RNS Number : 5280Y
Genus PLC
25 February 2013

For Immediate Release 25 February 2013

('Genus' or 'the Company')

Interim Results for the six months ended 31 December 2012

Genus, a leading global animal genetics company, announces its unaudited results for the six months ended 31 December 2012. These results are reported under International Financial Reporting Standards ('IFRS').

FINANCIAL HIGHLIGHTS

	Actual currency			Constant currency+
Six months ended 31 December	**2012**	2011	Movement	Movement
	£m	£m	%	%
Adjusted Results				
Revenue	**167.2**	166.9	-	+2
Operating profit*	**22.8**	23.0	(1)	+2
Profit before tax*	**23.1**	23.3	(1)	+2
Basic earnings per share (p)*	**26.8**	26.7	-	+3
Statutory Results				
Revenue	**167.2**	166.9	-	
Operating profit	**24.8**	26.7	(7)	
Profit before tax	**24.8**	26.0	(5)	
Basic earnings per share (p)	**28.7**	30.2	(5)	
Interim dividend per share (p)	**5.0**	4.5	+11	

* 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.
+ Constant currency percentage movements are calculated by restating 2012 results at the exchange rates applied in 2011.

BUSINESS HIGHLIGHTS

- Revenue £167.2m (2011: £166.9m), broadly unchanged in actual currency; an increase of 2% in constant currency:
  - Bovine sales volumes 6% higher, with strong increase in Asia partly offset by weak volumes in Latin America
  - Porcine volumes up 1% on last year's high volumes
- Adjusted operating profit 1% lower at £22.8m (2011: £23.0m) in actual currency (up 2% in constant currency) despite higher feed costs, adverse weather in Latin America and increased revenue investment to support future growth. Following the change to the new business structure, performance by business unit was:
  - Genus PIC profits up 7% (9% in constant currency)
  - Genus ABS profits 8% lower (down 4% in constant currency)
  - Genus Asia profits up 9% (11% in constant currency)

- Research and development costs up 13% (17% in constant currency)

- Adjusted earnings per share marginally ahead at 26.8 pence (2011: 26.7 pence) in actual currency (up 3% in constant currency)

- Interim dividend increased to 5.0 pence per share payable on 8 April 2013

- Encouraging progress in implementing new strategy:
  - New organisation structure to align the business with customers and increase market place orientation now in place
  - Increased focus and investment in research and development
  - Global technical service teams enhancing customer service
  - Management teams strengthened to support growth strategy, especially in China
  - Second porcine joint venture in China announced with Shennong, the largest integrated pork producer in the Yunnan province

Karim Bitar, Chief Executive, commented:

"A strong second quarter performance enabled the Group to overcome the challenging first quarter and report results for the first half in line with last year.

This was a solid performance given the significantly higher feed costs incurred and planned revenue investments made to position the Group for future growth.

Genus has made encouraging progress in implementing the new strategy, including the announcement of our second porcine joint venture in China, and the Group remains on track to accelerate its rate of growth from 2014 onwards."

For further information please contact:

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Karim Bitar, Chief Executive

John Worby, Group Finance Director (to 1 March 2013)

Stephen Wilson, Group Finance Director (from 1 March 2013)

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 and genetic improvement by applying biotechnology and sells added value products for livestock farming and food producers. Its technology is applicable across all livestock species and is currently 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. Genus' customers' animals produce offspring with greater production efficiency, 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 supply chain, technical service and sales 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.

GROUP PERFORMANCE

Genus results for the six months to 31 December 2012 were at a similar level to the strong performance achieved in the first half of last year. Earnings per share were ahead of last year at 26.8 pence per share (2011: 26.7 pence). This solid performance reflects the strength of the Genus business model in limiting the financial effect on Genus of the higher feed costs that are affecting us and many of the Group's customers.

In addition, Genus has made good progress in implementing the strategy to accelerate the rate of profit growth from 2014 onwards. This includes the announcement today of a second porcine joint venture in China, with Shennong, the largest integrated pork producer in the Yunnan province.

Results

Revenue of £167.2m for the six months to 31 December 2012 was in line with last year (2011: £166.9m). This reflects underlying growth offset by the impact of currency fluctuations, and changes in mix in both the porcine and bovine businesses. Porcine volumes were 1% up on the exceptionally strong growth achieved last year, whilst bovine volumes were up 6%, driven by strong volume growth in Asia, partly offset by the impact on Genus ABS of weak volumes in Latin America.

Adjusted operating profit was 1% lower at £22.8m (2011: £23.0m); profits increased by 2% in constant currency. Following the strong performance in the first half of last year, this solid result was achieved after absorbing the impact of adverse weather conditions in our bovine businesses in Latin America and significant additional costs. These costs included £1.0m in higher feed costs, net of slaughter revenues, in the Group's genetic nucleus farms and increased revenue investments of £1.4m made in line with our planned strategy for growth. In particular, we have invested in strengthening management teams and additional research and development activities.

Genus PIC and Genus Asia performed strongly with profit increases of 7% and 9% respectively. Genus ABS profits were held back by a slow first quarter in Argentina, Brazil and Mexico. Performance in these countries improved in the second quarter as expected. Finance costs were lower at £0.9m (2011: £1.1m), benefiting from both lower borrowings and lower average interest rates.

Adjusted profit before tax was £23.1m compared with £23.3m last year and with the benefit of a slightly lower tax rate of 30.3% compared with 31.3% last year, adjusted earnings per share rose marginally to 26.8 pence (2011: 26.7 pence).

Adverse currency movements have reduced the reported profit before tax by £0.6m; as a result, in constant currency, the underlying adjusted profit before tax was 2% ahead of last year, and adjusted earnings per share were 3% higher.

The Group monitors performance principally through these adjusted profit measures which exclude certain non-cash items including the fair value credit on biological assets. The statutory results, including these items, show a 5% reduction in profit before tax to £24.8m (2011: £26.0m) and a reduction in earnings per share to 28.7 pence (2011: 30.2 pence). The reduction in statutory profit before tax and earnings per share is the result of a lower fair value credit on biological assets, down from £8.1m to £6.1m.

