

Origin Enterprises plc
INTERIM RESULTS STATEMENT

An encouraging start to trading in seasonally quiet first half

9 March 2017

Origin Enterprises plc ('Origin' or 'the Group'), today announces its interim results for the half year ended 31 January 2017.

Highlights

- Improved first half performance in seasonally quiet trading period
- More stable near term planning environment for primary producers, combined with generally settled weather, has driven good early season demand for agronomy services and inputs
- Solid foundation established for seasonally important second half with cropping base consistent with prior year
- Agreement to acquire the fertiliser blending and nutrition business of Bunn Fertiliser in the UK
- Commencement of a five year collaborative research partnership with University College Dublin to build digitally based agronomy advisory tools
- Origin separately announced today the acquisition of the digital agricultural services group - Resterra
- Interim dividend of 3.15 cent per share (2016: 3.15 cent per share)

Results Summary	6 months ended 31 Jan 2017 €'000	6 months ended 31 Jan 2016 €'000	Change €'000
Group revenue	564,436	507,213	57,223
Group operating profit/(loss)			
- Operating profit/(loss) - Agri-Services*	2,010	(1,790)	3,800
- Associates and joint venture**	1,742	1,476	266
Total group operating profit/(loss)*	3,752	(314)	4,066
Finance cost, net	(3,816)	(3,769)	(47)
Loss before tax*	(64)	(4,083)	4,019
Basic loss per share (cent)	(8.09)	(5.24)	(2.85)
Adjusted diluted earnings/(loss) per share (cent)***	0.25	(2.47)	2.72
Group net debt****	161,584	168,272	(6,688)
Interim dividend per ordinary share (cent)	3.15	3.15	-

* Before amortisation of non-ERP intangible assets and exceptional items

** Profit after interest and tax

*** Before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €2.0 million, 2016: €3.5 million) and exceptional items, net of tax (2017: €8.5 million, 2016: €Nil)

**** Includes restricted cash of €Nil (2016: €2.9m)

Origin Enterprises plc

Chief Executive Officer's comment:

Commenting on the results, Origin Chief Executive Officer, Tom O'Mahony said:

“The Group achieved good volume growth and margin recovery in the seasonally quiet first half of the financial year following a challenging trading year in 2016. Performance was supported by a more stable near term planning environment for primary producers together with the benefit of generally settled weather, which led to increased on-farm activity throughout the period.

Our investment priorities for technology development and strategic acquisitions are focused on capturing growth opportunity in the provision of dynamic crop management systems that meet the requirements of today's primary producer as well as broadening new customer and service potential.

We remain focused on embedding strategic cost initiatives, working capital management and business integration. The consolidation of acquisitions completed in 2016 in the UK, Poland and Romania is progressing as planned. The performance in the period provides a solid foundation for the seasonally more important second half when over 90% of earnings are typically generated.”

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Capital Markets Site Visit

Origin will host an analyst and institutional investor site visit to our Technology Centre in Throws Farm near Stansted, UK, on Wednesday 14 June 2017. Further information will be circulated in due course.

Conference Call

The results announcement is available on the Company website www.originenterprises.com. There will be a live conference call at 8.30am (GMT) today. To participate in this conference call, please dial the number below. Participants are requested to dial in 5 to 10 minutes prior to the scheduled start time.

Participant access numbers:

Ireland:	Tel:	+353 (0)1 247 6528
UK/International:	Tel:	+44 (0)20 3427 1919

Confirmation Code: 9006163

Replay

A replay of this call will be available for seven days.

Replay Access Code: 9006163

Replay Access Numbers:		
Dublin:	Tel:	+353 (0)1 486 0902
UK/International:	Tel:	+44 (0)20 3427 0598

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About Origin Enterprises plc

Origin Enterprises plc is a focused Agri-Services group providing specialist on-farm agronomy services and the supply of crop technologies and inputs. The Group has leading market positions in Ireland, the United Kingdom, Poland, Romania and Ukraine. Origin 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

INTERIM RESULTS STATEMENT

Financial Review – Summary

	6 months ended 31 Jan 2017 €'000	6 months ended 31 Jan 2016 €'000
Group revenue	<u>564,436</u>	<u>507,213</u>
Operating profit/(loss)*	2,010	(1,790)
Associates and joint venture, net**	<u>1,742</u>	<u>1,476</u>
Group operating profit/(loss)*	<u>3,752</u>	<u>(314)</u>
Finance cost, net	<u>(3,816)</u>	<u>(3,769)</u>
Pre-tax loss	<u>(64)</u>	<u>(4,083)</u>
Income tax credit	<u>373</u>	<u>974</u>
Adjusted net profit/(loss)	<u>309</u>	<u>(3,109)</u>
Adjusted diluted earnings/(loss) per share (cent)***	<u>0.25</u>	<u>(2.47)</u>
Adjusted net profit/(loss) reconciliation		
Reported net loss	(10,157)	(6,578)
Amortisation of non-ERP intangible assets	2,307	4,131
Tax on amortisation of non-ERP related intangible assets	(304)	(662)
Exceptional items, net of tax	<u>8,463</u>	<u>-</u>
Adjusted net profit/(loss)	<u>309</u>	<u>(3,109)</u>
Adjusted diluted earnings/(loss) per share (cent)***	<u>0.25</u>	<u>(2.47)</u>

Origin delivered adjusted diluted earnings per share*** for the period of 0.25 cent compared to adjusted diluted loss per share of 2.47 cent in the corresponding period last year. On a like for like basis (excluding the impact of currency movements and acquisitions) the underlying increase was 3.24 cent. The Group's earnings profile is significantly weighted towards the second half of the financial year when over 90 per cent of earnings are typically generated.

