25). Provided financial targets (compound growth in earnings per share as defined over a five year period) are achieved and the senior executive remains with the Group for five years, the Equity Entitlements, or part thereof, will be converted on a one for one basis into Ordinary Shares in Origin. The Equity Entitlements are also convertible into Ordinary Shares in the event of a conversion event, defined in the Origin Plan as:

- The announcement of a firm intention to make an offer to acquire the entire issued equity share capital of Origin, which is recommended by the Board of Directors of Origin.
- An offer to acquire the entire issued equity share capital having received acceptances in respect of more than 50% of the issued equity share capital of Origin.
- The execution of an agreement whereby a person or persons acting together agree to acquire more than 50% of the issued equity share capital of Origin.

The Equity Entitlements issued are equity-settled share-based payments as defined in IFRS 2. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share-based payments issued and stipulates that this methodology should be consistent with methodologies used for the pricing of financial instruments. The expense reported in the Group income statement in respect of these Equity Entitlements for the year ended 31 July 2008 was €709,000 *(2007: €205,000)*.

The weighted average fair value assigned to equity entitlements issued under the Origin Plan was calculated as the fair value of an ordinary share adjusted for the lost dividends between the date of issue and the vesting date.

Details of equity entitlements issued under the Origin Plan

	Subscription price per share €	Number of equity entitlements
Outstanding at beginning of year	0.01	5,140,770
Issued during the year (i)	0.01	414,500
Outstanding at 31 July		**5,555,270**

(i) During the year 414,500 equity entitlements in the Company were issued to senior executives.

No equity entitlements are convertible into Ordinary Shares at the end of the year.

9 Income tax

	2008 €'000	2007 €'000
Current tax:		
Republic of Ireland:		
Corporation tax on profits for the year at 12.5%	**3,365**	4,365
Less: manufacturing relief	**(356)**	(189)
Adjustments in respect of prior years	**(684)**	(84)
	2,325	4,092
Overseas:		
Current tax on profit for the year	**10,096**	2,858
Adjustments in respect of prior years	**137**	(629)
	10,233	2,229
Total current tax charge	**12,558**	6,321
Deferred tax:		
Origination and reversal of timing differences	**(1,260)**	(68)
Adjustments in respect of prior years	**449**	603
Total deferred tax charge	**(811)**	535
Income tax expense	**11,747**	6,856

The deferred tax charge for the Group for the year ended 31 July 2007 included a minor benefit reflecting the impact of the legislated reduction in UK tax rates from 30% to 28%.

9 Income tax *(continued)*

Reconciliation of average effective tax rate to applicable tax rate

	2008 €'000	2007 €'000
Profit before tax	**56,209**	39,505
Less: share of profits of associates	**(2,252)**	(3,674)
	53,957	35,831
Taxation based on Irish corporate rate of 12.5%	**6,745**	4,479
Expenses not deductible for tax purposes	**798**	688
Higher rates of tax on other income	**-**	311
Higher rates of tax on overseas earnings	**4,658**	1,677
Adjustments to prior years	**(98)**	(110)
Manufacturing relief	**(356)**	(189)
	11,747	6,856

	2008 €'000	2007 €'000
Movement on deferred tax asset/(liability) recognised directly in equity		
Revaluation of properties transferred to investment properties	**-**	(15,208)
Relating to Group employee benefit schemes	**(2,377)**	(895)
Derivative financial instruments and other	**71**	298
	(2,306)	(15,805)

10 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 31 July 2008 was based on the profit for the financial year attributable to ordinary shareholders of €44,701,000 *(2007: €32,686,000)* and the weighted average number of ordinary shares in issue.

	2008 €'000	2007 €'000
Profit for financial year attributable to equity shareholders	**44,701**	32,686
	'000	'000
Weighted average number of ordinary shares for the year	**133,016**	133,016*
Basic earnings per share	**33.61 cent**	24.57 cent

* The number of ordinary shares immediately following the IPO of Origin in June 2007 has been used as the weighted average number for 2007.

10 Earnings per share *(continued)*

Diluted earnings per share

The calculation of diluted earnings per share at 31 July 2008 was based on profit for the financial year attributable to ordinary shareholders of €44,701,000 *(2007: €32,686,000)* and the weighted average number of ordinary shares outstanding of 137,652,435 *(2007: 136,983,607)* calculated as follows:

	2008 €'000	2007 €'000
Profit for financial year attributable to equity shareholders	**44,701**	32,686
	'000	'000
Weighted average number of ordinary shares used in basic calculation	**133,016**	133,016
Effect of convertible shares with a dilutive effect	**4,636**	3,968
Weighted average number of ordinary shares (diluted) for the year	**137,652**	136,984
Diluted earnings per share	**32.47 cent**	23.86 cent

Adjusted basic earnings per share

	2008 '000	2007 '000
Weighted average number of ordinary shares (basic)	**133,016**	133,016*

	2008 €'000	**2008 Per share € cent**	2007 €'000	2007 Per share € cent
Profit for the financial year	**44,701**	**33.61**	32,686	24.57
Adjustments:				
Amortisation of intangible assets	**2,397**	**1.80**	797	0.60
Amortisation of related deferred tax	**(227)**	**(0.18)**	-	-
Exceptional items, net of tax	**-**	**-**	(696)	(0.52)
Adjusted basic earnings per share	**46,871**	**35.23**	32,787	24.65

* The number of ordinary shares immediately following the IPO of Origin in June 2007 has been used as the weighted average number for 2007.

Notes *(continued)*

for the year ended 31 July 2008

10 Earnings per share *(continued)*

Adjusted diluted earnings per share

	2008 '000	2007 '000
Weighted average number of ordinary shares (diluted)	**137,652**	136,984

	2008 €'000	2008 Per share € cent	2007 €'000	2007 Per share € cent
Profit for the financial year	**44,701**	**32.47**	32,686	23.86
Adjustments:				
Amortisation of intangible assets	**2,397**	**1.74**	797	0.58
Amortisation of related deferred tax	**(227)**	**(0.16)**	-	-
Exceptional items, net of tax	**-**	**-**	(696)	(0.51)
Adjusted diluted earnings per share	**46,871**	**34.05**	32,787	23.93

11 Property, plant and equipment

31 July 2008

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2007	56,068	98,646	1,490	156,204
Additions	3,386	5,381	266	9,033
Arising on acquisition (note 31)	33,599	34,474	7,878	75,951
Disposals	(399)	(2,646)	(411)	(3,456)
Translation adjustments	(1,996)	(8,228)	(186)	(10,410)
At 31 July 2008	**90,658**	**127,627**	**9,037**	**227,322**
Accumulated depreciation				
At 1 August 2007	16,480	67,373	1,202	85,055
Depreciation charge for year	2,135	6,256	669	9,060
Arising on acquisition (note 31)	6,928	24,631	5,041	36,600
Disposals	(185)	(2,535)	(344)	(3,064)
Translation adjustments	(841)	(5,353)	(234)	(6,428)
At 31 July 2008	**24,517**	**90,372**	**6,334**	**121,223**
Net book amounts				
At 31 July 2008	**66,141**	**37,255**	**2,703**	**106,099**
At 31 July 2007	39,588	31,273	288	71,149

Property, plant and equipment is stated at depreciated historic cost.

11 Property, plant and equipment *(continued)*

31 July 2007

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2006	67,865	97,165	2,051	167,081
Additions	4,065	5,941	181	10,187
Disposals	(2,356)	(5,136)	(760)	(8,252)
Transfers to investment property (note 12)	(13,644)	-	-	(13,644)
Translation adjustments	138	676	18	832
At 31 July 2007	**56,068**	**98,646**	**1,490**	**156,204**
Accumulated depreciation				
At 1 August 2006	20,523	63,031	1,655	85,209
Depreciation charge for year	1,735	5,533	259	7,527
Disposals	(477)	(1,609)	(726)	(2,812)
Transfers to investment property (note 12)	(5,374)	-	-	(5,374)
Translation adjustments	73	418	14	505
At 31 July 2007	**16,480**	**67,373**	**1,202**	**85,055**
Net book amounts				
At 31 July 2007	**39,588**	**31,273**	**288**	**71,149**
At 31 July 2006	47,342	34,134	396	81,872

11 Property, plant and equipment *(continued)*

Assets held under finance leases

The net book value in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment is as follows:

	Plant and equipment €'000	Motor vehicles €'000	Total €'000
At 31 July 2008	**313**	**972**	**1,285**
At 31 July 2007	-	-	-

Future purchase commitments at 31 July 2008 for property, plant and equipment

	2008 €'000	2007 €'000
Contracted for but not provided for	**1,683**	219
Authorised by the directors but not contracted for	**1,834**	1,143
Total	**3,517**	1,362

12 Investment properties

	2008 €'000	2007 €'000
Balance at beginning of year	**165,473**	-
Development costs capitalised	**12,945**	323
Arising on acquisition (note 31)	**14,000**	-
Transfer from property, plant and equipment (note 11)	**-**	8,270
Revaluation	**-**	87,380
Transfer from IAWS Group plc	**-**	69,500
Balance at 31 July	**192,418**	165,473

Investment property, principally comprising land located in Ireland, is held for capital appreciation. During 2007, the Group conducted a review of its property portfolio and transferred sites with a carrying amount of €8,270,000 to investment property. The Group determined that these properties have significant development potential and are located in areas destined for future development and regeneration.

