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GENUS plc
("Genus" or "the Company")

Interim Management Statement

and

Strategy Update

Genus, a leading global animal genetics company, today publishes its interim management statement for the period from 1 January 2012. Additionally the Company provides an update on the Group's strategy that has the objective of establishing the framework to enable an improving rate of growth from 2014 onwards.

In the period since 1 January 2012, Genus has continued to trade in line with the Board's expectations and ahead of the same period last year.

Trading performance

Overall demand for Genus' products and services has continued broadly in line with that experienced in the first half of the current financial year. Market conditions for Genus' customers have remained positive for the four months to 30 April 2012 with customers facing some modest pressure in March and April.

In North America, the porcine business has sustained its positive momentum with volumes up by 10% leading to a similar rise in royalty income. Improved average selling prices and tight cost control have enabled bovine profits to progress despite volumes at broadly the same level as last year.

Latin America has made good progress in both porcine and bovine. Porcine volumes grew strongly particularly in Mexico. Firming pig prices have resulted in an improved performance in the joint venture in Brazil. In bovine, volumes also increased with the beef business in Brazil and dairy business in Argentina doing particularly well and more than offsetting a weaker dairy market in Mexico.

In Europe, bovine volumes were up on last year driven by growth in distributor markets. The acquisition of our small Polish distributor in February will enable further penetration in the large and growing Polish market. In porcine, the slight improvement in pig prices together with the benefits of the cost reductions implemented in the first half in Germany have resulted in a more stable performance.

Following a particularly strong first half that benefited from a number of large new customer stockings in porcine, progress has continued in Asia. Porcine volumes in the period were lower due to the phasing of deliveries. In Vietnam, the second largest pork market in Asia, we have established a platform for growth by entering into a new franchise agreement with Greenfeed, a leading agribusiness, to become PIC's distributor. In bovine, sales of semen improved especially in Russia and China.

Financial Position

Net debt at the end of April was at a similar level to 31 December 2011 and below the level at the same time last year despite higher working capital supporting increased sales.

Strategy Update

Genus is later today holding a meeting for analysts and major investors at which the executive team will provide an update on the Group's strategy. The update will explain the results of a comprehensive strategic review undertaken by Karim Bitar following his appointment as Chief Executive in September 2011. The Company will reconfirm the significant growth opportunities provided in the dairy, porcine and beef animal genetics markets particularly in the BRIC countries. It will explain the plans that it is implementing to capture the growth opportunities that this creates for Genus. To seize these opportunities, Genus will increasingly focus on the needs of its customers and adopt a stronger marketplace orientation. Important drivers in this strategy will be:

- Accelerating Genus' product lead over competitors
  The research and development team now reports directly to the CEO and will focus on accelerating the pace of genetic improvement and ensuring products meet specific customer requirements.

- Targeting key markets and segments
  Particular emphasis will be placed on continuing to grow in those large markets and segments in which the Group currently operates as well as markets offering strong growth potential such as the BRIC countries.

- Tailoring the business model
  Ensuring that the product and service offering meets the specific requirements of the target market/segment and that best practice in areas such as value capture is implemented across the Group.

- Strengthening core competencies
  Emphasis will be placed on strengthening core competencies, including marketing, key account management, product development, supply chain and technical services.

The Group sees strong growth opportunities in the BRIC countries. In the porcine market in China, Genus is already in discussions with a number of leading integrated pig producers looking to improve the quality of their genetics and expand their production. These discussions envisage the creation of joint ventures with these producers who will utilise a significant proportion of the breeding animals produced by the joint venture to build their own pig production system. Genus has concluded that this type of structure will enable the Group to provide its world class genetics in a manner that protects its intellectual property and enables the introduction of a royalty model that Genus already operates in its porcine business across other geographies.

The Group has reviewed opportunities to improve performance in the porcine business in Europe and will be implementing a restructuring to increase the focus on larger more integrated customers. Implementation costs are expected to be in the region of £1m-£2m and will be charged as an exceptional item in the year to 30 June 2012.

The Group expects its future capital expenditure to be higher to support the planned organic growth, but for such expenditure to remain modest. It expects to continue to benefit from the high return on investment it currently achieves and, as a result, increased capital investment needs will be financed from cash flows generated from Group operations.

Delivering on these plans is expected to enable the Group to achieve an improving rate of growth from 2014 onwards.

An audio webcast of the presentations at the meeting will be available on the Group's website (www.genusplc.com) on 4 May 2012.

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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 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.

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