Group revenue

Group revenue was €564.4 million compared to €507.2 million in the corresponding period, an increase of 11.3 per cent. On a like for like basis (excluding the impact of currency movements and acquisitions) revenues increased by €52.7 million (10.4 per cent), principally reflecting a combination of increased agronomy service revenue and crop input volumes partially offset by lower fertiliser prices and crop marketing prices and volumes. Underlying volume growth was 12.8 per cent in the period compared to the corresponding period last year.

Operating profit*

Operating profit* from the Agri-Services business was €2.0 million compared to a loss of €1.8 million in the corresponding period. On a like for like basis (excluding the impact of currency movements and acquisitions) the increase year on year was €3.7 million. The performance in the seasonally quiet first half of the year was mainly attributable to the benefit of higher agronomy service revenue and crop input volumes, together with improved margins.

Associates and joint venture**

Origin's share of the profit after interest and taxation from associates and joint venture increased by €0.2 million to €1.7 million.

Financing costs, net debt and working capital

Net finance costs amounted to €3.8 million, in line with the prior period, however average net debt amounted to €210.0 million compared to €166.0 million in the prior period. The movement is primarily due to the impact of the timing of the receipt of disposal proceeds in the comparative period. The net finance cost remained at prior period levels, despite the increase in average net debt, due to the reduced blended interest rates applying to the period's borrowings. Net debt at 31 January 2017 was €161.6 million***** compared with €168.3 million***** at 31 January 2016, and is 1.95 times EBITDA**** for the twelve months to 31 January 2017.

Following the seasonal investment in working capital, the net cash outflow from operating activities was €140.1 million (2016: €168.5 million). During the period there was an increase of €129.3 million in working capital (2016: €145.8 million), principally reflecting seasonal requirements.

Exceptional items

Exceptional items net of tax amounted to a charge of €8.5 million (2016: €Nil), primarily relating to restructuring costs in the UK.

Dividend

An interim dividend of 3.15 cent per share will be paid on 14 April 2017 to shareholders on the register on 31 March 2017.

* *Operating profit/(loss) and Group operating profit/(loss) are stated before amortisation of non-ERP intangible assets and exceptional items*

** *Profit after interest and tax*

*** *Before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €2.0 million, 2016: €3.5 million) and exceptional items, net of tax (2017: €8.5 million, 2016: €Nil)*

**** *Net debt/EBITDA ratio as per the requirements of the Group's syndicated bank loan agreement*

***** *Includes restricted cash of €Nil (2016: €2.9 million)*

Review of Operations

Agri-Services

	2017 €m	2016 €m	Change on prior period	
			Change €m	Underlying** €m
Revenue	564.4	507.2	57.2	52.7
Operating profit/(loss)*	2.0	(1.8)	3.8	3.7

* Before amortisation of non-ERP intangible assets and exceptional items

** Excluding the impact of currency movements and acquisitions

Revenue from Agri-Services comprises the totality of Group revenue. It incorporates integrated agronomy and on-farm services and business-to-business agri-inputs. During the period the Group's operations spanned Ireland, the UK, Poland, Romania and Ukraine.

Revenue and operating profit were €564.4 million and €2.0 million, respectively. On a like for like basis, excluding the impact of currency movements and acquisitions, revenue and operating result increased by €52.7 million and €3.7 million, respectively. This was due to a combination of higher agronomy service revenue, crop input volumes and improved margins, partially offset by lower fertiliser prices and crop marketing prices and volumes.

Ireland and the United Kingdom

Underlying volume growth was 12.6 per cent in the period compared to the corresponding period last year. A more favourable short term outlook for farm incomes is principally reflecting the positive impact on output prices of sterling weakness and tighter global dairy supply. This, together with generally settled autumn and winter weather supporting good crop establishment, drove good early season demand in advance of the main application period in the second half.

Integrated On-Farm Agronomy Services

Origin's agronomy services brand is Agrii, which specialises in offering independent and innovative advice, crop inputs and services to arable, fruit and vegetable growers in the UK.

Agrii performed very satisfactorily in the period achieving volume growth and margin recovery across all service and input portfolios.

On-farm activity was robust in the period, with the planted area for the principal autumn and winter crops at 2.95 million hectares compared with 2.96 million hectares for the comparative period. In the case of winter wheat there is an estimated 1.4 per cent increase in plantings to 1.85 million hectares. Winter oil seed rape sowings are currently estimated at 0.5 million hectares which represents a reduction of approximately 10 per cent on last year, largely due to agronomic and rotational crop planning decisions. The total planted area for spring crops is expected to be approximately 1.4 million hectares, compared to 1.3 million in the prior period.

The business has continued to prioritise its performance improvement agendas together with embedding strategic cost initiatives throughout its operations.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs delivered a good result in the period, with an improved performance principally underpinned by year-on-year growth in fertiliser volumes in the UK.

Fertiliser

The Group's fertiliser brands comprise Goulding in Ireland and Origin Fertilisers in the UK.

Against the backdrop of highly competitive trading conditions, the business recorded higher volumes and improved margins in the UK in the period. Strong early season demand reflected greater certainty in fertiliser raw material pricing which provided confidence to primary producers to fix a proportion of their nutrition requirements ahead of the main application period in the second half of the financial year.

Performance in Ireland was satisfactory during the seasonally quiet period for the business.

We anticipate higher market volumes for the year as a whole with application expected to be positively influenced by higher livestock numbers and improved returns for primary dairy producers.

