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Genus PLC
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('Genus' or 'the Company')

Interim Results for the six months ended 31 December 2011

"Good first half performance, with strong growth in emerging markets"

Genus, a leading global animal genetics company, announces its unaudited results for the six months ended 31 December 2011. These results are reported under International Financial Reporting Standards ('IFRS').

FINANCIAL HIGHLIGHTS

	Actual Currency			Constant Currency+
Six months ended 31 December	**2011 £m**	**2010 £m**	**Movement %**	**Movement %**
Adjusted Results				
Revenue	166.9	153.2	+9	+10
Operating profit*	23.0	21.4	+7	+10
Profit before tax*	23.3	19.1	+22	+25
Basic earnings per share (p)*	26.7	21.1	+27	+30
Statutory Results				
Revenue	166.9	153.2	+9	
Operating profit	26.7	25.8	+3	
Profit before tax	26.0	23.0	+13	
Basic earnings per share (p)	30.2	25.7	+18	

* Adjusted operating profit, adjusted profit before tax and adjusted basic earnings per share are before net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items. These are the measures used by the Board to monitor underlying performance.

** Regional operating profit represents adjusted operating profit before research & product development costs and central costs.

+ Constant currency percentage movements are calculated by restating 2011 results at the exchange rates applied in 2010.

BUSINESS HIGHLIGHTS

- Revenue up 9% to £166.9m (2010: £153.2m):
  - Bovine sales volumes 8% higher, with strong increases in China and India
  - Porcine volumes up 13%, driven by growth in Asia

- Adjusted operating profit up 7% to £23.0m (2010: £21.4m):
    - Regional operating profit** rose 12% to £41.9m including particularly strong growth in Asia
    - Expenditure on research and product development rose 18% to £14.6m (9% of sales) driven by the expanded bull development programme and higher feed costs to run the genetic nucleus farms
- Adjusted profit before tax increased by 22% to £23.3m (2010: £19.1m):
    - Finance costs £2.7m lower at £1.1m principally reflecting the benefits of refinancing in 2011 and lower interest rates
- Interim dividend introduced as planned of 4.5p per share payable in March 2012
- Strategic review well advanced:
    - Substantial growth potential confirmed in core markets of swine, dairy and beef genetics
    - Focus on increasing resources to accelerate growth in emerging markets
    - Organisation structure strengthened and streamlined to enhance market place responsiveness, support people development and increase prominence of research and development

Karim Bitar, Chief Executive, commented:-

"Genus has continued to perform well and it is pleasing to see strong growth in emerging markets.

Global population growth and increased urbanisation in developing countries is accelerating demand for protein in diets. This demand increase and pressure on prices, driven by higher feed costs, can only be met through improved efficiency and greater application of technology in farming. Genus' market-leading genetics are key ingredients in this quest for improved productivity.

I am excited by the enormous growth prospects this creates in our existing markets. As we complete our strategic review, we are developing plans to ensure we seize these opportunities and enable Genus to accelerate its growth in the years ahead."

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

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 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 its global production and distribution network.

With headquarters in Basingstoke, England, Genus companies operate in thirty countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

GROUP PERFORMANCE

We are pleased to report a strong performance in the six months to 31 December 2011. Revenue rose by 9% and adjusted operating profits, after increased investment in research and product development, was up 7%. This combined with lower interest costs produced a 22% increase in adjusted profit before tax to £23.3m.

In addition, the business delivered a robust cash performance with net debt being held to a level similar to that at June 2011 despite seasonal working capital outflows and bringing forward payment of the annual dividend to the first half of the year.

Results

Revenue increased by 9% to £166.9m driven by robust underlying volume growth. Porcine volumes increased by 13% and bovine volumes were up 8%.

Adjusted operating profit rose 7% to £23.0m (2010: £21.4m). Regional operating profit increased by 12% with a particularly strong improvement in Asia, an area targeted for growth which benefited from strong underlying demand and favourable market conditions. Both North America and Latin America also produced very solid profit growth. In Europe, profits were impacted by weak demand in a depressed European pig market. The growth in regional profits was balanced by increased investment in research and product development where costs rose by 18%.

Finance costs were substantially lower at £1.1m (2010: £3.8m). This reflects the benefits of the refinancing completed in March 2011 and lower interest costs due to lower borrowing and the maturing of interest rates swaps taken out in 2006 following the Sygen acquisition.

Adjusted profit before tax was up 22% at £23.3m (2010: £19.1m) and, with the benefit of a lower tax rate of 31% compared to 34% last year, adjusted earnings per share rose 27% to 26.7p (2010: 21.1p).

The statutory results show a 13% increase in profit before tax to £26.0m (2010: £23.0m) and 18% increase in earnings per share to 30.2p (2010: 25.7p). These statutory results are stated after a number of non-cash items including the fair value credit on biological assets of £8.1m which was at a similar level to last year's credit of £7.8m.

Cash Flow and Net Debt

Cash flow for the first half reflected a seasonal working capital outflow of £4.8m and capital expenditure of £4.1m. In addition, as previously announced, the payment of last year's dividend was brought forward from January to November and therefore fell in the first half. Despite these outflows, the improved profit generation of the business resulted in a cash inflow for the half year of £1.2m.

Net debt including currency derivatives at 31 December 2011 was £69.6m compared to £78.0m at 31 December 2010 and £67.9m at 30 June 2011.

Dividend

As announced at the time of last year's full year results, the Board is introducing an interim dividend for the first time in the current year. In this respect, the Board has approved an interim dividend of 4.5p payable on 30 March 2012 to shareholders on the register at 16 March 2012. The interim dividend has been based on one third of the previous year's full year dividend.

Strategy

Following my appointment as Chief Executive in September 2011, I initiated a strategic review to assist in the development of our plans to sustain and accelerate the successful growth that Genus has achieved over the last five years.

Whilst the review is not fully completed, the work to date has confirmed the enormous growth opportunity that is available to Genus in its existing markets. World population growth and increasing urbanisation will continue to drive increased demand for food products. This in turn will place increased demand on finite land, water and energy resources. It is clear that these trends will accelerate the move towards greater productivity in farming. Genus is exceptionally well-placed to play an important social and economic role in meeting the increasing demands that will arise.

The opportunity to perform this role in the pork, beef and dairy markets is very significant indeed, especially in developing markets in general and the BRIC countries in particular. So whilst we will continue to review opportunities to expand into a third species, our primary focus will be on seizing the growth opportunities in our core markets. It is also clear that some of these markets, such as the swine market in China, are at an inflection point. Therefore it is important that we act promptly to take full advantage of the opportunities and as a result accelerate the long term growth that the Group is able to achieve.

Our strategic review work has also reinforced the importance of ensuring we better align our research and development programme to meet the needs of our customers.

We are working diligently on finalising our plans and, once completed, we look forward to sharing them with shareholders at or shortly after our third quarter market update in early May.