An independent valuations expert conducted a valuation of the Group's investment properties during the prior year resulting in revaluation gains of €87,379,731 and related deferred tax of €15,208,000. The transfer of investment properties from IAWS Group plc was done at market value.

The directors have reviewed the carrying value of investment properties as at 31 July 2008 and are satisfied that there has been no diminution in value.

13 Goodwill and intangible assets

31 July 2008

		Intangible assets				
	Goodwill €'000	Brand €'000	Customer related €'000	Supplier agreements €'000	Computer related €'000	Total €'000
Cost						
At 1 August 2007	13,202	788	-	-	4,139	18,129
Arising on acquisition (note 31)	63,823	17,601	24,811	800	1,532	108,567
Additions	-	-	-	-	74	74
Disposals	-	-	-	-	(221)	(221)
Translation adjustments	(3,331)	(617)	-	-	(116)	(4,064)
At 31 July 2008	**73,694**	**17,772**	**24,811**	**800**	**5,408**	**122,485**
Accumulated amortisation						
At 1 August 2007	-	148	-	-	2,761	2,909
Arising on acquisition (note 31)	-	-	-	-	1,126	1,126
Amortisation	-	279	1,341	93	684	2,397
Disposals	-	-	-	-	(197)	(197)
Translation adjustments	-	(35)	-	-	(82)	(117)
At 31 July 2008	**-**	**392**	**1,341**	**93**	**4,292**	**6,118**
Net book amounts						
At 31 July 2008	**73,694**	**17,380**	**23,470**	**707**	**1,116**	**116,367**
At 31 July 2007	13,202	640	-	-	1,378	15,220

The useful lives of all intangible assets are finite and range from 5 to 30 years depending on the nature of the asset.

13 Goodwill and intangible assets *(continued)*

31 July 2007

		Intangible assets		
	Goodwill €'000	**Brand €'000**	**Computer related €'000**	**Total €'000**
Cost				
At 1 August 2006	13,576	782	4,635	18,993
Additions	-	-	29	29
Disposals	(489)	-	(539)	(1,028)
Translation adjustments	115	6	14	135
At 31 July 2007	**13,202**	**788**	**4,139**	**18,129**
Accumulated amortisation				
At 1 August 2006	-	-	2,346	2,346
Amortisation	-	148	649	797
Disposals	-	-	(244)	(244)
Translation adjustments	-	-	10	10
At 31 July 2007	**-**	**148**	**2,761**	**2,909**
Net book amounts				
At 31 July 2007	**13,202**	**640**	**1,378**	**15,220**
At 31 July 2006	13,576	782	2,289	16,647

13 Goodwill and intangible assets *(continued)*

Cash generating units (CGU's)

Goodwill acquired through business combination activity has been allocated to cash-generating units (CGU's) that are expected to benefit from the business combination. The carrying amount of goodwill allocated to cash generating units across the Group is summarised as follows:

	2008 €'000	2007 €'000
Masstock Group Holdings Limited	**50,473**	-
Food	**23,221**	13,202
	73,694	13,202

Impairment testing of goodwill

No impairment losses have been recognised by the Group in respect of goodwill in either financial year.

The recoverable amounts of cash generating units are based on value in use calculations. Those calculations use cash flow projections based on expected future operating results and cash flows. The cash flow projections are based on current operating results of the individual cash generating units and a conservative assumption regarding future organic growth. For the purposes of the calculation of value in use, management have approved that the cash flows are projected over a 3 year period with additional cash flows in subsequent years calculated using a terminal value methodology, unless a shorter period is appropriate to the circumstances of a particular cash generating unit. The cash flows are discounted using appropriate risk adjusted discount rates relevant to Origin Enterprises plc, averaging 9%, reflecting the risk associated with the individual future cash flows and the risk free rate. Any adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying value of a business unit and would require that the carrying value of the business unit be impaired and stated at the greater of the value in use or the recoverable amount of the business unit. However, the results of the impairment testing undertaken at 31 July 2008 provides sufficient headroom such that any reasonable realistic movement in any of the underlying assumptions would not give rise to an impairment charge.

Key assumptions include management's estimates of future profitability, replacement capital expenditure requirements, trade working capital investment needs and tax considerations. The term of the discounted cash flow model is a significant factor in determining the fair value of the cash-generating units. The term has been arrived at taking account of the Group's strong financial position, its established history of earnings and cash flow generation and its proven ability to pursue and integrate value enhancing acquisitions.

14 Investments in associates

	2008 €'000	2007 €'000
At beginning of year	**26,521**	19,620
Share of profits after tax	**2,252**	3,674
Dividends received	**(158)**	(574)
Actuarial gains on associate's defined benefit pension scheme, net of deferred tax	**1,778**	3,745
Investment in Continental Farms Group plc	**12,268**	-
Investment in BHH Limited	**3,364**	-
Transfer to subsidiary undertaking	**(10,451)**	-
Translation adjustments	**(2,730)**	56
At 31 July	**32,844**	26,521

In June 2008 the Group acquired a 20% interest in Continental Farmers Group plc ("Continental Farmers"), a large scale producer of high value agriculture crops operating in Poland and the Ukraine. Continental Farmers primary objective is to significantly extend its farming business in the Ukraine and the funds invested by the Group will be used to achieve this. In June 2008, the Group also subscribed for new shares in BHH Limited, the holding company of John Thompson & Sons Limited.

During the year, the Group completed the acquisition of the remaining 50% interest in the Odlum Group ("Odlums") that it did not previously own. As a result, Odlums is now accounted for as a subsidiary undertaking and not as an associate undertaking.

The amounts included in these financial statements in respect of the income and expenses of associates are taken from their latest financial statements prepared up to their respective year ends together with management accounts for the intervening periods to the Group's year end.

15 Inventory

	2008 €'000	2007 €'000
Raw materials	**62,278**	20,408
Finished goods	**97,353**	45,430
Consumable stores	**1,038**	1,638
Total inventory at the lower of cost and net realisable value	**160,669**	67,476

16 Trade and other receivables

	2008 €'000	2007 €'000
Current		
Trade receivables	**181,491**	66,488
Amounts due from related parties	**2,465**	1,081
VAT recoverable	**1,669**	1,839
Other receivables	**11,259**	9,313
Prepayments and accrued income	**6,272**	6,272
	203,156	84,993

17 Trade and other payables

	2008 €'000	2007 €'000
Current		
Trade payables	**219,638**	78,210
Accruals and other payables	**96,620**	45,379
Amounts due to related parties	**5,035**	1,787
Amounts due to IAWS Group plc and subsidiaries	**1,227**	3,146
Income tax and social welfare	**1,253**	414
Value added tax	**4,577**	1,236
	328,350	130,172

18 Cash and cash equivalents

In accordance with IAS 7, *Cash Flow Statements*, cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Bank overdrafts are classified as current interest bearing borrowings in the Group balance sheet.

	2008 €'000	2007 €'000
Cash at bank and in hand	**75,232**	31,989
Bank overdrafts (note 19)	**(225)**	(20,691)
Included in the Group cash flow statement	**75,007**	11,298

Cash at bank and in hand earns interest at floating rates based on daily deposit bank rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

18 Cash and cash equivalents *(continued)*

Analysis of net debt

	31 July 2007 €'000	Cashflow €'000	Arising on acquisition €'000	Other non-cash movements €'000	Translation adjustment €'000	31 July 2008 €'000
Cash	31,989	45,319	-	-	(2,076)	75,232
Overdrafts	(20,691)	20,466	-	-	-	(225)
Cash and cash equivalents	11,298	65,785	-	-	(2,076)	75,007
Finance lease obligations	-	399	(2,144)	(191)	105	(1,831)
Loans	(83,000)	(104,195)	(63,861)	-	2,755	(248,301)
Net debt	**(71,702)**	**(38,011)**	**(66,005)**	**(191)**	**784**	**(175,125)**

19 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost.

