



ASX ANNOUNCEMENT

March 5th, 2007

Licensing Activities – Market Update

Genetic Technologies Limited (ASX: GTG; NASDAQ: GENE) is pleased to provide the Market with an update on the progress of its licensing activities.

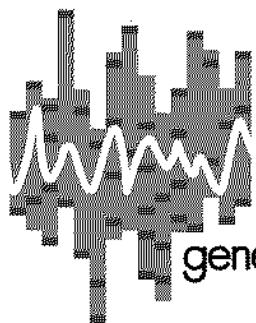
The Company has to date executed 36 licenses, of which 30 are commercial licenses, with an average value in excess of \$1.5 million per license. The Company is currently engaged in a further 42 negotiations for the granting of licenses to GTG's non-coding patents. These negotiations are principally with US-based entities. The potential value of these licenses varies considerably, but the Company expects that the average value of future licenses will steadily increase.

The timing of the execution of these licenses is difficult to predict as they require a significant amount of time and effort to negotiate to the point where commercial terms are agreed, legal documents prepared and a license is finally granted. It is estimated that more than 90% of the time required to secure a license is spent arriving at an agreed term sheet, with the remaining time spent in drafting and executing formal documents. Typically, substantial time is required to demonstrate to potential licensees just how broadly GTG's patents apply to their business and their future plans.

Of the 42 license negotiations now on foot, considerable negotiation has already occurred with all parties and, on average, the Company would estimate that the majority of the effort required has already been invested in these cases. On this basis, the Company hopes to execute a number of new licenses over the coming months, however the Company must reiterate that the precise timing of granting licenses is not readily predictable.

Recognising that the current licensing methodology is time consuming, the Company is currently also investigating a number of alternative strategies that may reduce the time required to secure a license and/or significantly increase the average license value. These alternatives, which are being explored by the Company's Chief Operating Officer, Mr. Geoff Newing, are still preliminary in nature and are being pursued in parallel with the current licensing strategy. The Company will provide more details of these alternatives as they come to hand.

In the interim, the Company has increased its internal licensing capacity to expedite the preparation of dossiers on the activities of potential licensees. These dossiers clearly define those areas of activity to which GTG's patent claims relate and have the potential to reduce the amount of time taken to secure licenses. As previously reported to the Market, the Company has identified over 2,500 entities that may require a license to GTG's non-coding patents.



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The Company is also pleased to advise that it has appointed the firm of Hamilton DeSanctis and Cha as new licensing contractors to assist the Company to pursue license negotiations in USA. Hamilton DeSanctis and Cha will also assume all licensing opportunities previously managed by PatentBridge. Both Mr. DeSanctis and Mr. Cha bring substantial experience to the Company's licensing program, having been previously involved in the Company's negotiations with Applera Corporation. The precise terms of this engagement are confidential but the Company is able to advise that any fees payable under this engagement will be paid on a contingency basis.

FOR FURTHER INFORMATION PLEASE CONTACT

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