People

Ensuring we develop the right organisational capabilities and talent to seize the opportunities identified in our strategic review will be a key part of our strategy going forward. With this in mind, we have already made a number of important organisational changes to strengthen and streamline the management team.

In January 2012, Catherine Glickman joined the Genus Executive Leadership Team in the new position of Group HR Director. Catherine was previously Head of HR at Tesco Plc and brings a great deal of experience and knowledge in talent and leadership development.

In order to ensure we improve our responsiveness to the differing market place needs, we have flattened the reporting structure. Denny Funk Ph.D, the Company's Chief Scientific Officer has taken full responsibility for the Company's research & development ('R&D') programme reporting directly to me. This will ensure that R&D has a key and highly visible role as Genus pursues its ambitious plans for the future. In addition, in the future, our Asia and Europe regions will report directly to me given the very different profiles of these strategically important regions.

Following these changes Ian Biggs and Philip Acton have left the business. We thank them for their contribution and wish them well for the future.

Outlook

The Group is continuing to trade well in market conditions that remain favourable in most markets. As a result, the Board expects the Group to make further progress in the second half of the year in line with market expectations.

Karim Bitar
Chief Executive

REVIEW OF OPERATIONS

North America

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Revenue	56.7	56.3	1	2
Adjusted operating profit	19.0	17.1	11	13
Adjusted operating margin	34%	30%		

The North America operations performed well with adjusted operating profit increasing by 11% to £19.0m on sales of £56.7m.

In porcine, customer demand has been positive in the light of firm pig prices and more recently falling feed costs. As a result, the business has continued to grow steadily both via expansion in existing accounts and through winning new business. Overall, volumes were up 5% and market share improved in North America to 36%. Profitability also benefited from improved royalty rates and from the continued expansion of the CBVPlus programme. This programme, initiated last year, uses progeny from higher quality sires to deliver more value to our customers.

In the bovine sector, sales were impacted by reduced demand following bad weather at the start of the year. However, volumes increased in the second quarter and overall were only slightly down for the half year. Pricing has firmed and this together with tightened cost control has resulted in an improvement in performance.

Latin America

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Revenue	25.1	23.3	8	11
Adjusted operating profit exc joint venture ('JV')	7.6	6.9	10	13
Adjusted operating profit inc JV	8.5	8.4	1	5
Adjusted operating margin exc JV	30%	30%		

Good growth was achieved across Latin America, resulting in an 8% increase in revenue to £25.1m and a 10% increase in adjusted operating profit (excluding joint venture) to £7.6m.

Market conditions were generally favourable across the region other than in porcine in Brazil, where oversupply, partly due to export restrictions, forced down pig prices. This adversely impacted the performance

of the joint venture in Brazil. With pig prices rising recently, we expect improved performance from the joint venture in the second half of the year. The conversion of customers to royalty contracts has progressed so that future profits will be more stable as they are in our business in North America.

Elsewhere in porcine, our operations have been focused on key account management and strengthening our technical support services and supply arrangements. New contracts were secured in Venezuela and continued growth achieved in Mexico and Chile.

In bovine, volumes across the region grew by 8% with particular strong sales in beef in Brazil and sexed semen across the region. Market share improvements were achieved in Argentina, Uruguay and Chile.

Europe

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Revenue	58.9	57.5	2	3
Adjusted operating profit	9.5	10.2	(7)	(7)
Adjusted operating margin	16%	18%		

Revenue in Europe rose 2% to £58.9m and adjusted operating profit fell 7% to £9.5m.

Pig prices in Europe rose modestly but not enough to offset higher feed costs. As a result, European pig production remained unprofitable and demand for Genus' products was weak. Volumes were at similar levels to last year but margins were impacted. In Germany, a restructuring of the sales force was implemented to address the weak market and further restructuring in Europe remains under review.

In bovine, market conditions improved with milk prices rising by 4% across Europe and semen demand has been reasonable. Volumes rose by 6% with good growth in Italy reflecting the strength of the bull line-up and increased volumes in Turkey and Saudi Arabia. In the UK, trading was affected by mild autumn weather that delayed customer breeding programmes. Nevertheless, volumes rose modestly and revenue benefited from increased sales of Reproduction Management Services ('RMS').

Asia

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Revenue	26.3	16.8	57	52
Adjusted operating profit exc joint venture ('JV')	5.8	3.2	81	81
Adjusted operating profit inc JV	6.3	3.2	97	94
Adjusted operating margin exc JV	22%	19%		

A strong performance was achieved across the region aided by buoyant market conditions in the porcine sector in China and Russia.

In porcine, volumes were up over 70%. In China, good progress was made in establishing relationships with major pig producers. Volumes increased and profitability benefited from the high pig prices that prevailed for most of the period. Improved access to funding for customers enabled significant sales to new farms in Russia. Higher sales volumes were also achieved in other countries including a large stocking in South Korea.

In bovine, volumes grew by over 30%. This included a doubling of imported semen shipped to China from Genus' North American studs as well as increased volumes of locally sourced semen produced from the 67 Genus bulls now located in the country. Volumes of locally produced semen sold in India also increased and in Russia, higher sales of imported semen were supplemented with the initial sales of semen produced locally from the new Genus stud that became fully operational in August 2011. Prices across the region were firm and as a result profits were considerably higher.

Research & Product Development

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Research & Product Development	14.6	12.4	18	17

Research and product development costs for the six months to 31 December 2011 increased as planned by 18% to £14.6m. Porcine product development costs rose as a result of higher feed costs, net of increased slaughter revenues to run the genetic nucleus farms. Bovine product development costs were also higher reflecting the additional costs to operate the increased size of the bull development programme necessary to provide capacity for anticipated future growth. Additional expenditures were also applied to increase the focus on key research platforms.

Bovine Product Development

Genus' bull development programme combined with the increasing use of genomics in the selection process has reinforced the strong position of its bovine products in the industry league tables. Genus remains the leading producer with 34 bulls in the top 100 of the internationally important US rankings. In addition, we have had the strongest line up for many years of Holstein bulls in our studs in the UK and Italy.

In order to ensure we have the appropriate bulls to support our growth in China a further shipment of bulls was made from Australia to bring the number of Genus bulls now in China to 67. We also made good progress with introducing Holstein genes into India through the shipment of embryos.

As part of our ongoing investment programme, we are expanding our Canadian facilities involving a total expenditure of £1.6m on an additional rearing barn and a new distribution facility. During the period we also completed a new young bull collection facility in the UK.

Porcine Product Development

We have further increased our utilisation of genomics. We now incorporate genetic information from 60,000 genomic regions across all chromosomes of the pig into our genetic assessment programmes for reproduction traits in our female lines. This combined with our extensive `PICtraq' database is enabling us to increase the accuracy of selection of animals in our breeding programme by 30%, yielding further potential profit improvements for our customers. Our unique PICtraq repository of porcine data has now grown to more than 14 million pedigreed animals with detailed performance records, and we have DNA samples available for genomic testing on nearly 3 million pigs in our DNA storage facilities.

