



Trading Update

18 November 2013 – Origin Enterprises plc, the Agri-Services group, ('Origin' or 'the Group'), issues this Trading Update for the three months to 26 October 2013, in advance of its Annual General Meeting which is being held today at 10.30am (GMT) in The Westbury Hotel, Grafton Street, Dublin 2.

Overview

Origin reports a satisfactory performance, in line with the Group's expectations, in the seasonally quiet first quarter of the 2014 financial year.

Agri-Services

Revenue was €307.3 million for the three months compared with €351.2 million in the corresponding period last year, a decrease of 12.5 per cent. The components of the year-on-year decrease are outlined below. The underlying decrease of 7.9 per cent was principally driven by lower global fertiliser and feed prices.

<i>Revenue</i>				<i>Attributable to</i>	
	FY13	FY14	Decrease	Currency	Underlying
	€m	€m	€m	%	%
Quarter 1	351.2	307.3	(43.9)	(4.6)	(7.9)

Integrated on-farm agronomy performed strongly in the period due to favourable demand for serviced agronomy and technical seed applications.

In the UK, near perfect conditions on-farm supported a return to normal winter cropping patterns in the period. This is in contrast to the same period last year, when crop drillings were lower due to the impact of very unseasonal wet autumn weather. Plantings for the main winter wheat and winter oil seed rape crops were substantially completed in the period. Current estimates indicate a total wheat area of approximately 2 million hectares, an increase of 23 per cent on last year. Oil seed plantings are estimated to be lower by some 15 per cent on last year at approximately 640,000 hectares, principally reflecting the impact of rotational disruption encountered last year due to unseasonal weather. This reduction is being offset through the increased planted area for wheat and other arable crops. Crops in general are well established and in excellent condition with the overall profile providing a strong foundation for the full year result.

In Poland, there has been a good start to the financial year against the background of a later maize harvest. Plantings are well progressed with the total cropping area and profile expected to be similar to last year.

Business-to-Business agri-inputs has had a slower start to the financial year due mainly to lower fertiliser volumes in the United Kingdom. Customers are adopting a cautious approach to the timing of purchase commitments in advance of the main application period given the largely stable pricing environment currently. Feed recorded a satisfactory performance in the period on lower volumes reflecting a recovery in conserved fodder stocks earlier in the year for usage in the key winter period.

Associates and joint venture – Consumer Foods

Following the disposal of our marine proteins and oils joint venture interest, Welcon Invest AS, ('Welcon') in August 2013, the Group's consumer foods interest, Valeo Foods Group ('Valeo') is now our principal strategic investment. Valeo delivered a solid performance in an intensely competitive trading environment. The business is focused on working closely with customers to develop mutually successful trading strategies as well as continuing to maintain its leadership position through new product innovation.

Seasonality

The disposal of our interest in Welcon increases the seasonality profile of the Group. Based on the existing business platform, approximately 90 per cent of earnings will typically arise in the second half of the financial year.

Acquisition development

On 30 October 2013, the Group announced that it had reached conditional agreement to acquire a controlling interest in Agroscope ('Agroscope' or 'the Business'). Based in Ukraine and founded in 2002, Agroscope, which employs 150 people, is a leading provider of agronomy services, high specification inputs and advisory support to arable and root crop growers. The Business represents an excellent strategic fit for Origin adding complementary expertise and strong brand reputation on-farm with a dedicated commitment to excellence in customer fulfilment.

Outlook

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

The current cropping profile provides a strong platform for the seasonally more important second half of the financial year. This, together with the recently announced Tender Offer will offset the dilutive impact of the Welcon disposal. We continue to expect adjusted diluted earnings per share for the current financial year, before the impact of the pending Agroscope acquisition, to be broadly in line with the 2013 financial year.

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About Origin Enterprises plc

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

ESM ticker symbol: OIZ

AIM ticker symbol: OGN

Website: www.originenterprises.com