Amenity

Origin Amenity addresses the maintenance and improvement requirements of the professional sports turf, landscaping and amenity sectors in the UK. It comprises the advisory and input service brands of Rigby Taylor and Headland Amenity, together with the PB Kent portfolio of specialist nutrition applications.

Origin Amenity delivered a good performance in the period, underpinned by further development momentum within the professional sports channel. Headland Amenity, which was acquired in 2016, is performing in line with expectations and the integration progressing as planned.

Feed Ingredients

Feed Ingredients achieved a satisfactory result in the period underpinned by a stable volume performance. Spot demand was generally robust throughout the period while currency volatility impacted customer forward buying momentum.

Central and Eastern Europe

Underlying volume growth was 13.6 per cent in the period compared to the corresponding period last year. Overall there was a satisfactory performance in the seasonally quiet trading period, with good early season momentum in the case of value added crop technologies. Sentiment on-farm is generally cautious as a result of the challenging year experienced by primary producers in 2016. A more concentrated or just-in-time demand profile for services and inputs is anticipated in the second half of the financial year.

Poland

The Group's Polish farm services business, Agrii, performed satisfactorily against lower demand in the period reflecting the impact of a very difficult growing season in 2016 and delayed autumn harvest conditions. The integration of the Kazgod Group, acquired in November 2015, is substantially complete with strong progress achieved to date in relation to customer channel and service portfolio alignment. Autumn and winter crop plantings are equivalent to last year at approximately 5.3 million hectares with no significant establishment issues arising at this stage.

The expansion of Agrii's seed processing and input formulation capacity commenced during the period. This €6 million capital project is expected to be operational early in the 2018 financial year.

Romania

The Group's Romanian operations, comprising the farm service brands of Comfert and Redoxim delivered a very satisfactory result in the period. Performance reflected increased volumes supported by new customer gains together with the benefit of higher margins.

Autumn and winter crop establishment is generally satisfactory against the backdrop of weather related delays to cereal and oil seed rape plantings which is expected to result in a larger area devoted to spring cropping this year. Total plantings for the principal winter crops are estimated at 3.30 million hectares compared with 3.25 million hectares last year. Total oil seed rape plantings are estimated at 600,000 hectares compared with 380,000 hectares for the comparative period.

Integration is progressing to plan with the primary focus concentrated on the development of enhanced technical sales support together with the further development of trial demonstration farms and knowledge transfer infrastructure.

Ukraine

The Group's Ukrainian farm services platform, Agroscope International, achieved higher revenues and margins in the period with performance principally underpinned by good momentum in the sale of value added technologies.

Autumn and winter crop plantings are estimated at 7.6 million hectares compared with 5.8 million hectares last year. Crops are generally well established and in good condition. Total crop plantings for the 2017 production year are expected to be in line with last year at 22.0 million hectares, approximately.

The financing environment for primary producers is currently more favourable and is generally reflective of an improved macro-economic backdrop.

Associates and joint venture

John Thompson & Sons Limited ('John Thompson')

John Thompson, the largest single site multi species animal feed mill in the European Union, in which Origin has a 50 per cent shareholding, delivered a satisfactory result in the period.

Other Group developments

On 12 December 2016, the Group announced the establishment of a dedicated digital, precision agriculture and crop science research partnership with University College Dublin ('UCD'), supported by Science Foundation Ireland ('SFI'). The five year development programme underpinning the research partnership will be financed by a €17.6 million investment which is co-funded by Origin and SFI. The collaboration encompasses a strong multi and inter-disciplinary approach, combining the expertise of UCD in data science and agricultural science with Origin's integrated crop management research and data, system capabilities and extensive on-farm knowledge exchange networks. The aim of the programme is to build digitally based and user driven advisory tools that provide rapid and localised decision support for agronomists and farmers.

Separately, Origin announced today the acquisition of the digital agricultural services group, the Resterra Group ('Resterra'). Under the terms of the transaction, Origin has acquired 100 per cent of the share capital of Resterra, on a debt free cash free basis, for consideration of £11.4 million. Additional contingent deferred consideration of up to £4.8 million will be payable upon the achievement of specific profit targets. Resterra specialises in the delivery of bespoke precision agronomy applications and is a leading provider of agri-tech services to primary producers, input manufacturers and agri-service companies to create, automate and systemise information access for rapid decision making. Resterra will enhance Origin's service capability in existing and wider geographies in addition to strongly complementing the work of the Origin-UCD collaborative partnership.

On 7 March 2017, Origin announced that it had reached agreement to acquire the fertiliser activities and certain assets of Bunn Fertiliser Limited in the UK ('Bunn') based on an enterprise value consideration of £18.2 million. Bunn is a leading provider of prescription fertiliser blends and nutrition management systems servicing arable, grassland and horticultural sectors. The transaction extends Origin's existing fertiliser blending activities, as well as its customer service capabilities, and will enable the Group to optimise operational and logistical efficiencies. The acquisition is subject to a number of conditions including clearance from the Competition and Markets Authority in the UK.

Outlook

The Group is well positioned to respond to current market conditions, and the encouraging start to the seasonally quiet first half provides a good foundation for the seasonally more important second half of the financial year when over 90 per cent of earnings typically arise.

A further update will be provided at the timing of the announcement of the third quarter Trading Update on 25 May 2017.

