

Donegal Creameries plc (“Donegal” or the “Company”)

8 November 2011

Donegal Creameries plc agrees to acquire the Scottish based grower and marketer of seed potatoes AJ Allan Seed Potatoes

Donegal has today through its seed potato marketing subsidiary, Irish Potato Marketing (“**IPM**”), completed the acquisition of AJ Allan Seed Potatoes (“**AJ Allan**”), the Scottish based grower and marketer of seed potatoes.

AJ Allan is based in Brechin, Scotland and grows approximately 12,000 tons per annum of certified seed potatoes which will add to IPM’s existing 50,000 annual tons. Furthermore, the acquisition will strengthen IPM’s production base in Scotland by adding a new dimension of direct growing to augment IPM’s current contract growing arrangements. IPM will use the AJ Allan platform to further grow its sales of proprietary seed potato varieties into the 35 global markets in which it currently operates. AJ Allan has well invested storage and grading facilities.

AJ Allan has been in business for nearly 50 years and is located in the Angus region of Scotland which is recognised globally as a centre for the production of high quality certified seed potatoes.

IPM is headquartered in Dublin and has subsidiary companies in Scotland, Holland and Brazil.

The acquisition of AJ Allan is consistent with Donegal’s key strategic focus of developing its global certified seed potato.

End.

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