	2008 €'000	2007 €'000
Included in non-current liabilities:		
Bank loans	**248,301**	83,000
Finance leases	**971**	-
	249,272	83,000
Included in current liabilities:		
Bank overdrafts	**225**	20,691
Finance leases	**860**	-
Current interest-bearing loans and borrowings	**1,085**	20,691
Total interest-bearing loans and borrowings	**250,357**	103,691

19 Interest-bearing loans and borrowings *(continued)*

The terms and conditions of outstanding loans are as follows:

2008	**Currency**	**Face value €'000**	**Carrying amount €'000**
Secured Loan Facility			
Facility maturing in 2012	Eur	125,987	125,987
Facility maturing in 2010	Eur	50,000	50,000
Facility maturing in 2010	Stg	72,314	72,314
		248,301	**248,301**

2007	**Currency**	**Face value €'000**	**Carrying amount €'000**
Secured Loan Facility			
Facility maturing in 2012	Eur	75,000	75,000
Facility maturing in 2010	Eur	8,000	8,000
		83,000	**83,000**

At 31 July 2008, the average interest being paid on the Group's net borrowing was 5.71% *(2007: 6.28%)*.

	2008 €'000	2007 €'000
Repayment schedule – loans and overdrafts		
Within one year	**1,085**	20,691
Between one and five years	**249,272**	83,000
Loans and overdrafts	**250,357**	103,691

Guarantees

Group borrowings are secured by fixed and floating charges over all of the property, assets, (including goodwill and intangibles), and undertakings of the principal operational entities of the Group and cross guarantees from various companies within the Group. The Group treats these guarantees as insurance contracts and accounts for them as such.

20 Financial instruments and financial risk

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

2008	Fair value through equity 2008 €'000	Loans and receivables 2008 €'000	Liabilities at amortised cost 2008 €'000	Total carrying amount 2008 €'000	Fair value 2008 €'000
Trade and other receivables	-	196,884	-	196,884	196,884
Derivative financial assets	1,958	-	-	1,958	1,958
Cash and cash equivalents	-	75,232	-	75,232	75,232
	1,958	**272,116**	**-**	**274,074**	**274,074**
Trade and other payables	-	-	(327,123)	(327,123)	(327,123)
Bank overdrafts	-	-	(225)	(225)	(225)
Bank borrowings	-	-	(248,301)	(248,301)	(248,301)
Finance lease liabilities	-	-	(1,831)	(1,831)	(1,831)
Derivative financial liabilities	(3,620)	-	-	(3,620)	(3,620)
Deferred consideration on acquisition	-	-	(12,483)	(12,483)	(12,483)
	(3,620)	**-**	**(589,963)**	**(593,583)**	**(593,583)**

2007	Fair value through equity 2007 €'000	Loans and receivables 2007 €'000	Liabilities at amortised cost 2007 €'000	Total carrying amount 2007 €'000	Fair value 2007 €'000
Trade and other receivables	-	78,721	-	78,721	78,721
Cash and cash equivalents	-	31,989	-	31,989	31,989
	-	**110,710**	**-**	**110,710**	**110,710**
Trade and other payables	-	-	(127,026)	(127,026)	(127,026)
Bank overdrafts	-	-	(20,691)	(20,691)	(20,691)
Bank borrowings	-	-	(83,000)	(83,000)	(83,000)
Derivative financial liabilities	(2,216)	-	-	(2,216)	(2,216)
	(2,216)	**-**	**(230,717)**	**(232,933)**	**(232,933)**

20 Financial instruments and financial risk *(continued)*

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Cash and cash equivalents including short-term bank deposits

For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is deemed to reflect fair value.

Trade and other receivables/payables

For receivables and payables with a remaining life of less than six months or demand balances, the carrying value less impairment provision, where appropriate is deemed to reflect fair value. All other receivables and payables are discounted to fair value on initial recognition and in relation to subsequent fair value.

Derivatives (forward currency contracts and interest rate swaps)

Forward currency contracts are marked to market using quoted forward exchange rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Interest bearing loans and borrowings

For interest bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than one year, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the balance sheet date and adjusted for movements in credit spreads.

Finance lease liabilities

Fair value is based on the present value of future cash flows discounted at market rates at the balance sheet date.

Risk exposures

The Group's international operations expose it to different financial risks that include currency risk, credit risk, liquidity risk, commodity price risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- currency risk
- interest rate risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risk. Further quantitative disclosures are included throughout this note.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established a strong internal audit function under the direction of the Audit Committee. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Board, through its Audit Committee, has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness throughout the business.

20 Financial instruments and financial risk *(continued)*

Credit risk

Credit risk arises from credit to customers arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored. Impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off directly against the trade receivable.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Cash and short term bank deposits

Cash and short term bank deposits are invested with institutions with the highest credit rating with limits on amounts held with individual banks or institutions at any one time. For banks and financial institutions, only independently rated banks with a minimum rating of "A" are accepted.

Exposure to credit risk

The carrying amount of financial assets, net of impairment provisions represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	Carrying amount 2008 €'000	Carrying amount 2007 €'000
Trade and other receivables	**196,884**	78,721
Cash and cash equivalents	**75,232**	31,989
Derivative financial assets	**1,958**	-
	274,074	110,710

20 Financial instruments and financial risk *(continued)*

Credit risk *(continued)*

Trade receivables

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables. Trade receivables are monitored by geographic region and by largest customers. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region based on location of customers was as follows:

	Carrying amount 2008 €'000	Carrying amount 2007 €'000
Domestic	**46,598**	44,914
United Kingdom	**98,180**	21,213
Continental Europe	**34,713**	361
United States	**2,000**	-
	181,491	66,488

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount 2008 €'000	Carrying amount 2007 €'000
Food customers	**37,884**	24,042
Agri-Nutrition customers	**143,607**	42,446
	181,491	66,488

20 Financial instruments and financial risk *(continued)*

Credit risk *(continued)*

The following table details the ageing of gross trade receivables and the related impairment provisions in respect of specific amounts expected to be irrecoverable:

	2008		2007	
	Gross €'000	**Impairment €'000**	Gross €'000	Impairment €'000
Not past due	**141,153**	**-**	55,552	-
Past due 0-30 days	**28,488**	**-**	13,404	(2,881)
Past due 31-120 days	**17,970**	**(6,120)**	1,353	(1,201)
Past due +121 days	**4,942**	**(4,942)**	524	(263)
At 31 July	**192,553**	**(11,062)**	70,833	(4,345)

Based on historical experience, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due.

All other receivables are due in less than 6 months and are deemed to be fully recoverable.

An analysis of movement in impairment provisions in respect of trade receivables was as follows:

	2008 Trade receivables €'000	2007 Trade receivables €'000
Balance at 1 August	**(4,345)**	(3,371)
Acquisition	**(4,721)**	-
Charge to income statement	**(1,996)**	(974)
Balance at 31 July	**(11,062)**	(4,345)

20 Financial instruments and financial risk *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between flexibility and continuity of funding. Short-term flexibility is achieved through the availability of overdraft facilities. The Group's policy is that not more than 50% of bank facilities should mature in the twelve month period following the year end. 100% of the Group's total bank facilities other than bank overdrafts at the year end will mature between two and five years.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

2008	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	1-2 years €'000	2-5 years €'000
Non-derivative financial liabilities						
Variable rate bank loans	(248,301)	(254,987)	(6,686)	-	-	(248,301)
Finance lease liabilities	(1,832)	(1,988)	(487)	(470)	(686)	(345)
Bank overdrafts	(225)	(225)	(225)	-	-	-
Trade and other payables	(327,123)	(327,123)	(327,123)	-	-	-
Deferred consideration	(12,483)	(12,483)	-	-	-	(12,483)
Derivative financial liabilities						
Currency forward contracts used for hedging	(3,620)	(3,620)	(2,434)	(1,186)	-	-
	(593,584)	**(600,426)**	**(336,955)**	**(1,656)**	**(686)**	**(261,129)**
Derivative financial assets						
Interest rate swaps used for hedging	1,958	1,958	638	470	586	264
	(591,626)	**(598,468)**	**(336,317)**	**(1,186)**	**(100)**	**(260,865)**