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Origin Enterprises plc

Condensed Interim Consolidated Income Statement

for the six months ended 31 January 2017

	Notes	Six months ended January 2017 Pre- Exceptional €'000	Six months ended January 2017 Exceptional €'000 (Note 4)	Six months ended January 2017 Total €'000	Six months ended January 2016 Total €'000 (Note 6)	Year ended July 2016 Total €'000 (Note 6)
Revenue	3	564,436	-	564,436	507,213	1,521,256
Cost of sales		(493,556)	-	(493,556)	(438,477)	(1,300,712)
Gross profit		70,880	-	70,880	68,736	220,544
Operating costs		(71,177)	(10,378)	(81,555)	(74,657)	(152,625)
Share of profit of associates and joint venture		1,742	-	1,742	1,476	5,621
Operating profit/(loss)	3	1,445	(10,378)	(8,933)	(4,445)	73,540
Finance income		262	-	262	273	453
Finance expense		(4,078)	-	(4,078)	(4,042)	(7,820)
(Loss)/profit before income tax		(2,371)	(10,378)	(12,749)	(8,214)	66,173
Income tax credit/(expense)		677	1,915	2,592	1,636	(8,372)
(Loss)/profit attributable to equity shareholders		(1,694)	(8,463)	(10,157)	(6,578)	57,801
				Six months ended January 2017	Six months ended January 2016	Year ended July 2016
Basic (loss)/earnings per share	5			(8.09c)	(5.24c)	46.03c
Diluted (loss)/earnings per share	5			(8.06c)	(5.24c)	45.85c

Origin Enterprises plc

Condensed Interim Consolidated Statement of Comprehensive Income for the six months ended 31 January 2017

	Six months ended January 2017 €'000	Six months ended January 2016 €'000	Year ended July 2016 €'000
(Loss)/profit for the period	(10,157)	(6,578)	57,801
Other comprehensive (expense)/income			
Items that are not reclassified subsequently to the Group income statement:			
<i>Group/Associate defined benefit pension obligations</i>			
- remeasurements of Group's defined benefit pension schemes	(777)	(109)	(4,881)
- deferred tax effect of remeasurements	193	81	926
- share of remeasurements on associate's defined benefit pension schemes	(3,058)	(372)	(356)
- share of deferred tax effect of remeasurements- associates	551	74	71
Items that may be reclassified subsequently to the Group income statement:			
<i>Group foreign exchange translation details</i>			
- exchange difference on translation of foreign operations	(2,489)	(13,987)	(29,008)
<i>Group/Associate cash flow hedges</i>			
- effective portion of changes in fair value of cash flow hedges	1,566	2,205	1,633
- fair value of cash flow hedges transferred to operating costs	(1,721)	(847)	(473)
- deferred tax effect of cash flow hedges	95	(356)	(243)
- share of associates and joint venture cash flow hedges	(1,372)	3,790	2,405
- deferred tax effect of share of associates and joint venture cash flow hedges	171	(474)	(301)
Other comprehensive expense for the period, net of tax	(6,841)	(9,995)	(30,227)
Total comprehensive (expense)/income for the period attributable to equity shareholders	(16,998)	(16,573)	27,574

Origin Enterprises plc

Condensed Interim Consolidated Statement of Financial Position as at 31 January 2017

	Notes	January 2017 €'000	January 2016 €'000	July 2016 €'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	103,151	108,178	102,796
Investment properties		9,675	7,575	9,675
Goodwill and intangible assets	8	188,973	181,557	192,696
Investments in associates and joint venture	9	33,092	38,087	39,008
Other financial assets		862	2,341	2,550
Derivative financial instruments		168	-	-
Deferred tax assets		7,132	4,391	7,376
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Total non-current assets		343,053	342,129	354,101
		<hr/>	<hr/>	<hr/>
Current assets				
Inventory		202,255	224,279	163,438
Trade and other receivables		254,212	256,671	430,026
Derivative financial instruments		1,077	2,145	1,337
Restricted cash		-	2,937	2,948
Cash and cash equivalents		74,499	66,659	168,199
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Total current assets		532,043	552,691	765,948
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TOTAL ASSETS		875,096	894,820	1,120,049
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Origin Enterprises plc

Condensed Interim Consolidated Statement of Financial Position *(continued)* as at 31 January 2017

	Notes	January 2017 €'000	January 2016 €'000	July 2016 €'000
EQUITY				
Called up share capital presented as equity	12	1,264	1,264	1,264
Share premium		160,399	160,399	160,399
Retained earnings and other reserves		78,346	77,448	117,639
TOTAL EQUITY		240,009	239,111	279,302
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings		217,363	218,620	159,124
Deferred tax liabilities		18,597	18,037	19,109
Put option liability		7,998	16,691	10,358
Provision for liabilities	10	3,997	2,846	4,010
Post employment benefit obligations		7,575	3,411	7,713
Derivative financial instruments		100	1,407	628
Total non-current liabilities		255,630	261,012	200,942
Current liabilities				
Interest-bearing borrowings		18,720	19,248	8,901
Trade and other payables		343,140	349,281	604,404
Corporation tax payable		8,343	17,830	16,140
Provision for liabilities	10	8,071	7,914	9,768
Derivative financial instruments		1,183	424	592
Total current liabilities		379,457	394,697	639,805
TOTAL LIABILITIES		635,087	655,709	840,747
TOTAL EQUITY AND LIABILITIES		875,096	894,820	1,120,049

Origin Enterprises plc

Condensed Interim Consolidated Statement of Changes in Equity for the six months ended 31 January 2017

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share- based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2016	1,264	160,399	(8)	134	1,273	12,843	-	(196,884)	(27,402)	327,683	279,302
Loss for the period	-	-	-	-	-	-	-	-	-	(10,157)	(10,157)
Other comprehensive expense for the period	-	-	-	-	(1,261)	-	-	-	(2,489)	(3,091)	(6,841)
Share-based payment charge	-	-	-	-	-	-	121	-	-	-	121
Dividend paid to shareholders (Note 14)	-	-	-	-	-	-	-	-	-	(22,416)	(22,416)
At 31 January 2017	1,264	160,399	(8)	134	12	12,843	121	(196,884)	(29,891)	292,019	240,009