Research

As part of our strategic review, we are looking to focus our research activities on a reduced number of higher impact initiatives centred on clearly defined market place needs and core technology platforms.

We continue to make progress in the core research platforms of genomics and semen physiology, including semen sexing and disease resistance.

REVIEW OF OPERATIONS (CONTINUED)

Genus Products

	Actual Currency			Constant Currency
	2011 £m	2010 £m	Movement %	Movement %
Revenue				
Porcine	79.6	72.4	10	12
Bovine	81.9	76.5	7	7
Research & Product Development	5.4	4.3		
	166.9	153.2		
Adjusted operating profit				
Porcine	19.0	17.0	12	18
Bovine	10.7	9.9	8	7
Unallocated	(6.7)	(5.5)		
	23.0	21.4		

Genus manages its global operations on a regional basis and monitors product performance globally.

Porcine revenue grew strongly with volume growth of 13%, driven by strong growth in Asia. The increased revenue resulted in improved profits, up 12% to £19.0m (2010: £17.0m).

In bovine, revenues were up 7%. Volumes rose 8% with particularly strong growth in China and India. Selling prices were firm and as a result profits rose by 8% to £10.7m compared to £9.9m last year.

Principal Risks and Uncertainties

Genus operates a structured risk management system that identifies, evaluates and prioritises risks and uncertainties and actively reviews control and mitigation activities. The Genus plc 2011 Annual Report (a copy of which is available on the Genus plc website at www.genusplc.com) sets out a number of risks and uncertainties that might impact upon the performance of the Group and these are summarised below. There has been no material change to the principal risks and uncertainties that might affect the performance of the Group in the second half of the financial year.

Key Individual Risks	Mitigating Actions
Markets	
Achieving growth in developing countries	Investment in local genetic production facilities Availability of superior product both locally produced and imported Development of supply and distributor network Strengthened management team and controls Strategic review ongoing

Sustaining growth in developed countries	Market leading product and technical services Effective research programme maintaining market lead Extensive supply and distributor networks Strategic review ongoing
IPR protection	Strict controls of the Company's intellectual property Application of legal and contractual protection
Impact of fluctuations in agricultural markets on customer profitability and demand	Geographic diversity of businesses Use of the porcine royalty model Efficiency improvement programmes
Currency volatility, including Eurozone instability	Hedging and foreign exchange policies Central treasury reviews
Disease & Environment	
Ensuring continuity of supply worldwide in the event of a disease outbreak, environment incident or a border closure outside our control	World class animal care practices, strict bio-security systems and pro-active environmental management with comprehensive staff training Dispersed and remote herd locations Business continuity programmes Utilisation of in-country local production
HR	
Ensuring continuity of key staff	Effective succession planning, development and training programmes Competitive retention and incentive packages
Management of emerging markets	Dedicated in-country regional management
Health & safety	Global health & safety function Comprehensive staff training Monitored compliance with legislation Risk assessment and safety audits
Research & Product Development Effectiveness	
Maintaining commercial focus	Ensuring optimum liaison between regional management teams as to market needs
Product development and competitive edge	Alignment of research investment with projected future commercial needs Product development enhancements and diversified product portfolio

	World class production facilities
Focusing research projects to deliver benefits, e.g. sexed semen project	Leadership by the Board's Science Committee Dedicated research project teams Strong relationships with technology partners
Finance	
Pensions	Agreement of appropriate actuarial valuations and deficit recovery plans with pension fund trustees Review of investment strategy Closure of pension funds to future service Monitoring of joint and several liability in the Milk Pension Fund.
Commodity prices	Hedging policies Central treasury monitoring and review

GENUS PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2011

	Note	**Six months ended 31 December 2011**	Six months ended 31 December 2010	Year ended 30 June 2011
		£m	£m	£m
Revenue from continuing operations	4	**166.9**	153.2	309.9
Adjusted operating profit from continuing operations		**23.0**	21.4	42.2
Net IAS 41 valuation movement on biological assets	8	**8.1**	7.8	9.8
Amortisation of acquired intangible assets		**(2.6)**	(2.7)	(5.2)
Share-based payment expense		**(1.8)**	(1.3)	(3.2)
		26.7	25.2	43.6
Exceptional items		**-**	0.6	1.2
Operating profit from continuing operations		**26.7**	25.8	44.8
Share of post-tax profit of joint ventures and associates	9	**0.4**	1.0	2.3
Net finance costs	5	**(1.1)**	(3.8)	(6.3)
Profit before tax from continuing operations		**26.0**	23.0	40.8
Taxation	6	**(7.9)**	(7.7)	(11.6)
Profit for the period from continuing operations		**18.1**	15.3	29.2

Earnings per share from continuing operations				
Basic earnings per share	11	**30.2p**	25.7p	49.0p
Diluted earnings per share	11	**29.9p**	25.3p	48.2p
Non statutory measure of profit				
Adjusted operating profit from continuing operations	4	**23.0**	21.4	42.2
Pre-tax share of profits from joint ventures and associates excluding net IAS 41 valuation movement		**1.4**	1.5	3.1
Adjusted operating profit including joint ventures and associates		**24.4**	22.9	45.3
Net finance costs	5	**(1.1)**	(3.8)	(6.3)
Adjusted profit before taxation from continuing operations		**23.3**	19.1	39.0
Adjusted earnings per share from continuing operations				
Basic adjusted earnings per share	11	**26.7p**	21.1p	44.8p
Diluted adjusted earnings per share	11	**26.5p**	20.8p	44.1p

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2011

	Six months ended 31 December 2011		Six months ended 31 December 2010		Year ended 30 June 2011	
	£m	**£m**	£m	£m	£m	£m
Profit for the period		**18.1**		15.3		29.2
Foreign exchange translation differences	**1.6**		(8.3)		(11.6)	
Fair value movement on net investment hedges	**(1.8)**		4.3		4.9	
Fair value movement on cash flow hedges	**(0.2)**		0.9		1.2	
Actuarial (loss)/gain on retirement benefit obligations	**(14.2)**		(1.0)		0.9	
Tax relating to components of other comprehensive income	**5.7**		2.7		(0.5)	
Other comprehensive expense for the period		**(8.9)**		(1.4)		(5.1)
Total comprehensive income for the period		**9.2**		13.9		24.1
Attributable to:						
Owners of the Company		**9.2**		13.9		24.1
Minority interests		**-**		-		-
		9.2		13.9		24.1

