



## Trading Update

**21 November 2011** – Origin Enterprises plc the Agri-Services group, ('Origin' or 'the Group'), issues this Trading Update for the three months to 29 October 2011, 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 solid performance in line with the Group's expectations in the seasonally quiet first quarter of the 2012 financial year.

Group revenue was €315.8 million for the three months compared with €340.6 million in the corresponding period last year.

	<b>FY11</b>	<b>FY12</b>
	<b>€m</b>	<b>€m</b>
Agri-Services	306.0	315.8
Food *	34.6	-
<b>Total Group</b>	<b>340.6</b>	<b>315.8</b>

*\*The decrease is attributable to the completion of the Valeo Foods transaction in November 2010 which transitioned Origin's consumer foods interest from a wholly owned business to an associate.*

### Business review

#### Agri-Services

Revenue was €315.8 million for the three months compared with €306.0 million in the corresponding period last year, an increase of 3.2 per cent. The components of the increase year-on-year for the quarter are outlined in the table below.

<b>Revenue</b>	<b>Attributable to:</b>						
	<b>FY11</b>	<b>FY12</b>	<b>Increase</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>Currency</b>	<b>Underlying</b>
	<b>€m</b>	<b>€m</b>		<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Quarter 1	306.0	315.8	<b>3.2%</b>	17.8	(21.7)	(3.5)	10.6

Integrated agronomy services performed very satisfactorily in the period benefiting from robust activity at farm level. The positive backdrop to farm incomes and related improved investment returns combined with good autumn growing conditions supported favourable demand for full service agronomy and technical seed applications. Current autumn planting estimates are indicating a two per cent increase in wheat area together with a forecast five per cent increase in oil seed rape acreage, providing an excellent platform for the full year result.

Business-to-business agri-inputs has had a good start to the year albeit on lower volumes reflecting customer buying commitments being delayed until closer to the main usage period in the second half of the financial year.

### **Associates and joint venture**

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

- *Valeo Foods Group Limited ('Valeo')*

Economic conditions have continued to adversely impact consumer sentiment resulting in an intensely competitive trading environment for Valeo. Notwithstanding this backdrop, the business made solid progress in the period benefiting from product range repositioning and new brand investment programmes.

- *Welcon Invest AS ('Welcon')*

Welcon, the Group's marine protein and oils joint venture performed to expectation, with profits and margins lower in comparison with the very strong performance last year. Fishmeal and fish oil consumption remains firm across aquaculture and agri-feed markets with a stable outlook for prices expected to support further increases in demand.

### **Increased seasonality**

As outlined at the time of Origin's Preliminary Results announcement the completion of the three acquisitions in agri-services in the second half of the last financial year and the formation of Valeo in November 2010 have increased the seasonality profile of Origin's business. The second half of the financial year will now account for approximately 85 per cent of the Group's annual profits.

### **Outlook**

The current favourable planning environment for primary food producers is expected to support a positive backdrop to agri-services trading in 2012. The integration of United Agri Products, Carrs Fertilisers and Rigby Taylor is progressing to plan. The Group remains firmly focused on 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.

The Group remains comfortable with consensus market estimates for the full year.

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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)