



genetic technologies

March 10th, 2003

The Manager, Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

Dear Sir,

**GENETIC TECHNOLOGIES ANNOUNCES STRATEGIC
ALLIANCE & CROSS-LICENSING AGREEMENT WITH
PYROSEQUENCING.**

Genetic Technologies Limited ("GTG"), is pleased to announce it has entered into a strategic alliance and cross-licensing agreement with Pyrosequencing AB, of Sweden.

Under the terms of the agreement, Pyrosequencing receives a broad, non-exclusive license to GTG's non-coding DNA analysis and mapping patents, with application to all genes and all species, but only when used in combination with Pyrosequencing's "sequencing by synthesis" reagents.

In return, GTG receives:

- a signing fee of US\$500,000 (A\$833,000), plus
- rolling royalties on Pyrosequencing's global sales of reagents for "sequencing by synthesis" for the life of the GTG patents, (till December 22nd, 2015), such royalties estimated to be worth more than US\$1.3M (A\$2.16M) to GTG, plus
- 3 state-of-the-art analytical instruments, altogether valued at US\$420,000 (A\$700,000), to be installed at GTG's main laboratory in Melbourne, plus
- a license to Pyrosequencing's patents, plus supplies of "sequencing by synthesis" reagents plus 7 new gene-based assays to support GTG's expanding genetic diagnostics business and its world class cancer susceptibility testing facility, now being established in Melbourne, these contributions being valued at US\$800,000 (A\$1.33M).



In summary, the agreement with Pyrosequencing is estimated to be worth more than US\$3M (A\$5M) to GTG, and there are several noteworthy aspects to this agreement:

- It provides GTG with a valuable mix of cash, equipment and know-how.
- It is GTG's largest licensing transaction to date.
- In addition to up-front fees, it provides GTG with significant ongoing revenues.
- It extends GTG's licensing program to Europe.
- It provides further validation of the value and importance of GTG's non-coding patents.

Further license agreements will be announced when appropriate.

Yours faithfully,

Dr. Mervyn Jacobson
Executive Chairman