Cash Flow and Net Debt

The Group had a cash outflow for the first half of the year of £8.2m. This reflected the normal seasonal working capital outflow from a particularly low level at 30 June 2012. In addition, working capital includes amounts in respect of the stocking of the Besun farm that will ultimately form part of the Besun joint venture.

Despite this outflow, net debt at 31 December 2012 of £63.9m was £5.7m lower than at the same time last year. This gives an indication of the Group's continued underlying cash generation across the annual cycle.

Dividend

The Board has approved an interim dividend of 5.0 pence per share. Last year's interim dividend was 4.5 pence. The interim dividend is payable on 8 April 2013 to those shareholders on the register at 15 March 2013.

Progress on Strategy

In May 2012, we announced a new strategy to capture the very significant growth opportunities in the animal genetics markets, particularly in light of the growing demand for animal protein due to continued urbanisation and the increased use of technology in agriculture. We have made very encouraging progress in implementing this strategy. A new organisation structure was introduced in July 2012 to align the business with our customers and increase market place orientation. The new structure has enabled an increased focus on prioritising and executing on a global basis against the four key elements of our strategy: accelerating Genus' product lead over competitors through genetic control and product differentiation; targeting key markets and segments; tailoring our business model to improve focus on specific customers and segments; and strengthening core competencies.

Initiatives to improve product differentiation have included completing the implementation of our single step genomic evaluation across the porcine development programme and introducing our proprietary tailored customer index ('Real World Data®'), particularly focused on enterprise and large commercial dairy customers.

The introduction of global business units to support each of the porcine and bovine businesses is yielding a number of benefits. The global technical service teams are enhancing customer service; for example, in porcine we are introducing product validation trials in a number of markets to better demonstrate the value of our delivery to our customers; and the global teams are increasingly supporting the growth initiatives we are pursuing across the Asia region, particularly in China.

Core competencies are being strengthened in a number of areas. This is being achieved partly through the creation of the global business units, but we have also strengthened our management teams in the fast growing Asia region. Additionally, we are introducing more structured performance management and succession planning across the Group to ensure we have the right resources in place to achieve our strategic ambitions.

People

Genus managers across the Group have responded well to the changes in organisation structure introduced in July 2012.

We have continued to strengthen our management teams; Saskia Korink joined the Group in January 2013 to head up marketing across the Group in the new position of Chief Marketing Officer. Saskia brings a wealth of international marketing and business experience including most recently having been Vice President of Global Marketing for Cargill Inc.'s animal nutrition business. A number of other key appointments have been made across the Group including in our operations in China and in our global supply chain and technical services.

During the half year, we also announced the retirement of John Worby as Group Finance Director and the appointment of Stephen Wilson to succeed him on 1 March 2013. The Board expresses its deep thanks to John for his significant contribution over the last eight years and extends a warm welcome to Stephen.

Outlook

Genus' performance improved in the second quarter with profits up 10% after a challenging first quarter. The Board expects to make progress in the second half and to deliver results for the year in line with expectations. With the progress made in implementing the new strategy, the Group remains on track to accelerate its rate of growth from 2014 onwards.

REVIEW OF OPERATIONS

Genus PIC

	Actual currency			Constant currency
	2012 £m	2011 £m	Movement %	Movement %
Revenue	**64.4**	64.7	-	2
Adjusted operating profit exc joint venture ('JV')	**23.6**	22.0	7	9
Adjusted operating profit inc JV	**24.6**	23.0	7	9
Adjusted operating margin exc JV	**37%**	34%		

Under the new structure, Genus PIC comprises the Group's porcine business in North America, Latin America and Europe. It also includes the technical services and supply chain functions supporting the porcine business globally.

Market

Market conditions across the businesses remain mixed. In the important North American markets, producers continue to suffer production losses as a result of the high feed costs. As a result, a number of customers have put their expansion plans temporarily on hold. In Brazil, producer margins are improving, and elsewhere in Latin America market conditions are generally favourable. In Europe demand has been stable as firm pig prices have helped offset higher feed costs.

Performance

Against this background, Genus PIC had a strong performance benefiting from the robustness of the business model. Operating profits were up 7% to £24.6m on revenue of £64.4m (an increase in profit of 9% in constant currency). Volume grew 5%, aided by particularly strong growth in Latin America. Margins benefited from the continued switch from direct sales to royalty contracts, especially in Latin America, and from the further roll out of the Cross Breeding Value Plus ('CBV Plus') programme. Overall, profitability increased in each of the three regions of North America, Latin America and Europe.

The planned restructuring in Europe has progressed well and has contributed to the improved profitability in the region. The owned farm in the Czech Republic has been franchised, enabling a reduction in farming exposure and, in Germany, the restructuring implemented last year has resulted in an improved performance. Further steps planned as part of the restructuring are likely to incur exceptional costs of around £1m, of which £0.3m was charged in the first half. These costs are in addition to the £2m exceptional costs charged last year and are expected to yield further improvements in performance in 2014.

The establishment of the Genus PIC global business unit to support the porcine business has been aggressively pursued. The global technical services team has been strengthened with the appointment of new global and European directors of technical services. The global team is also supporting the growth of the technical services expertise across Asia.

Structured product validation trials have been initiated across the business to document and demonstrate to customers the economic advantages of PIC genetics and support the global roll out of programmes such as CBV Plus. Good progress has also been made in pursuing initiatives to achieve the objective of accelerating genetic dissemination by one year.

Genus ABS

	Actual currency			Constant currency

	2012 £m	2011 £m	Movement %	Movement %
Revenue	**69.7**	71.1	(2)	1
Adjusted operating profit	**11.0**	11.9	(8)	(4)
Adjusted operating margin	**16%**	17%		

Genus ABS comprises the Group's dairy and beef businesses in North America, Latin America and Europe. It also includes the technical services, marketing, production and supply chain functions supporting the dairy and beef businesses globally.

Market

In North America and across Europe, milk prices have risen to offset the impact of higher feed costs. This has led to more stable markets as the half year progressed. The exception was in Latin America where adverse weather conditions, flat milk prices and higher input costs significantly affected demand, especially in the first quarter in Argentina, Brazil and Mexico.