20 Financial instruments and financial risk *(continued)*

Liquidity risk *(continued)*

2007	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	1-2 years €'000	2-5 years €'000
Non-derivative financial liabilities						
Variable rate bank loans	(83,000)	(84,999)	(1,999)	-	-	(83,000)
Bank overdrafts	(20,691)	(20,691)	(20,691)	-	-	-
Trade and other payables	(127,026)	(127,026)	(127,026)	-	-	-
Derivative financial liabilities						
Currency forward contracts used for hedging	(2,216)	(2,216)	(1,460)	(599)	(157)	-
	(232,933)	**(234,932)**	**(151,176)**	**(599)**	**(157)**	**(83,000)**

Accounting for derivatives and hedging activities

The fair value of derivative financial assets and liabilities at the balance sheet date is set out in the following table:

	2008		2007	
	Assets €'000	**Liabilities €'000**	Assets €'000	Liabilities €'000
Cash flow hedges				
Currency forward contracts	**-**	**(3,620)**	-	(2,216)
Interest rate swaps	**1,958**	**-**	-	-
At 31 July	**1,958**	**(3,620)**	-	(2,216)

Cash flow hedges

Cash flow hedges are those of highly probable forecasted future income or expenses. In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must be tested for effectiveness on subsequent reporting dates.

All cash flow hedges are 100% effective. As a result the timing of cash flows is not materially different to when they impact the income statement.

20 Financial instruments and financial risk *(continued)*

Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Group. The Group has three types of market risk being currency risk, interest rate risk and other market price risk, each of which are dealt with as follows:

Currency risk

In addition to the Group's operations carried out in euro-zone economies, it also has significant operations in the United Kingdom. In addition the Group also purchases from US suppliers. As a result the Group balance sheet is exposed to currency fluctuations in Sterling and US Dollar. The Group manages its balance sheet having regard to the currency exposures arising from its assets being denominated in different currencies. To this end, where foreign currency assets are funded by borrowing, such borrowing is generally sourced in the currency of the related assets. The Group also hedges a portion of its currency exposure through the use of currency swaps.

Transactional exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group uses forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The forward currency contracts must be in the same currency as the hedged item.

Exposure to Currency risk

The Group's exposure to transactional foreign currency risk at the balance sheet date is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Total €'000
2008				
Trade receivables	-	920	1,273	2,193
Cash and cash equivalents	-	3,441	1,535	4,976
Interest bearing loans and borrowings	-	(72,448)	(91)	(72,539)
Trade payables	(2,176)	(1,768)	(10,180)	(14,124)
Other payables	(4,646)	-	-	(4,646)
	(6,822)	**(69,855)**	**(7,463)**	**(84,140)**

	Euro €'000	Sterling €'000	US Dollar €'000	Total €'000
2007				
Trade receivables	-	181	-	181
Cash and cash equivalents	-	2,686	3,524	6,210
Interest bearing loans and borrowings	-	(31)	(166)	(197)
Trade payables	(450)	(834)	(227)	(1,511)
	(450)	**2,002**	**3,131**	**4,683**

20 Financial instruments and financial risk *(continued)*

Currency risk *(continued)*

Currency sensitivity analysis

A 10 percent strengthening/weakening of the euro against the following currencies at 31 July would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

A positive number below indicates an increase in profit and other equity where the € strengthens or weakens 10% against the relevant currency.

	10% Strengthening		10% Weakening	
	Profit and loss €'000	Other equity €'000	Profit and loss €'000	Other equity €'000
2008				
Sterling	(323)	6,586	393	(8,050)
US Dollar	660	-	(807)	-
At 31 July 2008	**337**	**6,586**	**(414)**	**(8,050)**

	10% Strengthening		10% Weakening	
	Profit and loss €'000	Other equity €'000	Profit and loss €'000	Other equity €'000
2007				
Sterling	(184)	3	225	(3)
US Dollar	(299)	15	367	(18)
At 31 July 2007	**(483)**	**18**	**592**	**(21)**

20 Financial instruments and financial risk *(continued)*

Interest rate risk

The Group's debt bears both floating and fixed rates of interest per the original contracts. The Group's policy is to maintain between 40% and 70% of overall Group average annual borrowings at fixed rates. This is achieved primarily by the use of interest rate swaps.

At 31 July, the interest rate profile of the Group's interest bearing financial instruments was as follows:

	2008 Carrying amount €'000	2007 Carrying amount €'000
Fixed rate instruments		
Finance lease liabilities	**(1,831)**	-
At 31 July	**(1,831)**	-
Variable rate instruments		
Interest bearing borrowings	**(248,301)**	(83,000)
Bank overdrafts	**(225)**	(20,691)
Cash and cash equivalents	**75,232**	31,989
At 31 July	**(173,294)**	71,702

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analyses on the next page is based on the exposure to interest rates for both derivatives and non-derivative instruments. A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) other equity and profit and loss by the amounts shown on the next page. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2007.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

20 Financial instruments and financial risk *(continued)*

Interest rate risk *(continued)*

	Principal amount €'000	Income statement 50 Bp increase €'000	Equity 50 Bp increase €'000
31 July 2008			
Variable rate instruments	(248,301)	(1,242)	-
Bank overdraft	(225)	(1)	-
Interest rate swap	106,883	-	534
Cash flow sensitivity (net)	**(141,643)**	**(1,243)**	**534**
31 July 2007			
Variable rate instruments	(83,000)	(415)	-
Bank overdraft	(20,691)	(103)	-
Cash flow sensitivity (net)	**(103,691)**	**(518)**	**-**

A 50 basis points decrease in interest rates at the reporting date would have had the equal but opposite effect on the above.

Commodity price risk

The Group trades in certain commodities for its own use and uses derivative contracts to protect itself from movements in price other than exchange differences.

21 Government grants

	2008 €'000	2007 €'000
At 1 August	**2,674**	2,695
Arising on acquisition (note 31)	**248**	-
Received	**-**	18
Translation adjustment	**(25)**	(17)
Released to Group income statement	**(115)**	(124)
Other	**(138)**	102
At 31 July	**2,644**	2,674

22 Deferred tax

The deductible and taxable temporary differences at the balance sheet date in respect of which deferred tax has been recognised are analysed as follows:

	2008 €'000	2007 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	**(3,140)**	(959)
Property, plant and equipment	**(40)**	(19)
Hedge related	**(208)**	(279)
Other deductible temporary differences	**(1,263)**	(376)
Total	**(4,651)**	(1,633)
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	**37,168**	31,396
Pension related	**-**	261
Intangibles	**5,573**	-
Other	**-**	83
Total	**42,741**	31,740

Movement in temporary differences, during the year, were as follows:

2008	**Property, plant & equipment €'000**	**Investment property €'000**	**Hedge related €'000**	**Pension related €'000**	**Intangibles €'000**	**Other €'000**	**Total €'000**
At 1 August	5,875	25,502	(279)	(698)	-	(293)	30,107
Recognised in Group income statement	(216)	-	-	471	(227)	(839)	(811)
Recognised in Group statement of recognised income and expense	-	-	71	(2,377)	-	-	(2,306)
Arising on acquisition	2,496	2,800	-	(296)	5,915	(35)	10,880
Foreign exchange and other	671	-	-	(240)	(115)	(96)	220
At 31 July	**8,826**	**28,302**	**(208)**	**(3,140)**	**5,573**	**(1,263)**	**38,090**

22 Deferred tax *(continued)*

2007	Property, plant & equipment €'000	Investment property €'000	Hedge related €'000	Pension related €'000	Intangibles €'000	Other €'000	Total €'000
At 1 August	5,296	-	(148)	(1,778)	-	30	3,400
Recognised in Group income statement	504	-	-	187	-	(156)	535
Recognised in Group statement of recognised income and expense	-	15,208	(131)	895	-	(167)	15,805
Arising on acquisition	-	10,294	-	-	-	-	10,294
Foreign exchange and other	75	-	-	(2)	-	-	73
At 31 July	**5,875**	**25,502**	**(279)**	**(698)**	**-**	**(293)**	**30,107**

23 Deferred consideration on acquisition

Deferred consideration comprises the net present value of the amounts expected to be payable in respect of deferred consideration. The amount is due within five years.