Origin Enterprises plc

Condensed Interim Consolidated Statement of Changes in Equity for the six months ended 31 January 2016

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share- based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2015	1,264	160,399	(12)	134	(1,748)	12,843	1,749	(196,884)	1,606	303,004	282,355
Loss for the period	-	-	-	-	-	-	-	-	-	(6,578)	(6,578)
Other comprehensive income/(expense) for the period	-	-	-	-	4,318	-	-	-	(13,987)	(326)	(9,995)
Share-based payment credit	-	-	-	-	-	-	(300)	-	-	-	(300)
Dividend paid to shareholders (Note 14)	-	-	-	-	-	-	-	-	-	(26,371)	(26,371)
At 31 January 2016	1,264	160,399	(12)	134	2,570	12,843	1,449	(196,884)	(12,381)	269,729	239,111

Origin Enterprises plc

Condensed Interim Consolidated Statement of Cash Flows for the six months ended 31 January 2017

	Six months ended January 2017 €'000	Six months ended January 2016 €'000	Year ended July 2016 €'000
Cash flows from operating activities			
(Loss)/profit before tax	(12,749)	(8,214)	66,173
Exceptional items	10,378	-	(4,955)
Finance income	(262)	(273)	(453)
Finance expense	4,078	4,042	7,820
Profit on disposal of property, plant and equipment	(132)	(16)	(143)
Share of profit of associates and joint venture	(1,742)	(1,476)	(5,621)
Depreciation of property, plant and equipment	3,378	3,248	7,073
Amortisation of intangible assets	3,597	5,368	6,800
Employee share-based payment charge/(credit)	121	(300)	(300)
Pension contributions in excess of service costs	(821)	(4,158)	(3,978)
Payment of exceptional rationalisation costs	(8,331)	(7,256)	(7,202)
Payment of employment related incentive costs	-	(8,600)	(9,312)
Payment of exceptional acquisition costs	(275)	(658)	(1,392)
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Operating cash flow before changes in working capital	(2,760)	(18,293)	54,510
Increase in inventory	(40,980)	(55,622)	(3,610)
Decrease/(increase) in trade and other receivables	171,455	143,413	(60,368)
(Decrease)/increase in trade and other payables	(259,751)	(233,550)	43,328
	<hr/>	<hr/>	<hr/>
Cash (absorbed)/generated from operating activities	(132,036)	(164,052)	33,860
Interest paid	(2,817)	(2,727)	(6,575)
Income tax paid	(5,222)	(1,714)	(11,635)
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Cash (outflow)/inflow from operating activities	(140,075)	(168,493)	15,650
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Origin Enterprises plc

Condensed Interim Consolidated Statement of Cash Flows *(continued)* for the six months ended 31 January 2017

	Six months ended January 2017 €'000	Six months ended January 2016 €'000	Year ended July 2016 €'000
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	225	169	1,133
Proceeds from sale of equity investment	-	-	1,051
Purchase of property, plant and equipment	(3,794)	(4,147)	(6,789)
Additions to intangible assets	(857)	(537)	(1,640)
Arising on acquisitions	(956)	(56,575)	(62,461)
Payment of put option liability	(1,746)	-	-
Payment of contingent acquisition consideration	(3,015)	-	(1,000)
Restricted cash	2,948	26,421	26,410
Investment in associates and joint venture	-	(172)	(164)
Dividends received from associates	3,697	2,936	2,942
	<hr/>	<hr/>	<hr/>
Cash outflow from investing activities	(3,498)	(31,905)	(40,518)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Drawdown of bank loans	64,050	95,348	47,234
Bank overdraft arising on acquisition	-	(10,108)	(10,108)
Payment of dividends to equity shareholders (Note 14)	(22,416)	(26,371)	(30,327)
Increase/(decrease) of finance lease obligations	67	114	(22)
	<hr/>	<hr/>	<hr/>
Cash inflow from financing activities	41,701	58,983	6,777
	<hr/>	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(101,872)	(141,415)	(18,091)
Translation adjustment	(1,610)	(2,865)	(14,255)
Cash and cash equivalents at start of period	159,457	191,803	191,803
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period (Note 11)	55,975	47,523	159,457
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements

for the six months ended 31 January 2017

1 Basis of preparation

The Group condensed interim consolidated financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), as endorsed by the EU. The condensed interim consolidated financial statements have been prepared as information for the shareholders and do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements in respect of the year ended 31 July 2016, which have been prepared in accordance with IFRSs. The financial statements for the year ended 31 July 2016 are available on the company's website www.originenterprises.com. Those financial statements contained an unqualified audit report.

The Goup condensed interim consolidated financial statements for the six months ended 31 January 2017 and the comparative figures for the six months ended 31 January 2016 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 July 2016 represents an abbreviated version of the Group's full accounts for that year.

The Group condensed interim consolidated financial statements are presented in euro and rounded to the nearest thousand, which is the functional currency of the parent.

A comprehensive review of the Group's performance for the six months ended 31 January 2017 is included in the financial highlights section included on pages 5 to 10. The group's business is seasonal and is heavily weighted towards the second half of the financial year.

2 Accounting policies

Except as described below, the Group interim financial statements have been prepared on the basis of the accounting policies as set out on pages 64 to 69 of the Group's Annual Report for the year ended 31 July 2016.

