



## Trading Update

**26 November 2012** – Origin Enterprises plc the Agri-Services group, ('Origin' or 'the Group'), issues its Trading Update for the three months to 27 October 2012, in advance of its Annual General Meeting which is being held today at 10.00am (GMT) in The Westbury Hotel, Grafton Street, Dublin 2.

### Overview

Origin reports a slower start to its 2013 financial year as on-farm activity in Ireland and the UK was impacted by a sustained period of unseasonably wet weather resulting in a delayed autumn harvest and challenging arable crop planting conditions.

### Agri-Services

Revenue was €351.2 million for the three months compared with €315.8 million in the corresponding period last year, an increase of 11.2 per cent. The components of the year-on-year increase are outlined below. The underlying increase of 3.4 per cent was principally driven by higher prices with seed and fertiliser volumes lower year-on-year.

<i>Revenue</i>	<i>Attributable to</i>				
	<i>FY12</i>	<i>FY13</i>	<i>Increase</i>	<i>Currency</i>	<i>Underlying</i>
	<i>€m</i>	<i>€m</i>	<i>€m</i>	<i>%</i>	<i>%</i>
Quarter 1	315.8	351.2	<b>35.4</b>	7.8	3.4

Integrated on-farm agronomy performed satisfactorily in the seasonally quiet first quarter against the background of a significantly impacted winter planting programme following a sustained period of unseasonably wet weather. Approximately 70 per cent of target arable cropping has been completed to-date in the UK. Farm management plans are now being adapted to extend autumn planting where weather and soil conditions allow along with a switch to spring 2013 cropping. There were good sales of agronomy services and seed applications in the period highlighting the importance of targeted crop investment programmes in protecting growers' profitability.

In Poland, integrated on-farm agronomy performed very satisfactorily, reflecting robust on-farm activity, with the business securing good margin and volume development in serviced agronomy and strategic inputs.

Business-to-business agri-input volumes were lower in the UK compared with the prior period as customers moved to align purchasing commitments more closely to the timing of actual application on-farm. In Ireland there was increased fertiliser consumption as farmers invested in nutrition programmes to support improved grass growth prior to the end of the growing season. Feed volumes were higher in the period reflecting favourable demand conditions due to limited availability of quality fodder.

## **Associates and joint ventures**

The Group's strategic interests in Consumer Foods and Marine Proteins and Oils performed in line with expectations during the period.

### *Consumer Foods - Valeo Foods Group ('Valeo')*

Valeo delivered a solid performance in an intensely competitive trading environment. The business is taking the necessary steps to maintain competitiveness and prioritise value to consumers who are increasingly focused on price and promotional purchases. Valeo's core branded offerings continued to maintain their leadership position through a combination of category repositioning, new category partnership initiatives and strong promotional mechanics.

### *Marine Proteins and Oils - Welcon Invest AS ('Welcon')*

Welcon, the Group's marine protein and oils joint venture delivered a very strong performance ahead of the corresponding period last year. Fishmeal and fish oil demand remains favourable reflecting strong growth in aquaculture output. Finished product prices strengthened during the period as global unsold production remains limited due to lower than expected second season fishing quotas in South America.

## **Outlook**

The planning environment for primary food producers remains favourable reflecting a positive output price environment which is expected to support a strong platform for the seasonally more important second half of the year. The challenging weather conditions experienced by primary producers to date will lead to an increased level of seasonality in the 2013 financial year for our Agri-Services business as a greater weighting of crop planting activity is expected to take place in the spring period. The Group will provide a further update on the cropping profile and outlook at the time of its Interim Results announcement in March 2013.

Origin continues to make good progress with its transformation and integration agenda within Agri-Services and is principally focused on Agrii which is the largest service provider to the primary crop production sectors of the food industry in the UK. The Group is committed to enhancing its leadership position in the provision of sustainable crop management systems and smart agricultural technologies that meet the requirements of an increasingly professionalised and automated farming sector.

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## **About Origin Enterprises plc**

Origin Enterprises plc is a focused Agri-Services group providing on-farm integrated agronomy advice and the supply of agri-inputs. The Group also has associate and joint venture interests in consumer foods and marine proteins and oils. 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](http://www.originenterprises.com)