	2008 €'000	2007 €'000
At 1 August	**-**	-
Arising on acquisition (note 31)	**12,987**	-
Discounting charge	**307**	-
Translation adjustment	**(811)**	-
At 31 July	**12,483**	-

24 Retirement benefit obligations

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

Under IAS 19, *Employee Benefits* the total deficit in the Group's defined benefit schemes at 31 July 2008 was €22,688,000 *(2007: €1,388,000)*.

The pension cost expensed in the income statement for the year in respect of the Group's defined benefit schemes was €620,000 *(2007: €904,000)* and €781,000 *(2007: €644,000)* in respect of the Group's defined contribution schemes.

Employee benefits included in the Group balance sheet comprises the following:

	2008 €'000	2007 €'000
Deficit in defined benefit schemes	**22,688**	1,388
Other (a)	**383**	383
Total	**23,071**	1,771

(a) In prior years, a provision was made to meet pension fund deficiencies in subsidiaries acquired, principally relating to unfunded pensions.

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out from 1 January 2006 to 1 January 2008 and updated to 31 July 2008 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

The main assumptions used by the actuary were as follows:

	2008	2007
Rate of increase in salaries	**4.23%**	4.01%
Rate of increases in pensions in payment and deferred benefits	**2.71%**	2.06%
Discount rate in scheme liabilities	**5.74%**	5.50%
Inflation rate	**2.40%**	2.06%

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in both geographic regions. The average life expectancy in years of a member retiring at age 65 is as follows:

	2008	2007
Male	**21.8**	20.2
Female	**24.8**	23.2

24 Retirement benefit obligations *(continued)*

The expected long term rate of return on the assets of the schemes was:

	2008	2007
Equities	**7.82%**	7.75%
Bonds	**4.77%**	4.40%
Property	**7.00%**	7.00%
Other	**3.50%**	3.00%

In determining the expected long-term rate of return on assets consideration was given to the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Net pension liability	**2008 €'000**	2007 €'000
Market value of scheme assets:		
Equities	**38,578**	34,149
Bonds	**16,786**	2,881
Property	**6,743**	5,399
Other	**972**	240
Total market value of assets	**63,079**	42,669
Present value of scheme liabilities	**(85,767)**	(44,057)
Deficit in the schemes	**(22,688)**	(1,388)
Related deferred tax asset	**3,140**	698
Net pension liability	**(19,548)**	(690)

Movement in the fair value of scheme assets	**2008 €'000**	2007 €'000
Fair value of assets at beginning of year	**42,669**	34,860
Acquisitions	**37,601**	-
Expected return on scheme assets	**4,659**	2,151
Employer contributions	**2,065**	1,164
Transfers	**-**	1,221
Employee contributions	**584**	337
Benefit payments	**(3,530)**	(331)
Experience adjustment on scheme assets	**(18,845)**	3,267
Translation adjustments	**(2,124)**	-
Fair value of assets at end of year	**63,079**	42,669

The expected contributions from the Group for the year ending 31 July 2009 are €2,168,000. These expected contributions do not allow for any changes in contribution rates for any of the plans which may arise as a result of an actuarial valuation.

As at 31 July 2008 the pension schemes held 1,515 shares in Origin Enterprises plc.

24 Retirement benefit obligations *(continued)*

Movement in the present value of scheme obligations

	2008 €'000	2007 €'000
Value of scheme obligations at beginning of year	**(44,057)**	(43,547)
Acquisitions	**(41,819)**	-
Current service cost	**(1,226)**	(938)
Interest on scheme obligations	**(4,053)**	(2,117)
Transfers	**361**	(1,221)
Employee contributions	**(584)**	(337)
Benefit payments	**3,530**	331
Experience adjustment on scheme liabilities	**1,717**	183
Effect of changes in actuarial assumptions	**(2,462)**	3,589
Translation adjustments	**2,826**	-
Value of scheme obligations at end of year	**(85,767)**	(44,057)

Movement in net liability recognised in the balance sheet

	2008 €'000	2007 €'000
Net liability in schemes at beginning of year	**(1,388)**	(8,687)
Transfers	**361**	-
Current service cost	**(1,226)**	(938)
Contributions	**2,065**	1,164
Acquisitions (note 31)	**(4,218)**	-
Other finance income	**606**	34
Actuarial (loss)/gain	**(19,591)**	7,039
Translation adjustments	**703**	-
Net liability in schemes at end of year	**(22,688)**	(1,388)

Historical information

	2008 €'000	2007 €'000	2006 €'000
Present value of the scheme obligation	**(85,767)**	(44,057)	(43,547)
Fair value of plan assets	**63,079**	42,669	34,860
Deficit in scheme	**(22,688)**	(1,388)	(8,687)

24 Retirement benefit obligations *(continued)*

Analysis of defined benefit expense recognised in the Group income statement

	2008 €'000	2007 €'000
Current service cost	**1,226**	938
Past service cost	**-**	-
Total recognised in operating profit	**1,226**	938
Expected return on scheme assets	**(4,659)**	(2,151)
Interest cost on scheme liabilities	**4,053**	2,117
Included in financing costs	**(606)**	(34)
Net charge to Group's income statement	**620**	904
Actual return on pension scheme assets	**(14,186)**	5,418

The cumulative expected return on scheme assets and interest cost on scheme liabilities since the formation of Origin is €6,810,000 and €6,170,000 respectively.

Defined benefit pension income/(expense) recognised in the statement of recognised income and expense

	2008 €'000	2007 €'000
Actual return less expected return on scheme assets	**(18,845)**	3,267
Experience gains on scheme liabilities	**1,716**	183
Changes in demographic and financial assumptions	**(2,462)**	3,589
Actuarial (loss)/gain	**(19,591)**	7,039
Deferred tax	**2,377**	(895)
Actuarial (loss)/gain recognised in statement of recognised income and expense	**(17,214)**	6,144

The cumulative loss recognised in the statement of recognised income and expense since the formation of the Group is €11,070,000.

History of experience gains and losses:

	2008	2007	2006
Difference between expected and actual return on assets			
– Amount (€'000)	**(18,845)**	3,267	500
– % of scheme assets	**44.2%**	9.4%	2.7%
Experience gains/(losses) on scheme liabilities			
– Amount (€'000)	**1,716**	183	(2,098)
– % of scheme liabilities	**3.9%**	0.4%	(4.8%)
Total actuarial (loss)/gain recognised in statement of recognised income and expense			
– Amount (€'000)	**(19,591)**	7,039	2,932
– % of scheme liabilities	**22.8%**	15.9%	6.7%

25 Share capital

	2008 €'000	2007 €'000
Authorised		
240,000,000 Ordinary shares of €0.01 each	**2,400**	2,400
10,000,000 Deferred convertible ordinary shares of €0.01 each	**100**	100
Total	**2,500**	2,500
Allotted, called up and fully paid		
133,015,572 Ordinary shares of €0.01 each (i)	**1,330**	1,330
5,555,270 *(2007: 5,140,770)* Deferred convertible ordinary shares of €0.01 each (ii)	**56**	52
Total	**1,386**	1,382

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

(ii) The deferred convertible ordinary shares, which do not rank for dividend, were issued to directors and senior management of Origin as part of the Origin Long Term Incentive Plan (see note 8 for further details). 414,500 deferred convertible ordinary shares were issued at par during the year *(2007: 5,140,770)* under the terms of the Origin Long Term Incentive Plan.

26 Statement of changes in shareholders' equity

31 July 2008	Share capital €'000	Share premium €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share based payment reserve €'000	Reorganisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000 (Note A)	Minority interest €'000	Total €'000
At 1 August 2007	1,382	265,182	(1,770)	72,172	205	(196,884)	(1,224)	42,575	1,996	183,634
Issue of shares	4	-	-	-	-	-	-	-	-	4
Net revaluation of previously held interest in associate	-	-	-	17,960	-	-	-	-	-	17,960
Share-based payments	-	-	-	-	709	-	-	-	-	709
Foreign exchange translation	-	-	-	-	-	-	(8,176)	-	(262)	(8,438)
Group defined benefit pension schemes	-	-	-	-	-	-	-	(19,591)	-	(19,591)
Deferred tax on group defined benefit schemes	-	-	-	-	-	-	-	2,377	-	2,377
Net actuarial gain on associate defined benefit pension scheme	-	-	-	-	-	-	-	1,778	-	1,778
Gains related to cash flow hedges and other	-	-	553	-	-	-	-	-	-	553
Deferred tax relating to cash flow hedges and other	-	-	(71)	-	-	-	-	-	-	(71)
Profit/(loss) for the period	-	-	-	-	-	-	-	44,701	(239)	44,462
At 31 July 2008	**1,386**	**265,182**	**(1,288)**	**90,132**	**914**	**(196,884)**	**(9,400)**	**71,840**	**1,495**	**223,377**

Note A: The profit attributable to Group shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2008 was €4,145,000 *(2007: €5,544,000)*.

