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Genus PLC
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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 period since 31 December 2009.

Market Conditions

World agricultural markets have begun to recover from the deep agricultural recession experienced in 2009. This has been particularly evident in the US hog market where prices have firmed and further increases are predicted in the futures market.

In the US dairy market, although milk prices have increased from their low point last summer, they remain below the cost of production for most farmers. Latin American agricultural markets are improving as export demand has started to increase. European markets are recovering slowly and in China pig prices have remained depressed.

Trading Performance

In the four months to 30 April 2010, Genus has continued to trade in line with the Board's expectations.

In North America, the porcine business traded well and is now experiencing increased demand from customers to update the genetics in their herds as confidence in the strength of the market recovery grows. Weakness in US milk prices continued to hold back dairy semen sales, the impact of which is being mitigated by tight control of costs and a relatively buoyant business in beef semen. In Latin America, Genus is benefiting from increased demand. Trading in Europe has been in line with expectations. In the Far East, Chinese dairy semen sales improved strongly. However porcine performance was reduced by low pig prices.

As expected, Research & Development costs for the four months were in line with last year. Interest costs were higher than last year in the period up to the anniversary of the refinancing in February 2009. Since February interest costs have been at a similar level to last year.

Exchange rate movements have had a modest beneficial impact.

Financial Position

Net debt at 30 April 2010 of £95.0m was higher than at 31 December 2009 because of the annual dividend payment and increases in working capital from improved sales, but remains below the level at the same time last year.

Outlook

Genus' performance has continued to be resilient throughout the recession in world agricultural markets. In addition, the Group's continued investment in research and product development and its leading market position have left it well placed to benefit from the now evident market recovery and a return to the long term growth expected for the markets in which it operates.

As a result, the trading outlook for the remainder of the year remains in line with the Board's expectations and the Board remains very positive about the Group's long-term growth prospects.

Genus expects to announce its preliminary results for the year ending 30 June 2010 on 7 September 2010.

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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 use Genus genetics in their herds to produce offspring with greater production efficiency, milk and meat output and quality. These offspring are used to supply the global dairy and meat supply chain.

Genus' 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, Wisconsin, USA.

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