The following amendments, issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the Group for the first time in the current financial period and where relevant have been adopted by the Group:

- Annual improvements 2012-2014 cycle;
- Amendment to IFRS 10 "Consolidated financial statements";
- Amendment to IFRS 11 "Joint arrangements";
- Amendment to IFRS 12 "Disclosure of interests in other entities";
- Amendment to IAS 1 "Presentation of financial statements";
- Amendment to IAS 16 "Property, plant and equipment";
- Amendment to IAS 27 "Separate financial statements";
- Amendment to IAS 28 "Investment in associates";
- Amendment to IAS 38 "Intangible assets".

The above amendments are effective for accounting periods beginning on or after 1 January 2016.

Adoption of the standards above has had no significant impact on the results or financial position of the Group during the period.

The Group has not applied early adoption of any standards for which the effective date is not yet required.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

3 Segment information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segments and to assess their performance. Two operating segments have been identified: Agri-Services and Associates and Joint Venture.

Origin's Agri-Services segment comprises integrated agronomy services and agri-inputs. The Associates and Joint Venture operating segment is comprised of the feed ingredient businesses.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Executive Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments.

(i) Segment revenue and result

	Agri-Services		Associates & Joint Venture		Total Group	
	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000
Total revenue	564,436	507,213	142,786	154,665	707,222	661,878
Less revenue from associates and joint venture	-	-	(142,786)	(154,665)	(142,786)	(154,665)
Revenue	564,436	507,213	-	-	564,436	507,213
Segment result	2,010	(1,790)	1,742	1,476	3,752	(314)
Amortisation of non-ERP intangible assets					(2,307)	(4,131)
Total operating profit/(loss) before exceptional items					1,445	(4,445)
Exceptional loss					(10,378)	-
Operating loss					(8,933)	(4,445)

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

3 Segment information (continued)

(ii) Segment earnings before financing costs and tax is reconciled to reported loss before tax and loss after tax as follows:

	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000
Segment earnings before financing cost and tax	(8,933)	(4,445)
Finance income	262	273
Finance expense	(4,078)	(4,042)
Reported loss before tax	(12,749)	(8,214)
Income tax credit	2,592	1,636
Reported loss after tax	(10,157)	(6,578)

(iii) Segment assets

	Agri-Services		Associates & Joint Venture		Total Group	
	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000
Segment assets excluding investment in associates and joint venture and investment properties (including other financial assets)	748,895	772,404	-	-	748,895	772,404
Investment in associates and joint venture (including other financial assets)	-	-	33,650	38,709	33,650	38,709
Segment assets	748,895	772,404	33,650	38,709	782,545	811,113

Reconciliation to total assets as reported in Condensed Interim Consolidated Statement of Financial Position

Cash and cash equivalents	74,499	66,659
Restricted cash	-	2,937
Investment properties	9,675	7,575
Derivative financial instruments	1,245	2,145
Deferred tax assets	7,132	4,391
Total assets as reported in Condensed Interim Consolidated Statement of Financial Position	875,096	894,820

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

3 Segment information (continued)

(iv) Segment liabilities	Agri-Services		Associates & Joint Venture		Total Group	
	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000	Six months ended 31/01/17 €'000	Six months ended 31/01/16 €'000
Segment liabilities	370,781	380,143	-	-	370,781	380,143

Reconciliation to total liabilities as reported in Condensed Interim Consolidated Statement of Financial Position

Interest-bearing loans and liabilities	236,083	237,868
Derivative financial instruments	1,283	1,831
Current and deferred tax liabilities	26,940	35,867
Total liabilities as reported in Condensed Interim Consolidated Statement of Financial Position	635,087	655,709

4 Exceptional items

Exceptional items are those that, in management's judgement, should be disclosed separately by virtue of their nature or amount. Such items are included within the consolidated income statement caption to which they relate. The following exceptional items arose in the period:

	Six months ended January 2017 €'000	Six months ended January 2016 €'000
Rationalisation and other costs (i)	8,115	-
Transaction costs (ii)	348	-
Total exceptional charge, net of tax	8,463	-

(i) Rationalisation costs primarily comprise termination payments arising from a restructuring of Agri-Services in the UK. The tax impact of this exceptional item in the current period is a tax credit of €1.9 million.

(ii) Transaction costs principally consist of acquisition related costs incurred.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

5 (Loss)/earnings per share

Basic loss per share

	Six months ended January 2017 €'000	Six months ended January 2016 €'000
Loss for the financial period attributable to equity shareholders	<u>(10,157)</u>	<u>(6,578)</u>
	'000	'000
Weighted average number of ordinary shares for the period	<u>125,578</u>	<u>125,578</u>
	Cent	Cent
Basic loss per share	<u>(8.09)</u>	<u>(5.24)</u>

Diluted loss per share

	Six months ended January 2017 €'000	Six months ended January 2016 €'000
Loss for the financial period attributable to equity shareholders	<u>(10,157)</u>	<u>(6,578)</u>
	'000	'000
Weighted average number of ordinary shares used in basic calculation	125,578	125,578
Impact of SAYE scheme	495	-
Weighted average number of ordinary shares (diluted) for the period	<u>126,073</u>	<u>125,578</u>
	Cent	Cent
Diluted loss per share	<u>(8.06)</u>	<u>(5.24)</u>

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

5 (Loss)/earnings per share (continued)

Adjusted basic earnings/(loss) per share

	Six months ended January 2017 €'000	Six months ended January 2016 €'000
Loss for the financial period attributable to equity shareholders	(10,157)	(6,578)
Amortisation of non-ERP related intangible assets	2,307	4,131
Tax on amortisation of non-ERP related intangible assets	(304)	(662)
Exceptional items, net of tax	8,463	-
	<hr/>	<hr/>
Adjusted basic earnings/(loss)	309	(3,109)
	<hr/>	<hr/>
	Cent	Cent
Adjusted basic earnings/(loss) per share	0.25	(2.47)
	<hr/>	<hr/>
Adjusted diluted earnings/(loss) per share		
	<hr/>	<hr/>
Total adjusted basic earnings/(loss) - as above	309	(3,109)
	<hr/>	<hr/>
	Cent	Cent
Total adjusted diluted earnings/(loss) per share	0.25	(2.47)
	<hr/>	<hr/>

The calculation of basic adjusted earnings/(loss) per share is based on the weighted average number of shares in issue during the period of 125,578,447 (31 January 2016: 125,578,447). The weighted average number of shares used in the calculation of adjusted diluted earnings/(loss) per share is 126,073,154 (31 January 2016: 125,578,447).