Performance

Genus ABS revenues were down 2% for the half year at £69.7m (up 1% in constant currency) and profits fell by 8% to £11.0m (a reduction of 4% in constant currency). This reflects a poor first quarter in Latin America, driven by adverse weather conditions in Argentina and Brazil, and weak demand in Mexico. Performance improved in the second quarter, but overall volumes and profits in Latin America were lower for the half year. This was partially offset by modest improvements in performance in North America and Europe.

In total, volumes in the business were down 1% reflecting a 5% fall in the first quarter, largely offset by growth in the second quarter as market conditions improved in Latin America.

Following the reorganisation in July 2012, Genus ABS has worked hard to ensure best practice is shared across the global dairy and beef businesses. The approach to technical services is being standardised across the Group. For example, Genus' data monitoring service 'ABS Monitor', which assists customers in optimising their herd reproductive performance, has been rolled out globally.

Genus Asia

	Actual currency			**Constant currency**
	2012 £m	2011 £m	Movement %	Movement %
Revenue	**28.6**	25.8	11	12
Adjusted operating profit exc joint venture ('JV')	**6.9**	6.1	13	15
Adjusted operating profit inc JV	**7.1**	6.5	9	11
Adjusted operating margin exc JV	**24%**	24%		

Genus Asia includes the porcine and bovine businesses across the region. In addition to the businesses in China, the Philippines and India, the region also includes the Group's operations in Russia and Australia.

Market

Market conditions across the region have been generally favourable. Pork prices in China and Russia were lower than the

high levels last year, however pig production has remained profitable and customer demand has been driven primarily by the growth of large integrated pork producers. In dairy, demand has been robust with stable or increasing milk prices across the region, other than in Australia where milk prices were significantly lower.

Performance

Genus Asia profits increased by 9% to £7.1m (up 11% in constant currency). This strong performance was achieved despite high feed costs and lower slaughter revenues in China, which had a £0.9m impact on profits compared with last year, and our continuing investment in people to support the growth in the region.

Porcine volumes in Asia were lower due to the timing of particularly large porcine stockings in Russia and South Korea in the first half of last year, however profits improved with good volume growth achieved in the Philippines and China. This included the initial stocking of the Besun joint venture farm. In the bovine businesses, profitability benefited from double digit growth in China and in distributor markets. Volumes also grew very strongly in India, though at lower price points than in other territories.

Considerable strategic progress has been made in the half year. We have continued to strengthen the management team in the Asia region and in China in particular. This has included key appointments of a new head of ABS China, and in the areas of business development, supply chain and technical services.

Working with the Genus PIC global supply chain team, we have taken steps to ensure that the products we are offering are relevant and up to date. We have already accelerated the speed of genetic dissemination in the region and a shipment of animals to China in January will further improve the position.

As noted above, the establishment of the Besun joint venture is progressing well and stocking of the farm has commenced. We have also entered into an agreement to establish our second porcine joint venture in China with Shennong, the largest integrated pig producer in the Yunnan region which slaughters approximately three million pigs a year. This involves a £2.7m investment by Genus to establish a 1,000 sow nucleus farm operation that will be 65% owned by Genus. We continue to pursue additional joint venture opportunities in China to maximise Genus' growth in this significant and expanding market.

Research and Product Development

	Actual currency			Constant currency
	2012 £m	2011 £m	Movement %	Movement %
Research	**1.2**	0.8	50	63
Porcine Product Development	**7.6**	6.6	15	17
Bovine Product Development	**5.6**	5.3	6	9
	14.4	12.7	13	17

The investment in research and product development for the half year increased by 13% to £14.4m (up 17% in constant currency). This uplift reflects increased research expenditure as well as continued investment in porcine and bovine product development. In addition, within porcine product development, costs rose by £1.0m as a result of higher feed costs, net of slaughter revenues, incurred mainly in the operation of the two genetic nucleus farms in North America. This increase arose from the drought conditions in North America last summer that drove up feed prices.

Following the move to the new species organisation structure on 1 July 2012, a number of initiatives have been launched to increase the rate of product differentiation between Genus products and those of its competitors.

In porcine product development, significant progress has been made in implementing single step genomic evaluation, a technique that is being used uniquely by Genus PIC in the global livestock sector. Implementation will significantly improve accuracy and selection and as a result the rate of genetic progress. For example, genomic selection is predicted to increase significantly the rate of improvement in the efficiency of lean pork production.

In dairy product development, we have launched proprietary customer-tailored indices ('Real World Data®') for our enterprise and large commercial customers. The customised indices are developed from our proprietary database of over 12 million insemination records. We also remain focused on producing the leading bulls in each of our key markets. In the US market, Genus ABS continues to have more Holstein bulls in the top 100 total performance index ('TPI') industry ranking than any other company. In China, Genus leads the rankings of imported bulls based on an overall genetic merit and in India, our first Holstein bull from embryos transferred from Canada has now been born.

In beef product development, we have increased the focus on feed efficiency for both the Angus population in the US and the Nelore population in Brazil.

Genus research continues in our three key programmes of genomic selection, disease resistance and gender skew.

Genus Products

	Actual currency			Constant currency
	2012	2011	Movement	Movement
	£m	£m	%	%
Revenue				
Porcine	**81.8**	79.7	3	4
Bovine	**80.9**	81.9	(1)	1
Research and product development	**4.5**	5.3		
	167.2	166.9		
Adjusted operating profit				
Porcine	**19.2**	18.2	5	7
Bovine	**9.1**	9.9	(8)	(4)
Research & central costs	**(5.5)**	(5.1)		
	22.8	23.0		

Genus manages its global operations through the three businesses, Genus PIC, Genus ABS and Genus Asia, but also monitors product performance globally, after allocating product development costs specific to each species.

Porcine revenue grew modestly with 1% overall volume growth. This was affected by the phasing of sales in Asia in the prior year, which saw strong first half stockings, particularly in Russia and South Korea. Margins improved through the continued switch towards royalty-based sales and were aided by the benefits of implementing the CBV Plus programme. This programme delivers higher quality sire line genetics to customers in return for a share of the benefits derived by the customer. The improved margins resulted in a 5% increase in porcine profits to £19.2m (an increase of 7% in constant currency).

