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Genus plc

Genus to acquire 51% of In Vitro Brasil S.A.,
the world's leading commercial provider of bovine in-vitro fertilisation technology

Genus plc ("Genus"), a leading global animal genetics company, today announces that it has signed an agreement for the acquisition of 51% of the share capital of In Vitro Brasil S.A. ("IVB") through ABS, its bovine genetics business. IVB is a leading biotechnology company focused on the production of bovine embryos through in-vitro fertilisation ("IVF") and the provision of associated services. IVB is based in Brazil and also operates in a number of countries including the US, Colombia and Uruguay.

Genus will acquire a 51% interest in IVB for a total investment consideration of BRL 20 million (£4.6m*) in cash, including an upfront capital commitment. Genus expects to acquire the remaining 49% of IVB's share capital in the first half of 2018 by exercising a call option. The selling shareholders also have a matching put option. Consideration for the remaining 49% is conditional on certain performance conditions and is capped at BRL 49 million (£11.2m*). The completion of the transaction is subject to a number of closing conditions, which are expected to be fulfilled in the first quarter of 2015. In 2014, IVB had global revenues in excess of £4 million.

The transaction will strengthen Genus's global leadership in the development and delivery of differentiated genetics in the bovine industry through the introduction of IVF technology. With Genus's support and established global presence, IVB will be well positioned to meet the growing demand for IVF in the dairy and beef industries, enabling farmers to accelerate genetic improvement in their herds.

IVB was established in 2002 by Dr. José Henrique Fortes Pontes, IVB's CEO, to meet the need for bovine IVF technology from commercial dairy and beef producers in Brazil. Today, IVB is the world's leading commercial provider of bovine IVF embryos with a leading presence in Brazil, the world's largest bovine IVF market, and a growing presence in other Latin American countries and the US. As well as its presence in dairy, IVB has also built a significant presence in the commercial beef producer segment, having secured contracts with some of Brazil's leading beef producers.

Commenting on the transaction, Genus's CEO Karim Bitar said:

"The acquisition of IVB provides Genus with a significant opportunity to accelerate the rate of genetic improvement we are able to offer our customers. IVB's proven success in delivering IVF solutions to commercial dairy and beef producers will enable us to offer our extensive customer base the ability to leverage genetic improvement on both the male and female side of their herds through superior in-house technology."

Saskia Korink, COO of Genus ABS, added:

"We are looking forward to welcoming the highly skilled and talented IVB partners and employees into ABS. With the growing adoption of IVF in the bovine industry, we look forward to working closely with IVB to offer our customers a comprehensive genetic solution with real world economic benefits."

Dr. José Henrique Fortes Pontes, who will continue to lead the business within Genus ABS, said:

"The transaction combines the world's leading bovine IVF technology company with the leading bovine genetics company. We share common values in being pioneers in the industry with a strong focus on translating technical capability into value for customers. IVB's technical knowhow and ABS's genetic improvement capability and strong global presence provide an excellent platform for growth and a real opportunity to deliver demonstrable value to large dairy and beef producers worldwide."

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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's worldwide sales are made in seventy-five 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's customers' animals produce offspring with greater production efficiency, and quality, and use these to supply the global dairy and meat supply chain.

Genus'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 over twenty-five countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

About IVB

IVB is the world's leading provider of IVF and associated services to the livestock industry.

IVB was founded in 2002 to meet the growing demand for bovine IVF services. Today IVB produces in excess of 250,000 bovine embryos annually. IVB is headquartered in Mogi Mirim, Brazil, and operates through wholly owned laboratories, joint ventures and franchise agreements.

** Note: Exchange rate at close of 12 February 2015 of 4.3663 BRL/GBP assumed throughout communication*

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