



28 May 2014 - Origin Enterprises plc the Agri-Services group, ('Origin' or 'the Group'), issues this Trading Update for the nine months to 30 April 2014.

Highlights

- 13.2 per cent increase in underlying revenue for the third quarter
- Robust activity levels on farm supporting strong performance across all business units
- Increase in full year earnings guidance

Overview

Origin delivered a very satisfactory performance in the seasonally important third quarter of the financial year with year-to-date revenues well ahead of the prior period. The result is set against the background of robust on-farm activity levels supporting increased demand for agronomy services and inputs.

Following the strong third quarter performance we are increasing full year earnings guidance in adjusted diluted earnings per share by c.3 per cent to approximately 55.0 cent. The Group's earnings profile is significantly weighted towards the second half of the financial year with c.90 per cent of earnings typically arising in the second half. In FY14 Associates and joint ventures will account for c.13 per cent of the Group's earnings compared to c.24 per cent last year reflecting the completion of the disposal of the Group's marine proteins and oils business in August 2013 as well as strong underlying growth in the core Agri-Services business and the acquisition of a controlling interest in Agroscope.

Review of Operations

Agri-Services

Reflecting the higher activity levels, revenues for the third quarter were 19.8 per cent higher at €512.8 million. Revenues were €1,030.4 million for the nine months compared with €995.7 million in the equivalent period last year, an increase of 3.5 per cent. The components of the increase year-on-year for the quarter and year-to-date are outlined in the following table.

<i>Revenue</i>	<i>Attributable to:</i>					
	FY14 €m	FY13 €m	Increase %	Acquisition %	Currency %	Underlying %
Quarter 3	512.8	428.0	19.8%	5.8%	0.8%	13.2%
Year-to-date	1,030.4	995.7	3.5%	2.5%	(1.6%)	2.6%

Volume growth was just under 25 per cent in the quarter and 13 per cent year-to-date principally reflecting unseasonably low levels of activity in the third quarter last year.

Integrated On-Farm Agronomy Services

United Kingdom

The Group's UK Agronomy Services business, Agrii, maintained excellent momentum in the third quarter achieving higher revenues and profits as near perfect growing conditions supported the accelerated development of winter and spring crop plantings resulting in higher demand for full service agronomy applications. The performance contrasts sharply with the same period last year when lower activity levels on-farm impacted volumes as unseasonably cold spring weather slowed crop development and significantly curtailed in-field operations.

All major crops are well established with excellent yield potential. The operational demands of the season are intense with the rapid pace of crop development demanding prompt and tailored agronomy responses. This emphasises the central role of customised crop management systems in maximising grower profitability.

Poland

Dalgety Agra Polska recorded a solid performance in the period with higher agronomy revenues and margins partially offset by lower crop marketing sales reflecting sluggish export markets in the quarter. Favourable crop planting and growing conditions supported positive farming sentiment in the period leading to increased activity levels on-farm. Cropping in general is in excellent condition with a total area of some 7 million hectares of winter and spring combinable plantings providing a strong foundation for the full year result.

Dalgety has made good progress in the period in implementing a variety of business efficiency programmes in addition to actively realigning its service proposition under more customer focussed market segments that emphasise total crop solutions incorporating multi product offers.

Ukraine

On 30 January 2014, the Group completed the acquisition of a 60% controlling interest in the business of Agroscope. Agroscope, which was earnings enhancing in the period, is a leading provider of agronomy services, high specification inputs and advisory support to arable and root crop growers.

The business has performed well in the quarter with favourable sales and margins for agronomy services and inputs reflecting the benefit of an early spring season with a higher level of crop plantings to date. Agroscope is maintaining a cautious planning approach in the current season in light of the recent challenges facing Ukraine.

The integration process will be initially focused on broadening the business' crop management systems capability.

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

Overall Business-to-Business Agri-Inputs delivered a strong performance in the quarter underpinned by increased volumes and margins.

Higher fertiliser demand in the period reflected the benefit of increased winter cropping together with greater visibility on raw material pricing providing confidence to primary producers to invest in nutrition packages. Volumes were also supported through grassland farmers taking advantage of favourable spring weather for fertiliser application to maximise grass production for their winter feed requirements.

The Group's amenity business which provides advice and input solutions to the professional sports turf, landscaping and amenity sectors performed ahead of last year in the third quarter following a return to more normal spring weather conditions which supported increased activity levels reflecting a recovery in demand across all customer channels. Strong product innovation, principally dedicated to the professional sector, is supporting favourable margin development in the business.

Feed ingredients delivered an improved performance in the quarter and year-to-date supported by favourable margin development on the back of strong primary producer returns, principally in the case of dairy enterprises.

Associates and joint ventures

Origin's principle strategic investment, consumer foods company Valeo Foods ("Valeo"), in which the Group has a 32 per cent shareholding, performed in line with expectations during the period. While market conditions in grocery remain highly competitive, Valeo's core brands continued to maintain leadership positions principally through targeted investment in category renovation and extension along with programmes which prioritise the delivery of value to consumers.

During the period Valeo announced the acquisition of Rowse Honey which is the leading honey brand in the UK. The acquisition strongly complements Valeo's existing categories while also providing important geographic diversification to the business.

Appointment of new Chief Financial Officer

As announced on 3 April 2014, Ms Imelda Hurley will be joining the Group as Chief Financial Officer designate in July 2014. She will succeed Mr Brendan Fitzgerald as Chief Financial Officer in August 2014 following Mr Fitzgerald's planned departure which was announced in December 2013. Ms Hurley is currently based in Hong Kong as the Chief Financial Officer of PCH International Holdings, a global supply chain business with operations in Ireland, China and the United States.

Outlook

Origin has consolidated its position as a leading provider of intelligence led agronomy based solutions, input technologies and decision support capabilities for the sustainable development of primary crop enterprises.

On-farm activity in the final quarter will be lower compared to last year when unseasonal weather patterns concentrated activity into the final quarter. However, as a direct result of the strong third quarter performance we are increasing full year earnings guidance in adjusted diluted earnings per share by c.3 per cent to approximately 55.0 cent.

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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