In bovine, volumes rose 6% with particularly strong growth in locally produced semen in India, where currently selling prices are low, offsetting lower volumes in Latin America where performance was adversely affected by poor weather in the first quarter. As a result, revenue fell by 1% (up 1% in constant currency) and profits were 8% lower at £9.1m (4% lower in constant currency).

Principal Risks and Uncertainties

Our approach to risk management is to identify, evaluate and prioritise risks and uncertainties and to actively manage actions to mitigate them. The Genus plc Annual Report 2012 (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. There has been no material change to the principal risks and uncertainties, which are summarised below, that might affect the performance of the Group in the second half of this financial year.

Risk	**Mitigating Actions**
Markets	
Intellectual property protection	• Strict contractual restrictions imposed on counterparties to limit use of genetic material within pure lines • Careful selection of multipliers and joint venture partners (including in emerging markets) to ensure trustworthiness • Ability to undertake genetic testing of animals to determine genetic origin
Agricultural recession and commodity pricing	• Geographic diversity of businesses • Use of the porcine royalty model • Hedging transactions to fix pricing of inputs and outputs where appropriate
Emerging markets	• Experienced management team blending local and expatriate executives • Asia established as a separate business unit reporting directly to the CEO • High level of Board oversight • Dedicated development, technical services and veterinary staff within emerging markets • Adoption of joint venture business model in appropriate regions
Disease and environment	
Bio security and continuity of supply	• Formal bio-security standards featuring movement controls, veterinary inspection and independent bio-security reviews • No over-reliance on single production sites with key facilities placed in different countries
Environmental pollution incident	• High standards of facility development and operation • Independent assessment of operational compliance
Business continuity	• Business continuity plans in place for key locations with testing programme • Formal IT disaster recovery plans in place with testing programme • Property damage and business interruption insurance cover
HR	
Human resources	• Executive pay levels recently reviewed by external consultants • Regular scrutiny of senior management performance and remuneration at Remuneration Committee • Development of people and talent plans • Special focus on HR issues in emerging markets, with a blend of local and expatriate management
Research and development	
Product development and competitive edge	• Formal communication process to ensure development is aligned with customer requirements • Dedicated product development team • Focus on key account management • Use of porcine royalty model • Offering technical services and support to customers • Benchmarking of performance • High density of bulls in Top 100 listings
Commercialisation of research	• Regular oversight of research by R & D Portfolio Management Team and Executive management • Continued appropriate budget allocated to research and development
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 • Third-party review of pension arrangements undertaken
Growth through acquisition	• Board review of all investment opportunities and approval of major transactions • Rigorous and broad due diligence processes

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2012

	Note	**Six months ended 31 December 2012**	Six months ended 31 December 2011	Year ended 30 June 2012
		£m	£m	£m
Revenue from continuing operations	4	**167.2**	166.9	341.8
Adjusted operating profit from continuing operations		**22.8**	23.0	45.8
Net IAS 41 valuation movement on biological assets	8	**6.1**	8.1	38.8
Amortisation of acquired intangible assets		**(2.6)**	(2.6)	(5.2)
Share-based payment expense		**(1.2)**	(1.8)	(3.1)
		25.1	26.7	76.3
Exceptional items		**(0.3)**	-	(22.1)
Operating profit from continuing operations		**24.8**	26.7	54.2
Share of post-tax profit of joint ventures and associates	9	**0.9**	0.4	2.3
Net finance costs	5	**(0.9)**	(1.1)	(2.1)
Profit before tax from continuing operations		**24.8**	26.0	54.4
Taxation	6	**(7.5)**	(7.9)	(14.8)
Profit for the period from continuing operations		**17.3**	18.1	39.6
Earnings per share from continuing operations				
Basic earnings per share	11	**28.7p**	30.2p	65.9p
Diluted earnings per share	11	**28.4p**	29.9p	65.0p
Non statutory measure of profit				
Adjusted operating profit from continuing operations	4	**22.8**	23.0	45.8
Pre-tax share of profits from joint ventures and associates excluding net IAS 41 valuation movement		**1.2**	1.4	2.8
Adjusted operating profit including joint ventures and associates		**24.0**	24.4	48.6
Net finance costs	5	**(0.9)**	(1.1)	(2.1)
Adjusted profit before taxation from continuing operations		**23.1**	23.3	46.5
Adjusted earnings per share from				

continuing operations				
Basic adjusted earnings per share	11	**26.8p**	26.7p	53.5p
Diluted adjusted earnings per share	11	**26.4p**	26.5p	52.7p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2012

	Six months ended 31 December 2012		Six months ended 31 December 2011		Year ended 30 June 2012	
	£m	**£m**	£m	£m	£m	£m
Profit for the period		**17.3**		18.1		39.6
Items that may be reclassified subsequently to profit or loss						
Foreign exchange translation differences	**(12.3)**		1.6		(7.0)	
Fair value movement on net investment hedges	**2.2**		(1.8)		1.1	
Fair value movement on cash flow hedges	**0.1**		(0.2)		(0.2)	
Tax relating to items that may be reclassified	**3.2**		2.3		(1.2)	
		(6.8)		1.9		(7.3)
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on retirement benefit obligations	**(8.7)**		(14.2)		(27.2)	
Tax relating to items not reclassified	**1.4**		3.4		6.4	
		(7.3)		(10.8)		(20.8)
Other comprehensive expense for the period net of tax		**(14.1)**		(8.9)		(28.1)
Total comprehensive income for the period		**3.2**		9.2		11.5
Attributable to:						
Owners of the Company		**3.2**		9.2		11.4
Minority interests		**-**		-		0.1
		3.2		9.2		11.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2012