As permitted by Section 148 (8) of the Companies Act, 1963, the income statement of the Company has not been separately presented in these financial statements.

26 Statement of changes in shareholders' equity *(continued)*

31 July 2007

	Share capital €'000	Share premium €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Reorganisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000 (Note A)	Minority interest €'000	Total €'000
At 1 August 2006	-	-	(1,041)	-	-	-	(3,277)	93,639	2,033	91,354
Reclassification of prior years retained earnings	-	-	-	-	-	93,639	-	(93,639)	-	-
Revaluation of investment properties	-	-	-	87,380	-	-	-	-	-	87,380
Deferred tax on revaluation	-	-	-	(15,208)	-	-	-	-	-	(15,208)
Issue of shares	1,382	153,855	-	-	-	-	-	-	-	155,237
Share issue expenses	-	(1,691)	-	-	-	-	-	-	-	(1,691)
Movement on reorganisation reserve	-	113,018	-	-	-	(290,523)	-	-	-	(177,505)
Share-based payments	-	-	-	-	205	-	-	-	-	205
Foreign exchange translation	-	-	-	-	-	-	2,053	-	-	2,053
Group defined benefit pension schemes	-	-	-	-	-	-	-	7,039	-	7,039
Deferred tax on group defined benefit schemes	-	-	-	-	-	-	-	(895)	-	(895)
Net actuarial gain on associate defined benefit pension scheme	-	-	-	-	-	-	-	3,745	-	3,745
Losses related to cash flow hedges and other	-	-	(1,027)	-	-	-	-	-	-	(1,027)
Deferred tax relating to cash flow hedges and other	-	-	298	-	-	-	-	-	-	298
Profit/(loss) for the period	-	-	-	-	-	-	-	32,686	(37)	32,649
At 31 July 2007	**1,382**	**265,182**	**(1,770)**	**72,172**	**205**	**(196,884)**	**(1,224)**	**42,575**	**1,996**	**183,634**

Note A: Prior year figures have been reclassified to correctly state the balance on minority interest.

26 Statement of changes in shareholders' equity *(continued)*

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred since 1 August 2005.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 August 2005, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date.

Reorganisation reserve

As outlined in the basis of preparation note, the difference between the fair value of the investment recorded in the Company balance sheet and the carrying value in IAWS Group plc of the assets and liabilities transferred has been recognised as a reorganisation reserve in other reserves within equity together with the currency translation reserve, cash flow reserve and revaluation reserve.

Share-based payment reserve

This reserve comprises amounts credited to reserves in connection with equity awards less the effect of any exercises of such awards.

Revaluation reserve

The revaluation reserve relates to revaluation surpluses arising on revaluations of investment property and previously held interest in associate.

Capital management

The Board regularly reviews and monitors the Group's capital structure with a view to maintaining a strong capital base in order to sustain market confidence in the business. This involves considering dividends paid to shareholders, demographic spread of shareholders, the amount of liquid assets on the balance sheet and return on capital.

27 Minority interest

	2008 €'000	2007 €'000
At 1 August	**1,996**	2,033
Share of result for the year	**(239)**	(37)
Translation adjustment	**(262)**	-
At 31 July	**1,495**	1,996

28 Commitments under operating leases

Non-cancellable operating lease rentals are payable as set out below. These amounts represent minimum future lease payments, in aggregate, that the Group are required to make under existing lease agreements.

	2008 €'000	2007 €'000
Operating leases which expire:		
Within one year	**1,098**	359
In two to five years	**7,919**	4,468
After more than five years	**4,501**	-
	13,518	4,827

29 Contingent liabilities

	2008 €'000	2007 €'000
(a) Government grants repayable if grant conditions are not met	**3,910**	3,676

(b) In order to avail of the exemption under Section 17 of the Companies (Amendment) Act, 1986 the Group has guaranteed the liabilities of all of its subsidiaries registered in Ireland. Where the Group has entered into financial guarantee contracts to guarantee the indebtedness of such subsidiaries, the Group considers these to be insurance contracts and accounts for them as such. The Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

(c) The Group and its principal subsidiaries have given composite guarantees and indemnities to secure obligations of fellow subsidiary undertakings on all sums due in respect of bank loans and bank advances. The Group considers these to be insurance contracts and accounts for them as such.

30 Related party transactions

In the normal course of business, the Group undertakes arms-length transactions with its associates and other related parties. Related parties include IAWS Group plc and its subsidiaries. Included in sale of goods below are sales to associates of €51,927,000 *(2007: €71,002,000)*. A summary of transactions with these related parties during the year are as follows:

	2008 €'000	2007 €'000
Sale of goods	**68,649**	72,517
Purchase of goods	**3,834**	3,312
Provision of services	**-**	325
Receiving of services	**3,180**	5,091

The trading balances owing to the Group from related parties were €2,465,000 *(2007: €3,506,000)* and the trading balances owing from the Group to these related parties were €5,035,000 *(2007: €1,787,000)*. All outstanding balances with related parties are on an arms-length basis.

Compensation of key management personnel

For the purposes of the disclosure requirements of IAS 24, *Related Party Disclosures*, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors which manages the business and affairs of the Group. Full disclosure in relation to the compensation entitlements of the Board of Directors is provided in note 5 to the Group financial statements.

31 Acquisition of subsidiary undertakings

During the year the Group completed two acquisitions:

1. On 30 August 2007, the Group acquired the remaining 50% interest in the Odlum Group not previously owned.
2. On 1 February 2008, the Group completed the acquisition of 100% of Masstock Group Holdings Limited ("Masstock"). Masstock, with operations in the United Kingdom and Poland, is the leading provider of specialist agronomy services directly to arable and grassland farm enterprises.

Details of the net assets acquired and goodwill arising from the business combinations are as follows:

	Acquiree's carrying amount €'000	Fair value adjustments €'000	Provisional fair value €'000	Split of fair value	
				Masstock €'000	Odlums €'000
Net assets acquired:					
Property, plant and equipment	40,305	(954)	39,351	14,095	25,256
Investments properties	-	14,000	14,000	-	14,000
Intangible assets	5,176	38,442	43,618	14,718	28,900
Inventory	27,333	(500)	26,833	18,456	8,377
Trade and other receivables	74,102	(586)	73,516	52,992	20,524
Trade and other payables	(61,633)	(895)	(62,528)	(53,926)	(8,602)
Debt assumed	(63,861)	-	(63,861)	(36,776)	(27,085)
Finance leases	(2,144)	-	(2,144)	(2,144)	-
Deferred tax	103	(10,983)	(10,880)	(3,276)	(7,604)
Employee benefit liability	(4,218)	-	(4,218)	(1,794)	(2,424)
Corporation tax	125	(191)	(66)	90	(156)
Government grants	(248)	-	(248)	-	(248)
Net assets acquired			53,373	2,435	50,938
Goodwill arising on acquisition			63,823	53,804	10,019
			117,196	56,239	60,957
Satisfied by:					
Cash consideration *(including acquisition expenses of €1,900,000)*			77,387	42,037	35,350
(Cash)/overdraft			(1,589)	1,215	(2,804)
Fair value of previously held 50% interest in Odlum Group			28,411	-	28,411
Deferred consideration			12,987	12,987	-
			117,196	56,239	60,957

31 Acquisitions of subsidiary undertakings *(continued)*

Post acquisition revenues and operating profit relating to these acquisitions amounted to €383,371,000 and €16,901,000 respectively. Masstock contributed revenue of €300,613,000 and operating profit of €12,104,000. Odlums contributed revenue of €82,758,000 and operating profit of €4,797,000.

If the acquisitions had occurred on 1 August 2007, management estimates that consolidated revenue would have been €1,721,111,000 and consolidated operating profit for the period would have been €67,824,000. In determining these amounts management has assumed that the fair value adjustments that arose on the dates of acquisition would have been the same if the acquisition occurred on 1 August 2007.