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2011

	Note	Called up share capital £m	Share premium account £m	Own shares £m	Trans-lation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Minority interest £m	Total equity £m
Balance at 1 July 2010		6.0	112.0	(0.1)	30.3	(1.2)	104.5	251.5	0.3	251.8
Foreign exchange translation differences, net of tax		-	-	-	(9.6)	-	-	(9.6)	-	(9.6)
Fair value movement on net investment hedges, net of tax		-	-	-	3.5	-	-	3.5	-	3.5
Fair value movement on cash flow hedges, net of tax		-	-	-	-	0.9	-	0.9	-	0.9
Actuarial gain on retirement benefit obligations, net of tax		-	-	-	-	-	0.1	0.1	-	0.1
Other comprehensive (expense)/income for the period		-	-	-	(6.1)	0.9	0.1	(5.1)	-	(5.1)
Profit for the period		-	-	-	-	-	29.2	29.2	-	29.2
Total comprehensive (expense)/income for the period		-	-	-	(6.1)	0.9	29.3	24.1	-	24.1
Recognition of share-based payments, net of tax		-	-	-	-	-	3.2	3.2	-	3.2
Dividends	7	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Balance at 30 June 2011		6.0	112.0	(0.1)	24.2	(0.3)	129.8	271.6	0.3	271.9
Foreign exchange translation differences, net of tax		-	-	-	3.4	-	-	3.4	-	3.4
Fair value movement on net investment hedges, net of tax		-	-	-	(1.3)	-	-	(1.3)	-	(1.3)
Fair value movement on cash flow hedges, net of tax		-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Actuarial loss on retirement benefit obligations, net of tax		-	-	-	-	-	(10.8)	(10.8)	-	(10.8)
Other comprehensive income/(expense) for the period		-	-	-	2.1	(0.2)	(10.8)	(8.9)	-	(8.9)
Profit for the period		-	-	-	-	-	18.1	18.1	-	18.1
Total comprehensive income/(expense) for the period		-	-	-	2.1	(0.2)	7.3	9.2	-	9.2
Recognition of share-based payments, net of tax		-	-	-	-	-	1.6	1.6	-	1.6
Issue of ordinary shares		-	0.1	-	-	-	-	0.1	-	0.1
Dividends	7	-	-	-	-	-	(8.0)	(8.0)	-	(8.0)
Balance at 31 December 2011		**6.0**	**112.1**	**(0.1)**	**26.3**	**(0.5)**	**130.7**	**274.5**	**0.3**	**274.8**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the six months ended 31 December 2011

	Note	Called up share capital £m	Share premium account £m	Own shares £m	Trans-lation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Minority interest £m	Total equity £m
Balance at 1 July 2010		6.0	112.0	(0.1)	30.3	(1.2)	104.5	251.5	0.3	251.8
Foreign exchange translation differences, net of tax		-	-	-	(4.8)	-	-	(4.8)	-	(4.8)
Fair value movement on net investment hedges, net of tax		-	-	-	3.5	-	-	3.5	-	3.5
Fair value movement on cash flow hedges, net of tax		-	-	-	-	0.6	-	0.6	-	0.6
Actuarial loss on retirement benefit obligations, net of tax		-	-	-	-	-	(0.7)	(0.7)	-	(0.7)
Other comprehensive (expense)/income for the period		-	-	-	(1.3)	0.6	(0.7)	(1.4)	-	(1.4)
Profit for the period		-	-	-	-	-	15.3	15.3	-	15.3
Total comprehensive (expense)/income for the period		-	-	-	(1.3)	0.6	14.6	13.9	-	13.9
Recognition of share-based payments, net of tax		-	-	-	-	-	1.3	1.3	-	1.3
Dividends	7	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Balance at 31 December 2010		6.0	112.0	(0.1)	29.0	(0.6)	113.2	259.5	0.3	259.8

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CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2011

	Note	**31 December 2011**	31 December 2010	30 June 2011

		£m	£m	£m
Assets				
Goodwill		**67.2**	69.1	68.3
Other intangible assets		**73.6**	78.4	75.6
Biological assets	8	**198.8**	183.8	187.0
Property, plant and equipment		**42.0**	42.0	40.8
Interests in joint ventures and associates	9	**8.2**	8.6	8.5
Available for sale investments		**0.1**	0.3	0.2
Derivative financial assets		**0.1**	-	-
Deferred tax assets		**20.1**	17.2	15.6
Total non-current assets		**410.1**	399.4	396.0
Inventories		**33.0**	31.0	33.5
Biological assets	8	**29.3**	31.3	27.3
Trade and other receivables		**67.7**	61.9	65.0
Cash and cash equivalents		**18.8**	17.9	18.3
Income tax receivable		**1.6**	0.9	1.0
Derivative financial assets		**-**	0.3	-
Asset held for sale		**0.3**	0.3	0.3
Total current assets		**150.7**	143.6	145.4
Total assets		**560.8**	543.0	541.4
Liabilities				
Trade and other payables		**(45.7)**	(40.7)	(47.3)
Dividends payable		**-**	(7.2)	-
Interest-bearing loans and borrowings		**(7.2)**	(3.5)	(4.0)
Provisions		**(0.4)**	(0.3)	(0.2)
Obligations under finance leases		**(0.9)**	(0.9)	(0.9)
Current tax liabilities		**(7.2)**	(6.6)	(5.5)
Derivative financial liabilities		**(0.2)**	(8.0)	(0.4)
Total current liabilities		**(61.6)**	(67.2)	(58.3)

	Note	**31 December 2011 £m**	31 December 2010 £m	30 June 2011 £m
Interest-bearing loans and borrowings		**(79.3)**	(83.2)	(80.5)
Retirement benefit obligations	13	**(36.1)**	(27.2)	(23.6)
Provisions		**(1.1)**	(1.4)	(1.2)
Deferred tax liabilities		**(106.2)**	(102.5)	(104.9)
Derivative financial liabilities		**(0.7)**	(0.8)	(0.2)
Obligations under finance leases		**(1.0)**	(0.9)	(0.8)
Total non-current liabilities		**(224.4)**	(216.0)	(211.2)
Total liabilities		**(286.0)**	(283.2)	(269.5)
Net assets		**274.8**	259.8	271.9
Equity				
Called up share capital		**6.0**	6.0	6.0
Share premium account		**112.1**	112.0	112.0
Own shares		**(0.1)**	(0.1)	(0.1)
Translation reserve		**26.3**	29.0	24.2
Hedging reserve		**(0.5)**	(0.6)	(0.3)
Retained earnings		**130.7**	113.2	129.8
Equity attributable to owners of the Company		**274.5**	259.5	271.6
Minority interest		**0.3**	0.3	0.3
Total equity		**274.8**	259.8	271.9