	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**
Note									

Balance at 1 July 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		-	-	-	(7.9)	-	-	(7.9)	-	(7.9)
Fair value movement on net investment hedges, net of tax		-	-	-	0.8	-	-	0.8	-	0.8
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		-	-	-	-	-	(20.8)	(20.8)	-	(20.8)
Other comprehensive expense for the period		-	-	-	(7.1)	(0.2)	(20.8)	(28.1)	-	(28.1)
Profit for the period		-	-	-	-	-	39.5	39.5	0.1	39.6
Total comprehensive income/(expense) for the period		-	-	-	(7.1)	(0.2)	18.7	11.4	0.1	11.5
Recognition of share-based payments, net of tax		-	-	-	-	-	2.8	2.8	-	2.8
Issue of ordinary shares		-	0.1	-	-	-	-	0.1	-	0.1
Dividends	7	-	-	-	-	-	(10.7)	(10.7)	-	(10.7)
Balance at 30 June 2012		6.0	112.1	(0.1)	17.1	(0.5)	140.6	275.2	0.4	275.6
Foreign exchange translation differences, net of tax		-	-	-	(8.6)	-	-	(8.6)	-	(8.6)
Fair value movement on net investment hedges, net of tax		-	-	-	1.7	-	-	1.7	-	1.7
Fair value movement on cash flow hedges, net of tax		-	-	-	-	0.1	-	0.1	-	0.1
Actuarial loss on retirement benefit obligations, net of tax		-	-	-	-	-	(7.3)	(7.3)	-	(7.3)
Other comprehensive (expense)/income for the period		-	-	-	(6.9)	0.1	(7.3)	(14.1)	-	(14.1)
Profit for the period		-	-	-	-	-	17.3	17.3	-	17.3
Total comprehensive income/(expense) for the period		-	-	-	(6.9)	0.1	10.0	3.2	-	3.2
Recognition of share-based payments, net of tax		-	-	-	-	-	1.4	1.4	-	1.4
Issue of ordinary shares		0.1	-	-	-	-	-	0.1	-	0.1
Dividends	7	-	-	-	-	-	(6.1)	(6.1)	-	(6.1)
Balance at 31 December 2012		**6.1**	**112.1**	**(0.1)**	**10.2**	**(0.4)**	**145.9**	**273.8**	**0.4**	**274.2**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 31 December 2012

	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 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 (expense)/income 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

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2012

	Note	31 December 2012 £m	31 December 2011 £m	30 June 2012 £m
Assets				
Goodwill		**65.0**	67.2	66.4
Other intangible assets		**67.8**	73.6	71.2
Biological assets	8	**221.0**	198.8	223.0
Property, plant and equipment		**42.8**	42.0	41.7
Interests in joint ventures and associates	9	**9.6**	8.2	9.2
Available for sale investments		**0.1**	0.1	0.1
Derivative financial assets		**0.2**	0.1	0.3
Deferred tax assets		**24.0**	20.1	23.1
Total non-current assets		**430.5**	410.1	435.0
Inventories		**30.4**	33.0	30.2
Biological assets	8	**38.7**	29.3	36.8
Trade and other receivables		**75.1**	67.7	66.5
Cash and cash equivalents		**11.4**	18.8	18.6
Income tax receivable		**0.9**	1.6	0.8
Asset held for sale		**0.3**	0.3	0.3

Asset held for sale		**0.3**	0.3	0.3
Total current assets		**156.8**	150.7	153.2
Total assets		**587.3**	560.8	588.2
Liabilities				
Trade and other payables		**(43.2)**	(45.7)	(48.9)
Interest-bearing loans and borrowings		**(9.9)**	(7.2)	(8.2)
Provisions		**(2.3)**	(0.4)	(1.4)
Obligations under finance leases		**(0.9)**	(0.9)	(0.9)
Current tax liabilities		**(5.8)**	(7.2)	(4.6)
Derivative financial liabilities		**(0.3)**	(0.2)	(0.2)
Total current liabilities		**(62.4)**	(61.6)	(64.2)
Interest-bearing loans and borrowings		**(62.6)**	(79.3)	(64.6)
Retirement benefit obligations	13	**(74.3)**	(36.1)	(67.3)
Provisions		**(0.1)**	(1.1)	(1.1)
Deferred tax liabilities		**(111.1)**	(106.2)	(113.5)
Derivative financial liabilities		**(0.7)**	(0.7)	(0.6)
Obligations under finance leases		**(1.9)**	(1.0)	(1.3)
Total non-current liabilities		**(250.7)**	(224.4)	(248.4)
Total liabilities		**(313.1)**	(286.0)	(312.6)
Net assets		**274.2**	274.8	275.6
Equity				
Called up share capital		**6.1**	6.0	6.0
Share premium account		**112.1**	112.1	112.1
Own shares		**(0.1)**	(0.1)	(0.1)
Translation reserve		**10.2**	26.3	17.1
Hedging reserve		**(0.4)**	(0.5)	(0.5)
Retained earnings		**145.9**	130.7	140.6
Equity attributable to owners of the Company		**273.8**	274.5	275.2
Minority interest		**0.4**	0.3	0.4
Total equity		**274.2**	274.8	275.6

CONDENSED CONSOLIDATED STAEMENT OF CASH FLOWS

For the six months ended 31 December 2012

	Note	**Six months ended 31 December 2012 £m**	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Net cash inflow from operating activities	12	**1.5**	13.1	32.6
Cash flows from investing activities				
Dividend received from joint ventures and associates		**0.2**	-	0.5
Purchase of trade and assets		**-**	-	(0.2)
Purchase of property, plant and equipment		**(3.3)**	(3.3)	(7.1)
Purchase of intangible assets		**(0.6)**	(0.8)	(1.8)
Proceeds from sale of property, plant and equipment		**-**	0.1	1.1
Net cash outflow from investing activities		**(3.7)**	(4.0)	(7.5)