The goodwill recognised on the acquisitions is attributable to the skills and technical talent of the acquired business's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business.

32 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

Particular areas which are subject to accounting estimates and judgements in these financial statements are areas such as impairment testing, post employment benefits, financial instruments, shares based payments, intangible assets, deferred tax, fair value of properties and in relation to judgemental accruals and deferred consideration obligations.

Impairment testing of assets, particularly of goodwill, involves estimating the future cash flows for a cash generating unit and an appropriate discount rate to determine a recoverable value. The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in note 24.

33 Controlling Party

At 31 July 2008 the Group's ultimate controlling party was IAWS Group plc. On 21 August 2008, ARYZTA AG completed the acquisition of IAWS Group plc. On 22 August 2008, IAWS Group plc resolved to re-register as a private company.

34 Subsequent events

There have been no significant events, outside the ordinary course of business, affecting the Group since 31 July 2008.

Principal subsidiary undertakings

At 31 July 2008 the Group had the following significant subsidiaries and associates:

	Name	Nature of business	Group % share	Registered office
(a)	*Subsidiaries – Ireland*			
	Goulding Chemicals Limited	Fertiliser blending and distribution	100	1
	R. & H. Hall Limited	Grain and feed trading	100	1
	Shamrock Foods Limited	Food distribution	100	1
	Odlum Group	Flour Milling	100	8
	United Fish Industries Limited	Fish processing	100	1
	Torrox Limited	Holding company	100	1
(b)	*Subsidiaries – United Kingdom*			
	Hall Silos Limited	Grain handling	100	4
	Origin Fertilisers (UK) Limited	Fertiliser blending and distribution	100	2
	SFP (Shetland Fish Products) Limited	Fish processing	50(i)	5
	United Fish Industries (UK) Limited	Fish processing	100	6
	Masstock Group Holdings Limited	Specialist agronomy services	100	9
(c)	*Associates:*			
	BHH Limited	Provender millers	50	3
	North West Silos Limited	Feed processing	50	7
	West Twin Silos Limited	Silo operation	50	4
	Continental Farmers Group plc	Producer of agriculture crops	20	10

(i) SFP (Shetland Fish Products) Limited is consolidated on the basis of the Group having the power to control the financial and operating policies of this undertaking.

Registered offices

1. 151 Thomas Street, Dublin 8, Ireland.
2. Orchard Road, Royston, Hertfordshire SG8 5HW, England.
3. 35/39 York Road, Belfast BT15 3GW, Northern Ireland.
4. 7 McCaughey Road, Belfast BT3 9AG, Northern Ireland.
5. Greenwell Place, Aberdeen AB12 3AY, Scotland.
6. Gilbey Road, Grimsby, South Humberside DN31 2SL, England.
7. Clarendon House, 23 Clarendon Road, Belfast BT1 3BG, Northern Ireland.
8. Alexandra Road, Dublin 1, Ireland.
9. Andoversford, Cheltenham, Gloucestershire, GL54 4LZ.
10. Athol Street, Douglas, Isle of Man IMI 1LB.

The country of registration is also the principal location of activities in each case other than in respect of Continental Farmers Group Plc whose operations are based in Poland and the Ukraine.

Company statement of accounting policies

for the year ended 31 July 2008

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements are prepared in euro and in accordance with Generally Accepted Accounting Principles under the historical cost convention, modified to include the revaluation of investment properties, and comply with financial reporting standards of the Accounting Standards Board, as promulgated by The Institute of Chartered Accountants in Ireland.

In accordance with the Companies Acts, 1963 to 2006 the Company is permitted to take advantage of the exemption in Section 148(8) of the Companies Act 1963 from presenting to its members its Company profit and loss account and related notes that form part of the approved Company financial statements. The Company also does not present a separate statement of total recognised gains and losses or a cash flow statement.

Investment properties

Investment properties are stated at open market value. Changes in the value of the investment properties are shown in the investment revaluation reserve through the statement of total recognised gains and losses, unless the total of the investment revaluation reserve is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged in the profit and loss account.

Financial assets

Financial assets are carried at cost less provision for impairment. Income from financial assets is recognised in the profit and loss account in the year in which it is received.

Employee benefits

For the Company's defined benefit scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax to the extent that it is deemed to be recoverable.

The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees and earned during the period plus the cost of any benefit improvements granted to members during the period.

The expected return on the pension scheme's assets during the period and the increase in the scheme's liabilities due to the unwinding of the discount during the period are shown as financing costs in the profit and loss account. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the period was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

Taxation

Current tax is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, as required by FRS 19, *Deferred Tax*. Provision is made at the rates expected to apply when the timing differences reverse.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Company statement of accounting policies *(continued)*

for the year ended 31 July 2008

Cash flow statement

Under the provisions of FRS 1, *Cash Flow Statements*, a cash flow statement has not been prepared as the published Group financial statements, in which the Company's results are consolidated, include a cash flow statement.

Related party transactions

Under the exemption granted by FRS 8, *Related Party Disclosures*, the Company, as a member of a group which publishes Group financial statements in which the Company's results are consolidated, is not required to, and does not, disclose transactions with fellow members and associates of that Group.

Long Term Incentive Plan

The Company grants Equity Entitlements under the Origin Enterprises Long Term Incentive Plan. All disclosures relating to the plan are made in note 8 to the Group financial statements.

Borrowing costs

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit and loss using the effective interest method.

Company balance sheet

as at 31 July 2008

	Notes	**2008 €'000**	2007 €'000
Fixed assets			
Investment properties	1	**69,500**	69,500
Property, plant and equipment	2	**330**	-
Financial assets – investments in subsidiaries	3	**2,014**	2,014
		71,844	71,514
Current assets			
Debtors	4	**359,473**	383,745
Cash at bank and on hand		**-**	603
		359,473	384,348
Creditors: amounts falling due within one year	5	**(140,232)**	(168,716)
Net current assets		**219,241**	215,632
Total assets less current liabilities		**291,085**	287,146
Provisions for liabilities – deferred tax	6	**(10,296)**	(10,294)
Net assets before post employment (liability)/assets		**280,789**	276,852
Employee benefits	7	**(8,923)**	1,953
Net assets		**271,866**	278,805
Capital and reserves			
Called up share capital	8	**1,386**	1,382
Share premium	9	**265,182**	265,182
Profit and loss account and other reserves	9	**5,298**	12,241
Shareholders' funds	9	**271,866**	278,805

Notes to the Company balance sheet

as at 31 July 2008

1 Investment properties

Investment property, principally comprising land located in Ireland, is held for capital appreciation.

The directors have reviewed the carrying value of investment properties and are satisfied that there has been no diminution in value.

2 Property, plant and equipment

31 July 2008

	Fixtures and fittings €'000	Total €'000
Cost		
At 1 August 2007	-	-
Additions	343	343
At 31 July 2008	**343**	**343**
Accumulated depreciation		
At 1 August 2007	-	-
Depreciation charge for year	13	13
At 31 July 2008	**13**	**13**
Net book amounts		
At 31 July 2008	**330**	**330**
At 31 July 2007	-	-

Fixtures and fittings are stated at depreciated historic cost.

3 Financial assets – Investments in subsidiaries

	2008 €'000	2007 €'000
At 1 August	**2,014**	-
Acquired during the period	**-**	328,804
Transfer for consideration to subsidiary	**-**	(326,790)
At 31 July	**2,014**	2,014

The principal subsidiaries are set out on page 89 to the Group financial statements.

Notes *(continued)*

as at 31 July 2008

4 Debtors

	2008 €'000	2007 €'000
Amounts owed by IAWS Group plc and subsidiaries	**355,609**	383,689
Corporation tax	**3,147**	-
VAT recoverable	**446**	56
Other debtors	**271**	-
	359,473	383,745

Amounts owed by subsidiaries are unsecured and are repayable on demand.

5 Creditors: amounts falling due within one year

	2008 €'000	2007 €'000
Amounts owed to subsidiaries	**132,262**	168,325
Trade creditors	**934**	55
Accruals and other payables	**4,370**	336
Bank overdraft	**2,666**	-
	140,232	168,716

Amounts owed to subsidiaries are unsecured and are payable on demand.

