



Trading Update

24 November 2014 – Origin Enterprises plc, the Agri-Services group, ('Origin' or 'the Group'), issues this Trading Update for the three months to 1 November 2014, 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 has achieved a satisfactory performance in the seasonally quiet first quarter of the 2015 financial year. While activity levels on farm were robust during the period, output price volatility is making for a demanding and challenging planning environment for primary producers currently.

Agri-Services

Revenue was €318.0 million for the three months compared with €307.3 million in the corresponding period last year, an increase of 3.5 per cent. The components of the year-on-year increase are outlined below. The underlying decrease of 5.6 per cent was principally driven by lower global fertiliser and feed prices.

<i>Revenue</i>	<i>Attributable to:</i>					
	FY14	FY15	Increase	Acquisition	Currency	Underlying
	€m	€m	€m	%	%	%
Quarter 1	307.3	318.0	10.7	3.9%	5.2%	(5.6%)

Integrated On-Farm Agronomy Services

United Kingdom

Agrii performed satisfactorily in the period with favourable activity levels on farm supporting good demand for serviced agronomy following an early harvest. While market conditions within the seed portfolios were highly competitive, Agrii's specialist seed technologies continued to maintain good momentum through applications promoting high output variety management.

Against the backdrop of positive yield outcomes from the 2014 harvest there has been a good start to the winter cropping programme with growers taking advantage of ideal sowing conditions during September and October. Winter wheat plantings are well advanced with current estimates indicating a total winter wheat area of approximately 1.95 million hectares, some 2 to 3 per cent below the record planted area of approximately 2 million hectares in 2013. Winter oil seed rape plantings are estimated to be lower by some 10 per cent on last year at 620,000 hectares. This reduction in the oil seed rape area is principally reflecting a combination of agronomic and rotational planning in the current year and is being largely offset by a switch to winter and spring cereal cropping. We expect a level of increased spring cropping for the 2015 production year with total winter and spring planted hectares estimated to be broadly equivalent to last year.

Eastern Europe

In Poland, Dalgety Agra Polska delivered a good performance in the context of higher integrated agronomy revenues and lower crop marketing volumes compared with last year. There has been an excellent harvest outcome to date with generally above average yields. Ideal crop drilling conditions have facilitated good progress in respect of winter plantings. Growers are well positioned to maximise on winter cereal cropping potential which is expected to be over 6 million hectares.

In Ukraine, market conditions remain difficult reflecting significant political uncertainty resulting in currency weakness and a challenging operating environment. Agroscope has performed satisfactorily in the period with the business prioritising a risk management focus throughout its operations. 2014 harvest yields to date are trending above average which is providing a welcome boost to cost recovery for growers. Crop investment spend is expected to be lower for the 2015 production year with total planted hectares forecast to be at similar levels to last year at approximately 20 million hectares.

Business-to-business Agri Inputs – Ireland and UK

Business-to-business Agri Inputs has had a positive start to the financial year, principally supported by higher fertiliser volumes as greater visibility on raw material pricing provides confidence to customers to fix a proportion of their nutrition requirements ahead of the main application period.

Feed Ingredients has performed satisfactorily against lower spot demand due to higher availability of quality winter fodder stocks. Customers are adopting a more cautious approach to their forward volume commitments on the back of recent volatility in ingredient pricing.

Associates and joint venture – Consumer Foods

Origin's principal strategic investment, consumer foods company Valeo Foods ('Valeo'), in which the Group holds a 32 per cent shareholding delivered a solid performance in the period. Valeo continues to maintain leadership positions across its core food categories underpinned by strong operational execution together with a combination of innovation and investment driving improved brand awareness and product differentiation.

During the period Valeo announced that it had reached agreement to purchase the Robert Roberts, Findlater Wines & Spirits and Kelkin food businesses from DCC plc. The transaction is conditional upon clearance from the Irish Competition and Consumer Protection Commission.

Outlook

Notwithstanding a more challenging planning backdrop for primary producers in the current financial year the autumn cropping profile established to date provides a good foundation for the seasonally more important second half of the financial year when some 90% of earnings typically arise.

The Group currently expects to deliver full year adjusted diluted earnings per share of c.60.0 cent which is in line with consensus.

We will provide a further update on the cropping profile and full year outlook at the time of our Interim Results announcement in March 2015.

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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, Poland and Ukraine has leading market positions in the supply of specialist agronomy services, crop nutrition and feed ingredients. The Group is listed on the ESM and AIM markets of the Irish and London Stock Exchanges.

ESM ticker symbol: OIZ

AIM ticker symbol: OGN

Website: www.originenterprises.com