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

6 Condensed Interim Consolidated Income Statements for the six months ended 31 January 2016 and year ended 31 July 2016

An analysis of the Condensed Interim Consolidated Income Statement (including exceptional items) for the six months ended 31 January 2016 and year ended 31 July 2016 is set out below.

Six months ended 31 January 2016

	Six months ended January 2016 Pre- Exceptional €'000	Six months ended January 2016 Exceptional €'000	Six months ended January 2016 Total €'000
Revenue	507,213	-	507,213
Cost of sales	(438,477)	-	(438,477)
Gross profit	68,736	-	68,736
Operating costs	(74,657)	-	(74,657)
Share of profit of associates and joint venture	1,476	-	1,476
Operating loss	(4,445)	-	(4,445)
Finance income	273	-	273
Finance expense	(4,042)	-	(4,042)
Loss before income tax	(8,214)	-	(8,214)
Income tax credit	1,636	-	1,636
Loss for the period	(6,578)	-	(6,578)

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

6 Condensed Interim Consolidated Income Statements for the six months ended 31 January 2016 and year ended 31 July 2016 *(continued)*

Year ended 31 July 2016

	Year ended July 2016 Pre- Exceptional €'000	Year ended July 2016 Exceptional €'000	Year ended July 2016 Total €'000
Revenue	1,521,256	-	1,521,256
Cost of sales	(1,300,712)	-	(1,300,712)
Gross profit	220,544	-	220,544
Operating costs	(157,580)	4,955	(152,625)
Share of profit of associates and joint venture	5,621	-	5,621
Operating profit	68,585	4,955	73,540
Finance income	453	-	453
Finance expense	(7,820)	-	(7,820)
Profit before income tax	61,218	4,955	66,173
Income tax expense	(8,151)	(221)	(8,372)
Profit for the year	53,067	4,734	57,801

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

7 Property, plant and equipment

	January 2017 €'000	July 2016 €'000
Net book value		
At beginning of period	102,796	97,889
Arising on acquisitions (Note 13)	-	14,804
Additions	4,452	6,780
Disposals	(93)	(990)
Depreciation charge	(3,378)	(7,073)
Translation adjustments	(626)	(8,614)
	<hr/>	<hr/>
At end of period	103,151	102,796
	<hr/> <hr/>	<hr/> <hr/>

8 Goodwill and intangible assets

	January 2017 €'000	July 2016 €'000
Net book value		
At beginning of period	192,696	161,401
Arising on acquisitions (Note 13)	-	51,216
Additions	857	7,859
Amortisation of non-ERP intangible assets	(2,307)	(4,294)
ERP intangible amortisation	(1,290)	(2,506)
Translation adjustments	(983)	(20,980)
	<hr/>	<hr/>
At end of period	188,973	192,696
	<hr/> <hr/>	<hr/> <hr/>

Included in the total goodwill and intangible assets above is goodwill of €118,063,000 (July 2016: €111,274,000). There have been no indicators of impairment in the first half of the year therefore a full assessment of the carrying value of goodwill and intangibles will be carried out in the second half of the year.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

9 Investments in associates and joint venture

	January 2017 €'000	July 2016 €'000
At beginning of period	39,008	38,537
Share of profits after tax	1,742	5,621
Dividends received	(3,697)	(2,942)
Share of other comprehensive(expense)/ income	(3,708)	1,819
Translation adjustments	(253)	(4,027)
	<hr/>	<hr/>
At end of period	33,092	39,008
	<hr/> <hr/>	<hr/> <hr/>

10 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	January 2017 €'000	July 2016 €'000
At beginning of period	13,778	11,470
Arising on acquisition	-	7,585
Provided in period	9,677	4,253
Paid in period	(11,346)	(8,229)
Released in period	-	(210)
Translation adjustments	(41)	(1,091)
	<hr/>	<hr/>
At end of period	12,068	13,778
	<hr/> <hr/>	<hr/> <hr/>

Provisions for liabilities relate to various operating and employment related costs and contingent acquisition consideration that arose on acquisitions during the prior year ended 31 July 2016.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

11 Analysis of net debt

	31 July 2016 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	31 January 2017 €'000
Cash	168,199	(92,155)	-	(1,545)	74,499
Overdraft	(8,742)	(9,717)	-	(65)	(18,524)
Cash and cash equivalents	159,457	(101,872)	-	(1,610)	55,975
Finance lease obligations	(358)	(67)	-	10	(415)
Loans	(158,925)	(64,050)	(351)	6,182	(217,144)
Net cash/(debt)	174	(165,989)	(351)	4,582	(161,584)
Restricted cash	2,948	(2,948)	-	-	-
Net cash/(debt) including restricted cash	3,122	(168,937)	(351)	4,582	(161,584)

The loans included above are unsecured and the facility extends to May 2020.