GENUS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 December 2011

	Note	**Six months ended 31 December 2011 £m**	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Net cash inflow from operating activities	12	**13.1**	11.6	28.1
Cash flows from investing activities				
Dividend received from joint ventures and associates		**-**	-	1.9
Purchase of trade and assets		**-**	(0.2)	-
Purchase of property, plant and equipment		**(3.3)**	(1.6)	(3.5)
Purchase of intangible assets		**(0.8)**	(0.4)	(1.3)
Proceeds from sale of property, plant and equipment		**0.1**	-	0.7
Net cash outflow from investing activities		**(4.0)**	(2.2)	(2.2)
Cash flows from financing activities				
Drawdown of borrowings		**3.0**	-	16.1
Repayment of borrowings		**(3.0)**	(10.0)	(23.4)
Payment of finance lease liabilities		**(0.6)**	(0.4)	(1.0)
Equity dividends paid		**(8.0)**	-	(7.2)
Cash settlement of derivative financial instrument		**-**	-	(7.0)
New debt issue costs		**-**	-	(1.7)
Issue of ordinary shares		**0.1**	-	-
(Decrease)/increase in bank overdrafts		**(0.1)**	1.0	(1.6)
Net cash outflow from financing activities		**(8.6)**	(9.4)	(25.8)
Net increase in cash and cash equivalents		**0.5**	-	0.1
Cash and cash equivalents at beginning of period		**18.3**	18.1	18.1
Net increase in cash and cash equivalents		**0.5**	-	0.1
Effect of exchange rate fluctuations on cash and cash equivalents		**-**	(0.2)	0.1
Total cash and cash equivalents at end of period		**18.8**	17.9	18.3

GENUS PLC

ANALYSIS OF NET DEBT
For the six months ended 31 December 2011

	At 1 July 2011 £m	Cash flows £m	Foreign exchange £m	Non-cash movements £m	**At 31 December 2011 £m**
Cash and cash equivalents	18.3	0.5	-	-	**18.8**
Interest-bearing loans - current	(4.0)	0.1	(0.2)	(3.1)	**(7.2)**

Obligation under finance leases - current	(0.9)	0.6	-	(0.6)	**(0.9)**
	(4.9)	0.7	(0.2)	(3.7)	**(8.1)**
Interest-bearing loans - non-current	(80.5)	-	(1.6)	2.8	**(79.3)**
Obligation under finance lease - non-current	(0.8)	-	(0.1)	(0.1)	**(1.0)**
	(81.3)	-	(1.7)	2.7	**(80.3)**
Net debt	(67.9)	1.2	(1.9)	(1.0)	**(69.6)**

	At 1 July 2010 £m	Cash flows £m	Foreign exchange £m	Non-cash movements £m	At 31 December 2010 £m
Cash and cash equivalents	18.1	-	(0.2)	-	17.9
Interest-bearing loans - current	(1.6)	(1.0)	0.1	(1.0)	(3.5)
Obligation under finance leases - current	(0.9)	0.4	-	(0.4)	(0.9)
	(2.5)	(0.6)	0.1	(1.4)	(4.4)
Interest-bearing loans - non-current	(94.6)	10.0	1.2	0.2	(83.2)
Obligation under finance lease - non-current	(1.0)	-	-	0.1	(0.9)
	(95.6)	10.0	1.2	0.3	(84.1)
Net debt	(80.0)	9.4	1.1	(1.1)	(70.6)

Net debt is defined as the total of cash and cash equivalents, interest-bearing loans, unamortised debt issue costs and obligation under finance leases.

GENUS PLC

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS
For the six months ended 31 December 2011

1. BASIS OF PREPARATION

The unaudited Condensed Set of Financial Statements for the six months ended 31 December 2011:

- were prepared in accordance with International Accounting Standard 34 '*Interim Financial Reporting*' ('IAS 34') and thereby International Financial Reporting Standards ('IFRSs'), both as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU');
- are presented on a condensed basis as permitted by IAS 34 and therefore do not include all disclosures that would otherwise be required in a full set of financial statements; these should be read, therefore, in conjunction with the 2011 Annual Report;
- includes all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for the periods presented;
- do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006; and
- were approved by the Board of Directors on 20 February 2012.

The information relating to the year ended 30 June 2011 is an extract from the published financial statements for that year, which have been delivered to the Registrar of Companies. The auditors' report on those financial statements was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The Group's business activities and principal risks and uncertainties are summarised in the Principal Risks and Uncertainties section in this interim report. Having considered these risks and uncertainties under the current economic environment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis in preparing the half yearly report and the Condensed Set of Financial Statements.

The preparation of the Condensed Set of Financial Statements requires management to make estimates and assumptions that affect the

reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the period. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

2. ACCOUNTING POLICIES AND NON-GAAP MEASURES

The same accounting policies, presentation and methods of computation are followed in the Condensed Set of Financial Statements as applied in the Group's latest annual audited financial statements, dated 5 September 2011, which are available on the Group's website www.genusplc.comexcept as described below.

Certain comparative amounts have been reclassified to conform to the current period's presentation.

New standards and interpretations

The following new standards and interpretations have been adopted in the current period:

- Various amendments to IFRS 1 '*First-time Adoption of International Financial Reporting Standards*', IFRS 7 '*Financial Instruments: Disclosures'*, IAS 1 '*Presentation of Financial Statements'*, IAS 24 '*Related Party Disclosures*' and IAS 34 '*Interim Financial Reporting'*.

There has been no significant impact on the results or disclosures for the current period from the adoption of any of the above.

At the date of the interim report, the following standards and interpretations which have not been applied in the report were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9 '*Financial Instruments*', IFRS 10 '*Consolidated Financial Statements*', IFRS 11 '*Joint Arrangements*', IFRS 12 '*Disclosure of Interests in Other Entities*', IAS 27 (2011) '*Separate Financial Statements*', IAS 28 (2011) '*Investments in Associates and Joint Ventures*', IFRS 13 '*Fair Value Measurement*' ; and
- Various amendments to IAS 1 '*Presentation of Financial Statements*', IAS 12 '*Income Taxes*', and IAS 19 '*Employee Benefits'*.

IFRS 9 '*Financial Instruments*' is a full replacement for IAS 39 '*Financial Instruments: Recognition and Measurement*', and will be effective for accounting periods beginning after 1 January 2013. The IASB intends to expand IFRS 9 to add new requirements for hedge accounting. Additionally, updates to IAS 19 '*Employee Benefits'*, are being implemented for years commencing after 1 January 2013. With the exception of these standards, these changes are not expected to have a significant impact on the results or disclosures of the Group.

Non-GAAP measures - Adjusted operating profit, adjusted profit before taxation and regional operating profit

Adjusted operating profit and adjusted operating profit before taxation from continuing operations are defined before the net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payments expense and exceptional items. Regional operating profit represents adjusted operating profit before research & product development costs and central costs. These additional non-GAAP measures of operating performance are included as the Directors believe that they provide a useful alternative measure for shareholders of the trading performance of the Group. The reconciliation between operating profit from continuing operations and adjusted operating profit from continuing operations is shown on the face of the income statement. The Directors recognise these alternative measures have limitations.

3. FOREIGN CURRENCY

The principal exchange rates used were as follows:

	Average			**Closing**		
	Six months ended 31 December 2011	Six months ended 31 December 2010	Year ended 30 June 2011	**31 December 2011**	31 December 2010	30 June 2011
US Dollar/£	**1.59**	1.57	1.60	**1.55**	1.57	1.61
Euro/£	**1.16**	1.18	1.16	**1.20**	1.17	1.11

Assets and liabilities of overseas undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date and the income statement is translated into Sterling at average rates of exchange.

