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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 from 1 January 2011 to 10 May 2011.

Market Conditions

In general the markets in which the Group operates have continued to improve, despite continuing high feed costs.

Pig prices have kept pace with the increases in feed costs in most countries and, as a result, customer profitability and the demand for Genus' products have been sustained. The exception to this has been in Europe where price increases have not been sufficient to restore profitability for pig producers and so the market has been relatively soft. In China, prices started to increase following the disease outbreaks last year and this has led to improved demand for genetics.

In bovines, milk prices have risen to better levels in most markets.

Trading Performance

Based on the results for the four months to 30 April 2011, Genus has continued to perform ahead of last year and in line with the Board's expectations.

In North America, the porcine business has continued to trade well with increased royalty income. In bovine, improved average selling prices and the benefit of cost reductions implemented in the first half of the year have improved profitability on sales at a similar level to last year. Demand has remained buoyant in Latin America resulting in increased volumes in both the bovine and porcine sectors.

In Europe, bovine performance improved as sales delayed from the first half of the year came through and dairy markets firmed. Porcine performance remained weak with reduced customer demand because of poor industry profitability.

In the Far East, strong growth in bovine volumes continued. Porcine performance began to improve as customer demand in China increased following a rise in pig prices.

Good progress has continued with the initiatives aimed at ensuring emerging market growth opportunities. Work to bring the new stud in Russia up to Genus' standards is nearing completion. A further 16 bulls have been shipped to China to meet the growing demand for progeny tested semen and strong sales growth is being achieved in India.

Financial Position

Net debt at 30 April 2011 of £85.4m was below the level at the same time last year (£94.0m), reflecting the group's underlying strong cash generation. It was, however, higher than at 31 December 2010, mainly because of the payment of the annual dividend and the £7.0m cash settlement cost of a US dollar swap transaction used to hedge the Group's US dollar net asset position.

The Group completed a refinancing in March 2011 to provide £135m of facilities on an unsecured basis through to 30 September 2015.

Outlook

Genus expects to continue to make good progress for the remainder of the year and that, as a result,

the full year results to June 2011 will be in line with the Board's expectations.

Genus will announce its preliminary results for the year ending 30 June 2011 on 6 September 2011.

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This announcement is available on the Genus website, www.genusplc.com

About Genus:

Genus plays a key role in the world's agricultural economy in its creation of advances in animal breeding through naturally applied biotechnology, helping farmers and food producers across the world to improve quality and increase output.

Genus provides superior natural animal genetics, enabling our global customers in the bovine and porcine supply chain to produce offspring in their herds with greater production efficiency, milk and meat output and quality. The challenge of meeting growing global demand for milk, pork and beef from the decreasing resources available for food production requires innovative solutions that Genus provides.

Genus' worldwide sales are made in seventy countries under the trade marks "ABS" (dairy and beef cattle) and "PIC" (pigs) and comprise semen and breeding animals with superior genetics to those animals currently in production.

Genus' competitive edge has been created from the ownership and control of proprietary lines of breeding animals and the biotechnology used to improve them. Genus' global production and distribution network underpins our unique position in the world's growing agricultural markets.

Headquartered in Basingstoke, England, Genus is a FTSE250 company that operates in 30 countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

This information is provided by RNS
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