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## **Strategic Consolidation in Irish Grain and Feed Industry**

Origin Enterprises plc ('Origin' or 'the Group') announces that it has reached agreement with W & R Barnett Limited ('Barnett') to establish an all-Ireland grain and feed handling, logistics and trading business ('The transaction'). The all-Ireland business will be formed through the integration of Origin's R & H Hall ('Hall') business in the Republic of Ireland and the business of Origin and Barnett in Northern Ireland.

The transaction supports an important strategic underpinning of the long-term sustainability and competitiveness of Ireland's export orientated agri-food industry through the achievement of further logistical efficiencies and process improvements in the sourcing of the strategic inputs required to maximise on-farm productivity.

The combined business brings together two of Ireland's indigenous grain and non-grain feed ingredient importing businesses servicing the animal feed and cereal milling industries. Committed and long-established partnerships with global ingredient shippers combined with an extensive procurement, logistics and handling capability provide proven access to international markets and sources of supply. A single logistics platform will be created which will support enhanced procurement synergies and a superior service offering to customers.

Under the terms of the transaction Barnett will acquire a 50 per cent interest in Hall mirroring the economic interests of Origin and Barnett in the Northern Ireland business. Hall generated an operating profit of €5.1m for the year ending 31 July 2010 on revenues of €301m. The consideration receivable by Origin on completion will be based on an enterprise value for Hall of €2m. The cash proceeds, €26m based on the agreed enterprise value, will initially be used to repay debt and ultimately to fund development of the Group. The transaction is expected to be earnings neutral for the year ending 31 July 2011 and will be earnings accretive in subsequent years.

The combined business will be led by a strong management team comprised of executives from both Hall and Barnett. Michael McAree will be Managing Director of the combined business.

The transaction is subject to a number of conditions including clearance from the Irish Competition Authority.

**Directors:** O. Killian (Chairman), T. O'Mahony (Chief Executive), B. Fitzgerald (Financial), D. Giblin (Executive), H. Cooney, A. Gray, P. McEniff

**Registered Office:** 151 Thomas Street, Dublin 8. Registered in Ireland No. 426261



## **About Origin Enterprises plc**

Origin Enterprises plc is a leading Agri-Nutrition and Food company listed on the ESM and AIM markets of the Irish and London Stock Exchanges. The Agri-Nutrition division, through its manufacturing and distribution operations in Ireland, the United Kingdom, Poland and Norway has leading market positions in the supply of feed ingredients, integrated agronomy services, crop nutrition and marine proteins and oils. For the year to 31 July 2010 the Agri-Nutrition division generated revenues of €1,077.0m and operating profit of €48.2m.

The Group's Food division comprising sales, marketing, distribution and manufacturing activities in Ireland has leadership positions in ambient food across the retail, food service and manufacturing sectors. For the year to 31 July 2010 the Food division generated revenues of €260.1m and operating profit of €13.8m.

ESM ticker: OIZ

AIM ticker symbol: OGN

Website: [www.originenterprises.com](http://www.originenterprises.com)