Cash flows from financing activities			
Drawdown of borrowings	**13.1**	3.0	7.5
Repayment of borrowings	**(10.4)**	(3.0)	(21.6)
Payment of finance lease liabilities	**(0.7)**	(0.6)	(1.0)
Equity dividends paid	**(6.1)**	(8.0)	(10.7)
Issue of ordinary shares	**0.1**	0.1	0.1
(Decrease)/increase in bank overdrafts	**(1.0)**	(0.1)	0.9
Net cash outflow from financing activities	**(5.0)**	(8.6)	(24.8)
Net (decrease)/increase in cash and cash equivalents	**(7.2)**	0.5	0.3
Cash and cash equivalents at beginning of period	**18.6**	18.3	18.3
Net (decrease)/ increase in cash and cash equivalents	**(7.2)**	0.5	0.3
Effect of exchange rate fluctuations on cash and cash equivalents	**-**	-	-
Total cash and cash equivalents at end of period	**11.4**	18.8	18.6

ANALYSIS OF NET DEBT
For the six months ended 31 December 2012

	At 1 July 2012 £m	Cash flows £m	Foreign exchange £m	Non-cash movements £m	**At 31 December 2012 £m**
Cash and cash equivalents	18.6	(7.2)	-	-	**11.4**
Interest-bearing loans - current	(8.2)	(1.7)	0.3	(0.3)	**(9.9)**
Obligation under finance leases - current	(0.9)	0.7	-	(0.7)	**(0.9)**
	(9.1)	(1.0)	0.3	(1.0)	**(10.8)**
Interest-bearing loans - non-current	(64.6)	-	2.0	-	**(62.6)**
Obligation under finance lease - non-current	(1.3)	-	-	(0.6)	**(1.9)**
	(65.9)	-	2.0	(0.6)	**(64.5)**
Net debt	(56.4)	(8.2)	2.3	(1.6)	**(63.9)**

	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)

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

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS
For the six months ended 31 December 2012

1. BASIS OF PREPARATION

The unaudited Condensed Set of Financial Statements for the six months ended 31 December 2012:

- 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 2012 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 22 February 2013.

The information relating to the year ended 30 June 2012 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 3 September 2012, which are available on the Group's website www.genusplc.com except as described below.
Certain comparative amounts have been reclassified to conform to the current period's presentation.

New standards and interpretations

The following new standard and interpretation has been adopted in the current period:

- IAS 12 '*Income Taxes*'

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*', IFRS 13 '*Fair Value Measurement*'; and
- Various amendments to IAS 1 '*Presentation of Financial Statements*', IAS 19 '*Employee Benefits',* IAS 27 (2011) '*Separate Financial Statements*', IAS 28 (2011) '*Investments in Associates and Joint Ventures*' and IAS 32 *'Offsetting Financial Assets and Financial Liabilities'.*

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group, except as follows:

- IFRS 9 '*Financial Instruments*', which will introduce a number of changes in the presentation of financial instruments; and
- IAS 19 *'Employee Benefits'* will impact the measurement of the various components representing movements in the defined pension obligation and associated disclosures, but not the Group's total obligation. It is likely that following the replacement of expected returns on plan assets with a net finance cost in the income statement, the profit for the period will be reduced and accordingly other comprehensive income increased.

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

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. 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 2012	Six months ended 31 December 2011	Year ended 30 June 2012	**31 December 2012**	31 December 2011	30 June 2012
US Dollar/£	**1.60**	1.59	1.59	**1.63**	1.55	1.57
Euro/£	**1.25**	1.16	1.19	**1.23**	1.20	1.24
Brazilian Real/£	**3.28**	2.75	2.86	**3.33**	2.90	3.17
Mexican Peso/£	**20.92**	20.87	20.90	**21.11**	21.69	21.06

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

Revenue*

	Six months ended	Six months ended	Year

	31 December 2012 £m	31 December 2011 £m	ended 30 June 2012 £m
Genus PIC	**64.4**	64.7	137.2
Genus ABS	**69.7**	71.1	145.4
Genus Asia	**28.6**	25.8	48.2
Research and product development			
Research			-
Porcine product development	**4.5**	5.3	11.0
Bovine product development			-
	4.5	5.3	11.0
	167.2	166.9	341.8

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.

Operating profit*

	Six months ended 31 December 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Genus PIC	**23.6**	22.0	46.5
Genus ABS	**11.0**	11.9	24.1
Genus Asia	**6.9**	6.1	10.8
Research and product development			
Research	**(1.2)**	(0.8)	(2.2)
Porcine product development	**(7.6)**	(6.6)	(12.1)
Bovine product development	**(5.6)**	(5.3)	(10.8)
	(14.4)	(12.7)	(25.1)
Segment operating profit	**27.1**	27.3	56.3
Central costs	**(4.3)**	(4.3)	(10.5)
Adjusted operating profit	**22.8**	23.0	45.8

	Segment assets*			Segment liabilities*		
	31 December 2012 £m	31 December 2011 £m	30 June 2012 £m	31 December 2012 £m	31 December 2011 £m	30 June 2012 £m
Genus PIC	**186.0**	193.2	188.7	**(48.6)**	(47.8)	(48.8)
Genus ABS	**108.8**	118.0	124.3	**(19.3)**	(20.3)	(15.6)
Genus Asia	**34.1**	33.0	30.9	**(6.3)**	(6.5)	(5.9)
Research and product development						
Research	**0.6**	-	-	**(0.1)**	-	(0.3)
Porcine product development	**74.5**	46.1	72.7	**(34.3)**	(24.6)	(33.6)
Bovine product development	**170.5**	152.1	157.9	**(51.9)**	(51.7)	(53.3)
	245.6	198.2	230.6	**(86.3)**	(76.3)	(87.2)
Segment total	**574.5**	542.4	574.5	**(160.5)**	(150.9)	(157.5)
Central and unallocated	**12.8**	18.4	13.7	**(152.6)**	(135.1)	(155.1)
Total	**587.3**	560.8	588.2	**(313.1)**	(286.0)	(312.6)

* The segmental information disclosed has been changed to reflect changes in the organisational structure and differs from those presented in previous periods.