4. SEGMENTAL INFORMATION

The Group presents its segmental information on the basis reviewed regularly for assessing business performance and for the purposes of resource allocation, by the chief operating decision maker.

The Group is managed using a combination of regional market segments and a research and development segment.

The Group's business is not highly seasonal and its customer base is diversified, with no individual customer generating in excess of 2% of revenue.

	Six months ended 31 December 2011		
	Gross revenue £m	**Inter-segment revenue £m**	**Consolidated revenue £m**

North America	**56.7**	**(4.0)**	**52.7**
Latin America	**25.1**	**(0.4)**	**24.7**
Europe	**58.9**	**(0.6)**	**58.3**
Asia	**26.3**	**(0.5)**	**25.8**
Research & Product Development			
Research	**-**	**-**	**-**
Bovine Product Development	**3.8**	**(3.7)**	**0.1**
Porcine Product Development	**7.3**	**(2.0)**	**5.3**
	11.1	**(5.7)**	**5.4**
Revenue	**178.1**	**(11.2)**	**166.9**

Six months ended 31 December 2010

	Gross revenue £m	Inter-segment revenue £m	Consolidated revenue £m
North America	56.3	(3.3)	53.0
Latin America	23.3	(0.3)	23.0
Europe	57.5	(1.2)	56.3
Asia	16.8	(0.2)	16.6
Research & Product Development			
Research	-	-	-
Bovine Product Development	3.6	(3.4)	0.2
Porcine Product Development	6.0	(1.9)	4.1
	9.6	(5.3)	4.3
Revenue	163.5	(10.3)	153.2

4. SEGMENTAL INFORMATION (CONTINUED)

Year ended 30 June 2011

	Gross revenue £m	Inter-segment revenue £m	Consolidated revenue £m
North America	114.5	(6.5)	108.0
Latin America	47.0	(0.6)	46.4
Europe	113.3	(2.3)	111.0
Asia	35.9	(0.5)	35.4
Research & Product Development			
Research	-	-	-
Bovine Product Development	7.4	(6.9)	0.5
Porcine Product Development	12.9	(4.3)	8.6
	20.3	(11.2)	9.1
Revenue	331.0	(21.1)	309.9

Operating profit by segment and a reconciliation to adjusted operating profit for the Group is set out below. A reconciliation of adjusted operating profit to profit for the period is shown on the Consolidated Income Statement.

Six months ended 31 December 2011

	Result before recharges £m	**Product Development recharges £m**	**Segment total £m**
North America	**21.4**	**(2.4)**	**19.0**
Latin America	**9.0**	**(1.4)**	**7.6**
Europe	**10.6**	**(1.1)**	**9.5**
Asia	**6.6**	**(0.8)**	**5.8**

Regional operating profit	**47.6**	**(5.7)**	**41.9**
Research & Product Development			
Research	**(2.3)**	**-**	**(2.3)**
Bovine Product Development	**(10.3)**	**3.7**	**(6.6)**
Porcine Product Development	**(7.7)**	**2.0**	**(5.7)**
	(20.3)	**5.7**	**(14.6)**
Segment operating profit	**27.3**	**-**	**27.3**
Central costs	**(4.3)**	**-**	**(4.3)**
Adjusted operating profit	**23.0**	**-**	**23.0**

4. SEGMENTAL INFORMATION (CONTINUED)

Six months ended 31 December 2010

	Result before recharges £m	Product Development recharges £m	Segment total £m
North America	19.9	(2.8)	17.1
Latin America	8.0	(1.1)	6.9
Europe	11.2	(1.0)	10.2
Asia	3.6	(0.4)	3.2
Regional operating profit	42.7	(5.3)	37.4
Research & Product Development			
Research	(1.9)	-	(1.9)
Bovine Product Development	(9.6)	3.4	(6.2)
Porcine Product Development	(6.2)	1.9	(4.3)
	(17.7)	5.3	(12.4)
Segment operating profit	25.0	-	25.0
Central costs	(3.6)	-	(3.6)
Adjusted operating profit	21.4	-	21.4

Year ended 30 June 2011

	Result before recharges £m	Product Development recharges £m	Segment total £m
North America	40.9	(5.6)	35.3
Latin America	16.1	(2.6)	13.5
Europe	20.5	(2.1)	18.4
Asia	8.3	(0.9)	7.4
Regional operating profit	85.8	(11.2)	74.6
Research & Product Development			
Research	(3.9)	-	(3.9)
Bovine Product Development	(18.8)	6.9	(11.9)
Porcine Product Development	(13.8)	4.3	(9.5)
	(36.5)	11.2	(25.3)
Segment operating profit	49.3	-	49.3
Central costs	(7.1)	-	(7.1)
Adjusted operating profit	42.2	-	42.2

4. SEGMENTAL INFORMATION (CONTINUED)

	Segment assets			Segment liabilities		
	31 December 2011 £m	31 December 2010 £m	30 June 2011 £m	**31 December 2011 £m**	31 December 2010 £m	30 June 2011 £m
North America	**125.0**	125.4	121.2	**(48.6)**	(41.2)	(44.4)
Latin America	**57.4**	59.2	60.0	**(11.3)**	(12.4)	(13.2)
Europe	**92.5**	96.4	94.7	**(56.6)**	(48.3)	(44.2)
Asia	**36.1**	28.9	31.5	**(8.7)**	(4.9)	(8.8)
Research & Product Development						
Research	**0.5**	0.5	0.5	**-**	-	-
Bovine Product Development	**185.3**	170.3	176.3	**(52.3)**	(50.3)	(53.6)
Porcine Product Development	**45.2**	50.9	46.4	**(8.3)**	(9.8)	(8.2)
	231.0	221.7	223.2	**(60.6)**	(60.1)	(61.8)
Segment total	**542.0**	531.6	530.6	**(185.8)**	(166.9)	(172.4)
Central and unallocated	**18.8**	11.4	10.8	**(100.2)**	(116.3)	(97.1)
Total	**560.8**	543.0	541.4	**(286.0)**	(283.2)	(269.5)

5. NET FINANCE COSTS

	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Interest payable on bank loans and overdrafts	**(0.8)**	(1.8)	(3.1)
Amortisation of debt issue costs	**(0.3)**	(0.8)	(1.7)
Other interest payable	**(0.1)**	(0.1)	(0.3)
Net interest cost on derivative financial instruments	**(0.4)**	(1.2)	(1.6)
Total interest expense	**(1.6)**	(3.9)	(6.7)
Interest income on bank deposits	**0.1**	0.1	0.2
Net interest income in respect of pension scheme liabilities	**0.4**	-	0.2
Total interest income	**0.5**	0.1	0.4
Net finance costs	**(1.1)**	(3.8)	(6.3)

6. INCOME TAX EXPENSE

	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Current tax	**5.7**	4.9	8.0
Deferred tax	**2.2**	2.8	3.6
	7.9	7.7	11.6

The taxation charge for the period is based on the estimated effective tax rate for the full year of 31.0% (2010: 33.5%).

