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Genus plc
('Genus' or 'the Company')

Interim Management Statement

Genus, a leading global animal genetics company, today publishes its interim management statement for the four month period ended 30 April 2009.

Trading performance

Genus continued to trade in line with the Board's expectations.

Based on results for the three months to 31 March 2009, trading followed the trend seen at the half year. Profits were well ahead of the prior year, driven by US Dollar and Euro strength against Sterling. In constant currency profits were at similar levels to the prior year.

In the current economic environment, market conditions for Genus' customers in the USA and Western Europe remained challenging but continued to be less so in Genus' other markets.

Overall Porcine performance continued to be robust. In Bovine, the US dairy sector slowed as milk prices continued to fall. This has resulted in increased price competition and trading down by some of Genus' US customers. The impact on profitability has been mitigated by the US productivity improvement programme commenced in January 2009.

Financial Position

Cash flow for the Group in the period was positive despite the payment of the Company's annual dividend in January 2009 and continued planned investment in growth. The Group's net debt at the end of March was £102.7m (31 December 2008: £99.3m). This marginal increase was due to the impact of exchange rate movements on debt levels.

Outlook

Given the challenging global economic environment, Genus expects the markets for its customers to remain challenging in the short term, particularly in the USA. However, the impact on Genus' business is being limited by the Group's geographic and product diversity as well as the robustness of its business model.

There has been considerable media coverage regarding the recent outbreak of influenza in Mexico and a number of other countries. Dubbed 'swine flu' it is a human strain of an H1N1 flu virus which has been found in humans and cannot be caught by consuming meat products.

None of Genus' pure line breeding animals is infected with influenza. They are kept under strict bio-security regimes in nucleus farms in the USA and Canada.

Speculation regarding the impact of the outbreak has resulted in a reduction in pig prices and precautionary import bans of swine and pork products by some countries. Genus' extensive spread of worldwide multiplication farms makes it better placed than its competitors to maintain supplies in countries where such bans are in place.

As a result, whilst keeping the situation under close review, Genus currently expects there to be no material impact on its business from the influenza outbreak and the trading outlook for the financial year remains in line with the Board's expectations.

Genus will announce its preliminary results for the year ending 30 June 2009 on 10 September 2009.

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About Genus

Genus creates advances to animal breeding through biotechnology and sells added value products for livestock farming and food producers. Its non-Genetically Modified Organism (GMO) technology is applicable across all livestock species but is only commercialised by Genus in the bovine and porcine farming sectors.

Genus' worldwide sales are made in seventy countries under the trademarks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen and breeding animals with superior genetics to those animals currently in production. Customers' animals produce offspring with greater production efficiency, milk and meat output and quality and use these to supply the global dairy and meat supply chain.

The Group's competitive edge has been created from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and the Group's global production and distribution network.

Headquartered in Basingstoke, England, Genus companies operate in 30 countries on six continents, with research laboratories located in Madison, USA.

This information is provided by RNS
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