

For immediate release

09 May 2018

NATIONAL MILK RECORDS PLC

(“NMR”, the “Company”, or, together with its subsidiaries, the “Group”)

QUARTERLY MARKET UPDATE FOR THE THREE MONTHS ENDED 31 MARCH 2018

NMR, the leading UK supplier of dairy and livestock services, announces its unaudited market update for the three months ended 31 March 2018.

Highlights

- Turnover for continuing operations for the quarter of £5.318 million
- Cumulative year-to-date turnover for continuing operations now £1.511 million ahead of the prior year
- Herdwise, NMR’s screening service for the management of Johne’s disease, continues to be a key driver for growth, along with testing for thermophilic bacteria and NMR Fusion
- Contract secured to deliver 10,000 Genomic tests
- The number of cows on the NMR database is 768,365 (March 2017: 747,828)
- The number of cows on the Herdwise service is 380,400 (March 2017: 338,797)
- Ongoing replacement of NMR’s Laboratory Information Management System (“LIMS system”), improving the speed at which the Company can provision new disease testing services
- The Company is on track to deliver results in line with expectations, and is well positioned to continue its positive trading into the new financial year

Andy Warne, Managing Director, commented:

“I am pleased to announce this positive quarterly update, which indicates the progress we are making throughout the Group.

“NMR’s core business continues to perform strongly, with an increase in the number of cows on the NMR database and an £0.375 million increase in turnover from continuing operations over the same period last year.

“During the period, the Company secured a contract to deliver 10,000 Genomic tests to support the AHDB Dairy genetic index to improve resistance to bovine tuberculosis, and I hope this development will help outline the positive benefits of genomic testing and support an increase in its use in the UK dairy market.

“NMR also continues to focus on its other key growth areas, which include Herdwise, NMR’s screening service for the management of Johne’s disease, and testing of thermophilic bacteria. I expect these to contribute to the Company’s positive performance in the coming months and years. Additionally, improvements at the Company’s laboratories, which are currently underway, will help facilitate this growth.

“It has been a positive year so far for NMR, and I look forward to updating the market on the Company’s progress in due course.”

Trading Update

Turnover for continuing operations for the quarter was £5.318M. This figure was £0.375 million above the same period last year, with cumulative year-to-date turnover for continuing operations now £1.511 million ahead of the prior year. We are pleased to note that core milk recording revenues are performing well, with third quarter revenues £0.1 million higher than the same period last year.

As stated in the Company's interim results, the key drivers for growth continue to be Herdwise, NMR's screening service for the management of Johne's disease, and its innovative services for the testing of thermophilic bacteria. Additionally, NMR Fusion, the Company's software package that matches sample payment testing results to tanker volumes, and therefore facilitates milk payment parameters and more regular testing is also an area of future growth.

NMR has also secured a contract to deliver 10,000 Genomic tests to support the AHDB Dairy genetic index to improve resistance to bovine tuberculosis. This initiative will deliver a one-off benefit to financial performance in the fourth quarter of this year and the first quarter of next year, and the Company hopes it will also provide a boost to the marketing and penetration of genomics testing in the UK dairy market.

NMR's Key Performance Indicators

- The number of cows on the NMR database is 768,365 (March 2017: 747,828)
- The number of cows on the Herdwise service is 380,400 (March 2017: 338,797)
- Laboratory turnaround time for the period was 2.16 days (March 2017: 1.87 days). This year's performance was adversely impacted by snow affecting our collection schedule.

Key Projects

NMR has a key project to replace its LIMs system, the laboratory IT system for disease testing across its laboratory estate. This new technology will allow the Company to provide new disease testing services more quickly. NMR is on track to deliver this new technology in June 2018.

Outlook

The year on year comparatives become more demanding in the final quarter of the year and some short-term headwinds exist, notably some tightening of milk prices as supply improves. Nevertheless, NMR expects to make continued financial and strategic progress during the rest of the financial year, showing modest growth, especially in new services. The Company is on track to deliver results in line with expectations, and is well positioned to continue its positive trading into the new financial year.

About NMR

NMR is the leading supplier of essential management information to the UK dairy supply chain. Through a team of self-employed milk-recorders, it collects and tests milk samples for approximately 40 per cent of the UK's two million cows. In addition, its laboratories provide payment testing and disease testing services for Britain's milk processors. NMR has a joint-venture laboratory in the Republic of Ireland providing similar services to farmers and processors across the whole of Ireland. Another division of the Group is a livestock traceability business, Nordic Star, which services the UK dairy and beef sectors.

This announcement is available on the NMR website at www.nmr.co.uk

The Directors of the Company are responsible for the contents of this announcement.

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Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.