



genetic technologies

20 October 2003

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

Dear Sir,

GTG's New Strategic Alliance with Perth-based Foundation

On 14 October 2003, Genetic Technologies Limited (ASX-GTG) announced it has signed a heads of agreement to establish a broad strategic alliance with the CY O'Connor ERADE Village Foundation - a leader in biotechnology innovation in Perth, Western Australia.

We are now able to report the following further details:

GTG will acquire all the Foundation's patents and other intellectual property in the fields of genetics and genomics, including the Foundation's issued US patent 6383747-B1 and foreign equivalents. This extensive package of intellectual property is expected to create additional opportunities for GTG in support of (a) licensing and (b) service testing.

While the precise upside value of this IP package is being determined by an independent expert valuer, the parties now believe the total value will exceed \$20M, and a purchase price of \$15M has been agreed. Further, the Foundation will acquire a license to the GTG non-coding patents for \$2.5M. Combining these two transactions, GTG would owe the Foundation \$12.5M net and the parties have now agreed GTG may settle this purchase by issuing a total of 16,666,667 shares to the Foundation, based on a deemed value of 75 cents each. This transaction is expected to be completed in early December 2003.

Yours faithfully,

Dr Mervyn Jacobson
Executive Chairman

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