RNS Number : 8574I
Genus PLC
31 July 2012

For Immediate Release **31 July 2012**

Genus plc
('Genus' or the 'Group')

Joint Venture in China with Leading Integrated Pork Producer

Genus, a leading global animal genetics company, is pleased to announce that its porcine genetics division, PIC, has signed a joint venture ("JV") agreement with Shaanxi Yangling BeSun Agricultural Group Co. ("BeSun"), a leading integrated pork producer in China, to partner in the operation of a large 4,250 sow nucleus farm in China's Shaanxi province.

The JV expands Genus' porcine business in China and is in line with its new corporate strategy which focuses on growing key markets and segments such as the Chinese integrated pork producer segment. China alone offers the largest opportunity in pork production, approximately half of the world pork consumption. Genus plans to increase its share of this large market from its small existing market share of c.1%.

Genus will become a 49% partner in the JV through a cash investment of approximately £8.7m. The JV will own a recently completed state of the art nucleus farm, including air filtering to enhance disease prevention. Genus will provide over the next nine months pure line porcine stock from PIC's global high health pyramid to stock the farm. The JV farm will be managed by Genus. This will ensure that Genus' intellectual property will be protected. In addition, the arrangements enable the introduction of a royalty revenue model which is already in operation across Genus' porcine businesses in other key geographies.

The JV will produce grandparent sows with the output from the farm being used proportionally by the JV partners, approximately 50% each with BeSun using its proportion in its multiplication programme and Genus' share of the output providing important additional volume to support its growing sales of breeding animals in China. Once in full operation, the herd will underpin production of 10 million slaughter pigs per year.

Genus is continuing to pursue other JV opportunities in China to develop its porcine business further.

Commenting on the JV, Karim Bitar CEO said:

"Asia, and in particular China, is a strategic market for Genus. The JV announced today is in line with the growth strategy we announced in May and will provide us with an excellent stepping stone to expand our business whilst helping provide affordable, safe and high quality pork to Chinese consumers. We look forward to working with BeSun and achieving our shared objectives."

Commenting on the JV, Ms Yan, President of BeSun said:

"BeSun assessed several providers of porcine genetics, but we found that PIC pigs have the best performance on our farm. Most importantly, we explored leading porcine genetic companies around the world and found that PIC has the best resources, expertise and attitude to support their partners to be successful."

For further information please contact:-

Genus plc Tel: 01256 345970
Karim Bitar, Chief Executive
John Worby, Finance Director

Buchanan Tel: 0207 466 5000
Charles Ryland

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 dairy, beef and pork food production 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, technical service and distribution network.

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

About Genus PIC

PIC is the global leader in providing genetically superior pig breeding stock and technical support for maximising genetic potential to commercial pork producers. Operating for 50 years, PIC's success is due to its concentration on and significant investment in all aspects of genetics, technology and health.

About BeSun

BeSun is a leading integrated pig producer. It has an animal feed business producing approximately 150,000 tonnes of feed each year. In addition, it farms 15,000 sows and operates its own slaughter facilities and 90 retail outlets in China's Shaanxi province. It plans to increase its production base to support an annual kill of 3.9 million pigs within 10 years.

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

END

JVEFMGFNNGRGZZM