There is a deferred tax liability at the period end of £106.2m (2010: £102.5m) which mainly relates to the recognition at fair value of biological assets and intangible assets arising on acquisition and a deferred tax asset of £20.1m (2010: £17.2m) which mainly relates to future tax deductions in respect of pension scheme liabilities, share scheme awards and financial instruments.

7. DIVIDENDS

	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2010 of 12.1 pence per share	**-**	7.2	7.2
Final dividend for the year ended 30 June 2011 of 13.3 pence per share	**8.0**	-	-
	8.0	7.2	7.2

The final dividend for the year ended 30 June 2011 was approved at the Company AGM on 10 November 2011 and paid on 25 November 2011.

On 20 February 2012 the Board proposed an interim dividend of 4.5 pence per share payable on 30 March 2012.

8. BIOLOGICAL ASSETS

Fair value of biological assets	**Bovine £m**	**Porcine £m**	**Total £m**
Balance at 1 July 2011	139.7	74.6	214.3
Increases due to purchases	1.8	41.4	43.2
Decreases attributable to sales	-	(65.1)	(65.1)
Decrease due to harvest	(12.5)	(4.1)	(16.6)
Changes in fair value less estimated sale costs	14.8	32.4	47.2
Effect of movements in exchange rates	4.0	1.1	5.1
Balance at 31 December 2011	**147.8**	**80.3**	**228.1**
Non-current biological assets	147.8	51.0	198.8
Current biological assets	-	29.3	29.3
Balance at 31 December 2011	**147.8**	**80.3**	**228.1**
Balance at 1 July 2010	130.2	82.3	212.5
Increases due to purchases	1.9	34.7	36.6
Decreases attributable to sales	-	(60.1)	(60.1)
Decrease due to harvest	(12.2)	(3.4)	(15.6)
Changes in fair value less estimated sale costs	22.3	26.1	48.4
Effect of movements in exchange rates	(5.1)	(1.6)	(6.7)
Balance at 31 December 2010	137.1	78.0	215.1
Non-current biological assets	137.1	46.7	183.8
Current biological assets	-	31.3	31.3
Balance at 31 December 2010	137.1	78.0	215.1
Balance at 1 July 2010	130.2	82.3	212.5
Increases due to purchases	5.2	69.4	74.6
Decreases attributable to sales	-	(124.4)	(124.4)
Decrease due to harvest	(26.1)	(7.2)	(33.3)
Changes in fair value less estimated sale costs	38.2	57.2	95.4
Effect of movements in exchange rates	(7.8)	(2.7)	(10.5)
Balance at 30 June 2011	139.7	74.6	214.3
Non-current biological assets	139.7	47.3	187.0
Current biological assets	-	27.3	27.3
Balance at 30 June 2011	139.7	74.6	214.3

8. BIOLOGICAL ASSETS (CONTINUED)

Bovine biological assets include £1.5m (2010: £1.5m) representing the fair value of bulls owned by third parties but managed by the Group, net of expected future payments to such third parties and are therefore treated as assets held under finance leases.

The current market determined post-tax rate used to discount expected future net cash flows from the sale of bull semen is the Group's

weighted average cost of capital. This has been assessed as 8.0% (2010: 8.0%).

Porcine biological assets include £35.2m (2010: £29.8m) relating to the fair value of the retained interest in the genetics in respect of animals transferred to customers under royalty contracts. Total revenue in the period includes £35.4m (2010: £32.7m) of revenue in respect of these contracts comprising £7.4m (2010: £6.4m) on initial transfer of animals to customers and £28.0m (2010: £26.3m) in respect of royalties received.

The aggregate gain arising during the period on initial recognition of biological assets in respect of multiplier purchases was £16.0m (2010: £10.6m).

Decreases attributable to sales during the period of £59.3m (2010: £60.1m) include £15.4m (2010: £15.8m) in respect of the reduction in fair value of the retained interest in the genetics of animals sold under royalty contracts.

Six months ended 31 December 2011

	Bovine £m	**Porcine £m**	**Total £m**
Net IAS 41 valuation movement on biological assets*			
Changes in fair value of biological assets	14.8	32.4	47.2
Inventory transferred to cost of sales at fair value	(11.1)	(4.1)	(15.2)
Biological assets transferred to cost of sales at fair value	-	(23.9)	(23.9)
	3.7	**4.4**	**8.1**

Six months ended 31 December 2010

	Bovine £m	**Porcine £m**	**Total £m**
Net IAS 41 valuation movement on biological assets*			
Changes in fair value of biological assets	22.3	26.1	48.4
Inventory transferred to cost of sales at fair value	(11.5)	(3.4)	(14.9)
Biological assets transferred to cost of sales at fair value	-	(25.7)	(25.7)
	10.8	(3.0)	7.8

Year ended 30 June 2011

	Bovine £m	**Porcine £m**	**Total £m**
Net IAS 41 valuation movement on biological assets*			
Changes in fair value of biological assets	38.2	57.2	95.4
Inventory transferred to cost of sales at fair value	(22.2)	(7.2)	(29.4)
Biological assets transferred to cost of sales at fair value	-	(56.2)	(56.2)
	16.0	(6.2)	9.8

*This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historic cost accounting, which forms part of the reconciliation to adjusted operating profit.

9. EQUITY ACCOUNTED INVESTEES

The Group's share of profit after tax in its equity accounted investees for the six months ended 31 December 2011 was £0.4m (2010: £1.0m).

	2011 £m	2010 £m
Balance at 1 July	**8.6**	7.4
Share of post-tax profits of joint ventures and associates retained	**0.4**	1.0
Effect of movements in exchange rates	**(0.8)**	0.2
Balance at 31 December	**8.2**	8.6

Summary financial information for equity accounted investees, adjusted for the percentage ownership held by the Group:

Income statement	Revenue £m	Net IAS 41 valuation movement on biological assets £m	Expenses £m	Taxation £m	Profit after tax £m
Six months ended 31 December 2011	**10.6**	**(0.7)**	**(9.2)**	**(0.3)**	**0.4**
Six months ended 31 December 2010	10.3	(0.3)	(8.8)	(0.2)	1.0
Year ended 30 June 2011	21.5	(0.4)	(18.4)	(0.4)	2.3

10. RELATED PARTIES

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures and associates are described below:

Other related party transactions

	Transaction value			Balance outstanding		
	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m	**31 December 2011 £m**	31 December 2010 £m	30 June 2011 £m
Sale of goods and services						
Joint ventures and associates	**2.1**	2.5	5.0	**0.6**	0.1	0.4

All transactions and related outstanding balances with joint ventures and associates are based on an arm's length basis and are to be settled in cash within three months of the reporting date. None of the balances are secured.