6 Deferred tax

	2008 €'000	2007 €'000
At 1 August	**10,294**	-
Deferred tax on investment properties	**-**	10,294
Deferred tax on property, plant and equipment	**2**	-
At 31 July	**10,296**	10,294
Deferred tax liabilities (taxable temporary differences)		
Investment property	**10,294**	10,294
Property, plant and equipment	**2**	-
	10,296	10,294

7 Pension scheme

The Company operates a defined benefit pension scheme which is closed to new members.

Under FRS 17 calculations the total deficit in the Company's defined benefit scheme at 31 July 2008 was €10,102,000 *(2007: €2,070,000 surplus)*. The pension credit in the profit and loss account for the period in respect of the Company's defined benefit scheme was €232,000 *(2007: €398,000, charge)*.

The expected contributions from the Company for the year ending 31 July 2009 is €606,000. These expected contributions do not allow for any changes in contribution rates for the plan which may arise as a result of an actuarial valuation.

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out at 1 January 2006 and updated to 31 July 2008 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

The main assumptions used by the actuary were as follows:

	2008	2007
Rate of increase in salaries	**4.00%**	4.01%
Rate of increases in pensions in payment and deferred benefits	**2.25%**	2.06%
Discount rate in scheme liabilities	**5.80%**	5.50%
Inflation rate	**2.25%**	2.06%

The expected long term rate of return on the assets of the schemes were:

	2008	2007
Equities	**8.00%**	7.75%
Bonds	**4.60%**	4.40%
Property	**7.00%**	7.00%
Other	**3.50%**	3.00%

7 Pension scheme *(continued)*

Net pension asset

	2008 €'000	2007 €'000
Market value of scheme assets:		
Equities	**19,537**	27,903
Property	**5,249**	6,088
Other	**88**	124
Total market value of assets	**24,874**	34,115
Present value of scheme liabilities	**(34,976)**	(32,045)
(Deficit)/surplus in the scheme	**(10,102)**	2,070
Related deferred tax asset/(liability)	**1,179**	(117)
Net pension (liability)/asset	**(8,923)**	1,953

Movement in value of scheme assets

	2008 €'000	2007 €'000
Value of assets at beginning of year	**34,115**	27,097
Expected return on scheme assets	**2,376**	1,761
Transfers, net	**741**	1,221
Actuarial (loss)/gain	**(11,359)**	3,294
Employer contributions	**577**	472
Benefit payments	**(1,811)**	-
Employee contributions	**235**	270
Value of assets at end of year	**24,874**	34,115

Movement in the present value of scheme obligations

	2008 €'000	2007 €'000
Value of scheme obligations at beginning of year	**(32,045)**	(32,357)
Current service cost	**(418)**	(609)
Interest on scheme obligations	**(1,726)**	(1,550)
Employee contributions	**(235)**	(270)
Actuarial (loss)/gain	**(1,983)**	3,962
Transfers	**(380)**	(1,221)
Benefit payments	**1,811**	-
Value of scheme obligations at end of year	**(34,976)**	(32,045)

7 Pension scheme *(continued)*

Movement in net (liability)/asset recognised in the balance sheet

	2008 €'000	2007 €'000
At beginning of year	**2,070**	-
Transfer from IAWS Group plc	**-**	(5,260)
Current service cost	**(418)**	(609)
Contributions	**577**	472
Other finance income	**650**	211
Actuarial (loss)/gain	**(13,342)**	7,256
Transfers, net	**361**	-
Net (liability)/asset in scheme at end of year	**(10,102)**	2,070

Analysis of defined benefit expense recognised in the profit and loss account

	2008 €'000	2007 €'000
Current service cost	**418**	609
Past service cost	**-**	-
Total recognised in operating profit	**418**	609
Expected return on scheme assets	**(2,376)**	(1,761)
Interest cost on scheme liabilities	**1,726**	1,550
Included in financing costs	**(650)**	(211)
Net (credit)/charge to the profit and loss account	**(232)**	398

Defined benefit pension expense recognised in the statement of total recognised gains and losses

	2008 €'000	2007 €'000
Actual return less expected return on scheme assets	**(11,359)**	3,294
Experience adjustment on scheme liabilities	**(2,044)**	566
Changes in demographic and financial assumptions	**61**	3,396
Actuarial (loss)/gain	**(13,342)**	7,256
Deferred tax charge	**1,545**	(764)
Actuarial gain recognised in statement of total recognised gains and losses	**(11,797)**	6,492

Notes *(continued)*

as at 31 July 2008

7 Pension scheme *(continued)*

History of experience gains and losses:	**2008**	2007
Difference between expected and actual return on assets		
– Amount (€'000)	**11,359**	3,294
– % of scheme assets	**33.3%**	12.2%
Experience adjustment on scheme liabilities		
– Amount (€'000)	**2,044**	566
– % of scheme liabilities	**6.4%**	1.7%
Total actuarial gain recognised in statement of total recognised gains and losses		
– Amount (€'000)	**(13,342)**	7,256
– % of scheme liabilities	**38.1%**	22.6%

8 Called up share capital

	2008 €'000	2007 €'000
Authorised		
240,000,000 Ordinary shares of €0.01 each	**2,400**	2,400
10,000,000 Deferred convertible ordinary shares of €0.01 each	**100**	100
Total	**2,500**	2,500
Allotted, called up and fully paid		
133,015,572 Ordinary shares of €0.01 each (i)	**1,330**	1,330
5,555,270 *(2007: 5,140,770)* Deferred convertible ordinary shares of €0.01 each (ii)	**56**	52
Total	**1,386**	1,382

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

(ii) The deferred convertible ordinary shares, which do not rank for a dividend, were issued to directors and senior management of Origin as part of the Origin Long Term Incentive Plan (see note 8 to the Group financial statements for further details). 414,500 deferred convertible shares were issued at par during the year *(2007: 5,140,770)* under the terms of the Origin Long Term Incentive Plan.

Notes *(continued)*

as at 31 July 2008

9 Movement on reserves

31 July 2008

	Share capital €'000	Share premium €'000	LTIP reserve €'000	Profit and loss €'000	Total €'000
At 31 July 2007	1,382	265,182	205	12,036	278,805
Issue of shares	4	-	-	-	4
Profit for the period	-	-	-	4,145	4,145
Actuarial loss on post employment liabilities	-	-	-	(13,342)	(13,342)
Deferred tax on actuarial loss	-	-	-	1,545	1,545
Share-based payments	-	-	709	-	709
At 31 July 2008	**1,386**	**265,182**	**914**	**4,384**	**271,866**

31 July 2007

	Share capital €'000	Share premium €'000	LTIP reserve €'000	Profit and loss €'000	Total €'000
At date of incorporation	-	-	-	-	-
Issue of shares	1,382	-	-	-	1,382
Profit for the period	-	-	-	5,544	5,544
Actuarial gain on post employment liabilities	-	-	-	7,256	7,256
Deferred tax on actuarial gain	-	-	-	(764)	(764)
Share-based payments	-	-	205	-	205
Premium on shares issued	-	265,182	-	-	265,182
At 31 July 2007	**1,382**	**265,182**	**205**	**12,036**	**278,805**

10 Financial guarantee contracts

In order to avail of the exemption under Section 17 of the Companies (Amendment) Act, 1986 the Company has guaranteed the liabilities of all of its subsidiaries registered in Ireland. Where the Company has entered into financial guarantee contracts to guarantee the indebtedness of such subsidiaries, the Company considers these to be insurance contracts and accounts for them as such.

The Company is party to cross guarantees on Group borrowings. These are treated as insurance contracts and accounted for as such.

11 Share-based payment

All disclosures relating to the Long Term Incentive Plan are laid out in note 8 to the Group financial statements.

Notes *(continued)*

as at 31 July 2008

12 Statutory and other information

	2008 €'000	2007 €'000
Auditor's remuneration for audit services	**80**	80
Profit for the financial period	**4,145**	5,544

Substantially all the Group audit fee is recharged by the Company to its subsidiaries.

13 Employment

The average number of persons employed by the Company during the year was as follows:

	2008	2007
Management and administration	**9**	5

Aggregate employment costs of the Company are analysed as follows:

	2008 €'000	2007 €'000
Wages and salaries	**3,540**	371
Social welfare costs	**168**	24
Pension costs		
– defined benefit schemes – statement of total recognised gains and losses	**13,342**	(7,256)
– defined benefit schemes – profit and loss account	**(232)**	398
Share-based payment	**709**	205
	17,527	(6,258)

14 Approval of financial statements

These financial statements were approved by the Board on 17 September 2008.

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