5. NET FINANCE COSTS

Six

	months ended 31 December 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Interest payable on bank loans and overdrafts	**(0.8)**	(0.8)	(1.9)
Amortisation of debt issue costs	**(0.3)**	(0.3)	(0.5)
Other interest payable	**-**	(0.1)	(0.2)
Net interest cost on derivative financial instruments	**(0.2)**	(0.4)	(0.6)
Total interest expense	**(1.3)**	(1.6)	(3.2)
Interest income on bank deposits	**-**	0.1	0.2
Net interest income in respect of pension scheme liabilities	**0.4**	0.4	0.9
Total interest income	**0.4**	0.5	1.1
Net finance costs	**(0.9)**	(1.1)	(2.1)

6. INCOME TAX EXPENSE

	Six months ended 31 December 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Current tax	**5.9**	5.7	8.4
Deferred tax	**1.6**	2.2	6.4
	7.5	7.9	14.8

The taxation charge for the period is based on the estimated effective tax rate for the full year of 30.2% (2011: 31.0%).

There is a deferred tax liability at the period end of £111.1m (2011: £106.2m) which mainly relates to the recognition at fair value of biological assets and intangible assets arising on acquisition and a deferred tax asset of £24.0m (2011: £20.1m) 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 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2011 of 13.3 pence per share	**-**	8.0	8.0
Interim dividend for the year ended 30 June 2012 of 4.5 pence per share	**-**	-	2.7
Final dividend for the year ended 30 June 2012 of 10.1 pence per share	**6.1**	-	-
	6.1	8.0	10.7

The final dividend for the year ended 30 June 2012 was approved at the Company Annual General Meeting on 8 November 2012 and paid on 23 November 2012.

On 22 February 2013 the Board proposed an interim dividend of 5.0 pence per share payable on 8 April 2013.

8. BIOLOGICAL ASSETS

Fair value of biological assets	Bovine £m	Porcine £m	Total £m
Balance at 1 July 2012	152.2	107.6	259.8
Increases due to purchases	1.9	41.9	43.8
Decreases attributable to sales	-	(57.9)	(57.9)
Decrease due to harvest	(13.2)	(4.6)	(17.8)
Changes in fair value less estimated sale costs	13.2	26.6	39.8
Effect of movements in exchange rates	(4.6)	(3.4)	(8.0)
Balance at 31 December 2012	**149.5**	**110.2**	**259.7**
Non-current biological assets	149.5	71.5	221.0
Current biological assets	-	38.7	38.7
Balance at 31 December 2012	**149.5**	**110.2**	**259.7**
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 2011	139.7	74.6	214.3
Increases due to purchases	4.2	91.9	96.1
Decreases attributable to sales	-	(141.5)	(141.5)
Decrease due to harvest	(21.1)	(8.6)	(29.7)
Changes in fair value less estimated sale costs	26.7	90.7	117.4
Effect of movements in exchange rates	2.7	0.5	3.2
Balance at 30 June 2012	152.2	107.6	259.8
Non-current biological assets	152.2	70.8	223.0
Current biological assets	-	36.8	36.8
Balance at 30 June 2012	152.2	107.6	259.8

Bovine biological assets include £1.2m (2011: £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% (2011: 8.0%).

Porcine biological assets include £34.3m (2011: £35.2m) 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 £36.1m (2011: £35.4m) of revenue in respect of these contracts comprising £5.9m (2011: £7.4m) on initial transfer of animals to customers and £30.2m (2011: £28.0m) in respect of royalties received.

The aggregate gain arising during the period on initial recognition of biological assets in respect of multiplier purchases was £13.1m (2011: £16.0m).

Decreases attributable to sales during the period of £57.9m (2011: £65.1m) include £17.2m (2011: £15.4m) 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 2012

	Bovine £m	**Porcine £m**	**Total £m**
Net IAS 41 valuation movement on biological assets*			
Changes in fair value of biological assets	13.2	26.6	39.8
Inventory transferred to cost of sales at fair value	(12.7)	(4.6)	(17.3)
Biological assets transferred to cost of sales at fair value	-	(16.4)	(16.4)
	0.5	**5.6**	**6.1**

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

Year ended 30 June 2012

	Bovine £m	Porcine £m	Total £m
Net IAS 41 valuation movement on biological assets*			
Changes in fair value of biological assets	26.7	91.9	118.6
Inventory transferred to cost of sales at fair value	(18.7)	(8.6)	(27.3)
Biological assets transferred to cost of sales at fair value	-	(52.5)	(52.5)
	8.0	30.8	38.8

*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 2012 was £0.9m (2011: £0.4m).

	2012 £m	2011 £m
Balance at 1 July	**9.2**	8.6
Share of post-tax profits of joint ventures and associates retained	**0.9**	0.4
Dividends received	**(0.2)**	-
Effect of movements in exchange rates	**(0.3)**	(0.8)
Balance at 31 December	**9.6**	8.2

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 2012	**10.2**	**-**	**(9.0)**	**(0.3)**	**0.9**

Six months ended 31 December 2011	10.6	(0.7)	(9.2)	(0.3)	0.4
Year ended 30 June 2012	20.2	0.1	(17.4)	(0.6)	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 2012	Six months ended 31 December 2011	Year ended 30 June 2012	**31 December 2012**	31 December 2011	30 June 2012
Sale of goods and services	**£m**	£m	£m	**£m**	£m	£m
Joint ventures and associates	**2.3**	2.1	4.7	**0.1**	0.6	0.6

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.

In addition the Group sold £3.6m of goods to a subsidiary of Shaanxi Yangling BeSun Agricultural Group Co. ('BeSun'), which will become the 49% joint venture entity of the Group, once regulatory approval is received. All of the balance is outstanding.

11. EARNINGS PER SHARE

	Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
	m	m	m
Weighted average number of ordinary shares (basic)	**60.2**	59.8	60.1
Dilutive effect of share options	**0.8**	0.7	0.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**61.0**	60.5	60.9

	Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
Earnings per share from continuing operations			
Basic earnings per share	**28.7p**	30.2p	65.9p
Diluted earnings per share	**28.4p**	29.9p	65.0p
Adjusted earnings per share from continuing operations			
Adjusted earnings per share	**26.8p**	26.7p	53.5p
Diluted adjusted earnings per share	**26.4p**	26.5p	52.7p

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.