11. EARNINGS PER SHARE

	Six months ended 31 December 2011 m	Six months ended 31 December 2010 m	Year ended 30 June 2011 m
Weighted average number of ordinary shares (basic)	**59.8**	59.6	59.7
Dilutive effect of share options	**0.7**	0.9	0.9
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**60.5**	60.5	60.6

	Six months ended 31 December 2011	Six months ended 31 December 2010	Year ended 30 June 2011
Earnings per share from continuing operations			
Basic earnings per share	**30.2p**	25.7p	49.0p
Diluted earnings per share	**29.9p**	25.3p	48.2p
Adjusted earnings per share from continuing operations			
Adjusted earnings per share	**26.7p**	21.1p	44.8p
Diluted adjusted earnings per share	**26.5p**	20.8p	44.1p

Earnings per share measures are calculated on the weighted average number of ordinary shares in issue during the period. As in previous years, adjusted earnings per share have been shown, since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance.

11. EARNINGS PER SHARE (CONTINUED)

Continuing operations

Basic earnings per share from continuing operations is calculated on the profit for the period of £18.1m (six months ended 31 December 2010: £15.3m; year ended 30 June 2011: £29.2m) divided by weighted average number of ordinary shares (basic and diluted) as calculated above.

Adjusted earnings per share is calculated on profit for the period before net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items after charging taxation associated with those profits, of £16.0m (six months ended 31 December 2010: £12.6m; year ended 30 June 2011: £26.7m), as follows:

Adjusted earnings from continuing operations

	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Profit before tax from continuing operations	**26.0**	23.0	40.8
Add/(deduct):			
Net IAS 41 valuation movement on biological assets	**(8.1)**	(7.8)	(9.8)
Amortisation of acquired intangible assets	**2.6**	2.7	5.2
Share-based payment expense	**1.8**	1.3	3.2
Pension curtailment gain	**-**	(0.6)	(0.6)
Insurance settlement	**-**	-	(0.6)
Net IAS 41 valuation movement on biological assets in joint ventures and associates	**0.7**	0.3	0.4
Tax on joint ventures and associates	**0.3**	0.2	0.4
Adjusted profit before tax	**23.3**	19.1	39.0
Adjusted tax charge	**(7.3)**	(6.5)	(12.3)
Adjusted profit after taxation	**16.0**	12.6	26.7
Effective tax rate on adjusted profit	**31.3%**	34.0%	31.5%

12. CASH FLOW FROM OPERATING ACTIVITIES

	Six months ended 31 December 2011 £m	Six months ended 31 December 2010 £m	Year ended 30 June 2011 £m
Profit for the period	**18.1**	15.3	29.2
Adjustment for:			
- Net IAS 41 valuation movement on biological assets	**(8.1)**	(7.8)	(9.8)
- Amortisation of intangible assets	**3.0**	3.0	5.8
- Share-based payment expense	**1.8**	1.3	3.2
- Share of profit of joint ventures and associates	**(0.4)**	(1.0)	(2.3)
- Finance costs	**1.1**	3.8	6.3
- Income tax expense	**7.9**	7.7	11.6
- Pension curtailment gain	**-**	(0.6)	(0.6)
- Depreciation of property plant and equipment	**2.5**	2.4	4.7
- Gain on disposal of plant and equipment	**-**	-	(0.1)
	25.9	24.1	48.0
Other movements in biological assets and harvested produce	**(1.0)**	(1.7)	(4.1)
Decrease in provisions	**(0.1)**	(0.1)	(0.4)
Additional pension contribution in excess of pension charge	**(1.4)**	(1.8)	(3.2)
Other	**-**	-	(0.1)
Operating cash flows before movement in working capital	**23.4**	20.5	40.2
Decrease/(increase) in inventories	**1.0**	(0.2)	(1.1)
Increase in receivables	**(5.8)**	(1.0)	(4.1)
(Decrease)/increase in payables	**-**	(2.3)	4.2
Cash generated by operations	**18.6**	17.0	39.2
Interest received	**0.1**	0.1	0.2
Interest and other finance costs paid	**(0.9)**	(1.9)	(3.5)
Cash flow from derivative financial instruments	**(0.4)**	(1.2)	(1.6)
Income taxes paid	**(4.3)**	(2.4)	(6.2)
Net cash inflow from operating activities	**13.1**	11.6	28.1

13. RETIREMENT BENEFIT OBLIGATIONS

The Group provides employee benefits under various arrangements, including defined benefit and defined contribution pension plans, the details of which are disclosed in the most recent annual financial statements. Details of the total recognised defined benefit obligations are provided below:

	31 December 2011 £m	31 December 2010 £m	30 June 2011 £m
Present value of funded obligations	**162.7**	158.3	156.2
Present value of unfunded obligations	**6.9**	6.8	6.8
Total present value of obligations	**169.6**	165.1	163.0
Fair value of plan assets	**(141.2)**	(143.3)	(146.4)
Restrict recognition of asset	**7.7**	5.4	7.0
Recognised liability for defined benefit obligations before taxation	**36.1**	27.2	23.6

Included in the defined benefit obligations are obligations relating only to Genus' section and its share of any orphan assets and liabilities of the Milk Pension Fund, in which although managed on a sectionalised basis ultimate liabilities are joint and several. Further details of the Milk Pension Fund can be found in the Annual Report 2011.

The principal actuarial assumptions at the date of the most recent actuarial valuations (expressed as weighted averages) are:

	31 December 2011 %	31 December 2010 %	30 June 2011 %
Discount rate	**4.9**	5.5	5.7
Expected return on plan assets	**7.2**	6.9	7.2
Future salary increases	**3.9**	4.4	4.6
Medical cost trend rate	**7.6**	7.1	7.6
Future pension increases	**2.9**	3.4	3.6

14. OTHER MATTERS

Contingencies

There have been no material changes to the Group's contingent liabilities relating to the Group's ongoing joint and several liability for the Milk Pension Fund, more fully described in the Annual Report 2011.

There have been no changes to any other contingent liabilities involving the Group in the six months ended 31 December 2011 which are expected to have, or have had, a material effect on the financial position or profitability of the Group.

GENUS PLC

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) the Condensed Set of Financial Statements has been prepared in accordance with IAS 34;

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and charges therein).

Neither the Company nor the Directors accept any liability to any person in relation to the half-yearly financial report except to the extent that such liability could arise under English Law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

By order of the Board

Chief Executive	Group Finance Director
Karim Bitar	John Worby

20 February 2012

GENUS PLC

REPORT ON REVIEW OF CONDENSED SET OF FINANCIAL STATEMENTS OF GENUS PLC

INDEPENDENT REVIEW REPORT TO GENUS PLC

We have been engaged by the Company to review the Condensed Set of Financial Statements in the half-yearly financial report for the six months ended 31 December 2011 which comprises the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Set of Financial Statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity'* issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The Condensed Set of Financial Statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, '*Interim Financial Reporting*,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Condensed Set of Financial Statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Set of Financial Statements in the half-yearly financial report for the six months ended 31 December 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

20 February 2012

This information is provided by RNS
The company news service from the London Stock Exchange

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