12 Share capital

	January 2017 €'000	July 2016 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	<u>2,500</u>	<u>2,500</u>
Allotted, called up and fully paid		
126,378,777 ordinary shares of €0.01 each (i)	<u>1,264</u>	<u>1,264</u>

- (i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

13 Acquisition of subsidiary undertakings

During the prior year the Group completed a number of acquisitions in Romania and Poland, with additional bolt-on acquisitions in the United Kingdom. These acquisitions improved the strategic position of the Group's integrated agronomy services business and further the Group's focus on building new capability, systems and process development along with organisational simplification.

Details of the acquisitions are as follows:

- (i) On 17 September 2015 the Group completed the acquisition of 100 per cent of Redoxim SRL. Based in Romania, Redoxim SRL is a leading provider of agronomy services, macro and micro inputs to arable, vegetable and horticulture growers.
- (ii) On 23 November 2015 the Group completed the acquisition of 100 per cent of the Kazgod Group. Based in Poland, the Kazgod Group is a leading provider of agronomy services, inputs, crop marketing solutions as well as a manufacturer of micro nutrition applications.
- (iii) On 16 December 2015 the Group completed the acquisition of 100 per cent of Comfort SRL. Based in Romania, Comfort SRL is a leading provider of agronomy services, integrated inputs and crop marketing support to arable and vegetable growers.
- (iv) On 20 August 2015 the Group completed the acquisition of 100 per cent of ReSo Seeds Limited. Based in the United Kingdom, ReSo Seeds Limited is a leading mobile seed cleaning and processing specialist company.
- (v) On 1 July 2016 the Group completed the acquisition of 100 per cent of Headland Amenity Limited. Based in the United Kingdom, Headland Amenity Limited is a technically advanced supplier of products and synergistic programmes to improve sports turf surfaces.

Subsequent to the finalisation of the consolidated financial statements that were issued on 27 September 2016, certain adjustments were identified to the initial fair value accounting of acquisitions that were completed during the twelve months ended 31 July 2016. In line with Group policy, any adjustments to the initial accounting for a business combination are recognised within twelve months of the acquisition date and are effected as if they were identified at the acquisition date.

These adjustments have been included in the comparative year end 31 July 2016 numbers presented in the Condensed Interim Consolidated Statement of Financial Position and the related notes therein and represent adjustments of the goodwill and trade and other payables balances.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

13 Acquisition of subsidiary undertakings (continued)

Details of the net assets acquired and goodwill (excluding debt acquired) arising from the business combinations are as follows:

	Fair value €'000
Assets	
Non-current	
Property, plant and equipment	14,804
Intangible assets	17,131
Other financial assets	1,656
Deferred tax asset	1,777
	<hr/>
Total non-current assets	35,368
	<hr/>
Current assets	
Inventory	23,682
Trade receivables	73,627
Other receivables	9,120
	<hr/>
Total current assets	106,429
	<hr/>
Liabilities	
Trade and other payables	(95,457)
Finance lease obligation	(250)
Corporation tax	(752)
Deferred tax liability	(2,650)
	<hr/>
Total liabilities	(99,109)
	<hr/>
Total identifiable net assets at fair value	42,688
Goodwill arising on acquisition	34,085
	<hr/>
Total net assets acquired (excluding debt acquired)	76,773
	<hr/>
Consideration satisfied by:	
Cash consideration	45,605
Cash acquired	(5,181)
	<hr/>
Net cash outflow	40,424
	<hr/>
Deferred consideration	3,472
Contingent consideration	4,113
	<hr/>
Consideration	48,009
Debt acquired	28,764
	<hr/>
Consideration plus debt acquired	76,773
	<hr/>

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2017

14 Dividends

On 18 December 2016 a final dividend of 17.85 cent per ordinary share was paid in respect of the year ended 31 July 2016 which when combined with the interim dividend of 3.15 cent per ordinary share brings the total dividend for the year ended 31 July 2016 to 21 cent per ordinary share.

An interim dividend of 3.15 cent (2016: 3.15 cent) per ordinary share will be paid on 14 April 2017 to shareholders on the register on 31 March 2017. These condensed interim consolidated financial statements do not reflect this dividend payable.

15 Taxation

The taxation expense for the interim period is an estimate based on the expected full year effective tax rate on full year profits.

16 Contingent liabilities

The Group is not aware of any major changes with regard to contingent liabilities in comparison with the situation as of 31 July 2016.

17 Financial commitments

The Group has a financial commitment of €8.8 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period.

18 Related party transactions

Related party transactions occurring in the period were similar in nature to those described in the 2016 Annual Report.

19 Release of half yearly condensed interim consolidated financial statements

The Group condensed interim consolidated financial information was approved for release by the Board on 8 March 2017.

20 Distribution of Interim Report

This interim report is available on the Group's website (www.originenterprises.com). A printed copy is available to the public at the Company's registered office.

21 Subsequent events

On 7 March 2017 Origin announced it had reached agreement to acquire the fertiliser activities and certain assets of Bunn Fertilisers Limited ('the transaction'). Under the terms of the transaction, Origin will acquire the business on a debt free and cash free basis for a consideration of £14.2 million payable in cash on completion. The total enterprise value of the transaction inclusive of estimated average working capital is expected to be £18.2 million. Completion of the transaction is subject to a number of conditions including obtaining clearance from the Competition and Markets Authority in the United Kingdom.

On 9 March 2017 Origin announced that it had acquired the digital agricultural services group, the Resterra Group ('Resterra'). Under the terms of the transaction Origin has acquired 100 percent of Resterra, on a debt free cash free basis, for consideration of £11.4 million. Additional contingent deferred consideration of up to £4.8 million will be payable based upon the achievement of specific profit targets.