Continuing operations

Basic earnings per share from continuing operations is calculated on the profit for the period of £17.3m (six months ended 31 December 2011: £18.1m; year ended 30 June 2012: £39.6m) 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 £16.1m (six months ended 31 December 2011: £16.0m; year ended 30 June 2012: £32.1 m), as follows:

Adjusted earnings from continuing operations

	Six months ended 31 December 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Profit before tax from continuing operations	**24.8**	26.0	54.4
Add/(deduct):			
Net IAS 41 valuation movement on biological assets	**(6.1)**	(8.1)	(38.8)
Amortisation of acquired intangible assets	**2.6**	2.6	5.2
Share-based payment expense	**1.2**	1.8	3.1
Additional pension provision	**-**	-	20.1
Integration and restructuring costs	**0.3**	-	2.0
Net IAS 41 valuation movement on biological assets in joint ventures and associates	**-**	0.7	(0.1)
Tax on joint ventures and associates	**0.3**	0.3	0.6
Adjusted profit before tax	**23.1**	23.3	46.5
Adjusted tax charge	**(7.0)**	(7.3)	(14.4)
Adjusted profit after taxation	**16.1**	16.0	32.1
Effective tax rate on adjusted profit	**30.3%**	31.3%	31.0%

12. CASH FLOW FROM OPERATING ACTIVITIES

	Six months ended 31 December 2012 £m	Six months ended 31 December 2011 £m	Year ended 30 June 2012 £m
Profit for the period	**17.3**	18.1	39.6
Adjustment for:			
- Net IAS 41 valuation movement on biological assets	**(6.1)**	(8.1)	(38.8)
- Amortisation of intangible assets	**2.9**	3.0	5.8
- Share-based payment expense	**1.2**	1.8	3.1
- Share of profit of joint ventures and associates	**(0.9)**	(0.4)	(2.3)
- Finance costs	**0.9**	1.1	2.1
- Income tax expense	**7.5**	7.9	14.8
- Other non-cash exceptional items	**-**	-	21.1
- Depreciation of property, plant and equipment	**2.5**	2.5	5.1
	25.3	25.9	50.5
Other movements in biological assets and harvested	**(1.4)**	(1.0)	(2.0)

produce			
(Decrease)/increase in provisions	**(0.1)**	(0.1)	0.4
Additional pension contribution in excess of pension charge	**(1.3)**	(1.4)	(2.7)
Other	**(0.1)**	-	(0.7)
Operating cash flows before movement in working capital	**22.4**	23.4	45.5
(Increase)/decrease in inventories	**(1.2)**	1.0	(0.7)
Increase in receivables	**(9.3)**	(5.8)	(5.3)
(Decrease)/increase in payables	**(5.0)**	-	4.4
Cash generated by operations	**6.9**	18.6	43.9
Interest received	**-**	0.1	0.2
Interest and other finance costs paid	**(0.8)**	(0.9)	(2.2)
Cash flow from derivative financial instruments	**(0.2)**	(0.4)	(0.6)
Income taxes paid	**(4.4)**	(4.3)	(8.7)
Net cash inflow from operating activities	**1.5**	13.1	32.6

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 2012 £m	31 December 2011 £m	30 June 2012 £m
Present value of funded obligations	**187.9**	162.7	177.2
The Milk Pension Fund - additional provision	**22.7**	-	20.1
Present value of unfunded obligations	**7.2**	6.9	7.4
Total present value of obligations	**217.8**	169.6	204.7
Fair value of plan assets	**(148.5)**	(141.2)	(143.7)
Restricted recognition of asset	**5.0**	7.7	6.3
Recognised liability for defined benefit obligations before taxation	**74.3**	36.1	67.3

The Milk Pension Fund ('MPF')

The Milk Pension Fund is that previously operated by the Milk Marketing Board, and was also open to membership of staff working for Milk Marque Ltd (now known as Community Foods Group Limited), National Milk Records plc, First Milk Ltd, hauliers associated to First Milk Ltd, Dairy Farmers of Britain Ltd (which went into receivership in June 2009) and Milk Link Ltd.

Genus has accounted for its section together with its share of any orphan assets and liabilities, collectively representing approximately 37% of the Milk Pension Fund and a £22.7m additional pension provision. Although managed on a sectionalised basis, the MPF is a "last man standing scheme", which means that all participating employers are joint and severally liable for all of the Fund's liabilities. In the light of the weak covenant of certain of the other employers, and as a result their likely inability to fully contribute towards the deficit repair contributions that would normally be attributable to their share of the fund, Genus established a provision of £20.1m in the year ended 30 June 2012 for the potential additional pension costs that might arise. At 31 December 2012 this provision amounted to £22.7m (30 June 2012: £20.1m, 31 December 2011: nil). The movement in the provision during the period is due to actuarial gains and losses which have been recognised in other comprehensive income.

In the six month period to 31 December 2012, Milk Link Limited and its associated haulier exited the scheme and the related assets and liabilities became orphan assets and liabilities. In connection with their exit, Milk Link Limited made a payment into the scheme that, in addition to their share of the liabilities, reflected a contribution towards the amounts that certain other employers are unlikely to be able to pay.

A triennial valuation of the MPF as of 31 March 2012 is underway. In the light of the increased deficit expected and

the weakness of certain employers as outlined above, Genus expects to pay increased annual cash deficit repair payments going forward.

Further details of the Milk Pension Fund can be found in the Annual Report 2012.

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

	31 December 2012 %	31 December 2011 %	30 June 2012 %
Discount rate	**4.3**	4.9	4.5
Expected return on plan assets	**6.3**	7.2	6.3
Future salary increases	**3.9**	3.9	3.8
Medical cost trend rate	**6.8**	7.6	6.8
Future pension increases	**2.9**	2.9	2.8

14. OTHER MATTERS

Contingencies

Other than changes mentioned in note 13, there have been no other 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 2012. The Group is still in discussions as to the level of additional contributions which may become payable as a result of difficulty certain employers may experience in fulfilling their normal obligations to the scheme.

There have been no changes to any other contingent liabilities involving the Group in the six months ended 31 December 2012 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

22 February 2013

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 2012 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 2012 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
22 February 2013

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

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