

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

GENETIC TECHNOLOGIES LIMITED

ABN

17 009 212 328

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

	Current quarter (September 2008) \$A	Year to date (three months) \$A
Cash flows related to operating activities		
1.1 Receipts from customers	3,303,038	3,303,038
1.2 Payments for		
(a) staff costs	(1,817,691)	(1,817,691)
(b) advertising and marketing	(47,664)	(47,664)
(c) research and development	(869,000)	(869,000)
(d) leased assets	-	-
(e) other working capital	(1,501,023)	(1,501,023)
1.3 Dividends received	-	-
1.4 Interest and items of a similar nature received	186,631	186,631
1.5 Interest and other costs of finance paid	(15,766)	(15,766)
1.6 Income taxes paid	-	-
1.7 Grant and other income	-	-
Net operating cash flows	(761,475)	(761,475)

+ See chapter 19 for defined terms.

Consolidated statement of cash flows (cont.)

	Current quarter (September 2008) \$A	Year to date (three months) \$A
1.8 Net operating cash flows (carried forward)	(761,475)	(761,475)
Cash flows related to investing activities		
1.9 Payment for the acquisition of:		
a) businesses (item 5)	(153,160)	(153,160)
b) equity investments	-	-
c) intellectual property	-	-
d) physical non-current assets	(20,289)	(20,289)
e) other non-current assets	-	-
1.10 Proceeds from the disposal of:		
a) businesses (item 5)	-	-
b) equity investments	-	-
c) intellectual property	-	-
d) physical non-current assets	359,236	359,236
e) joint venture interest	100,000	100,000
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	285,787	285,787
1.14 Total operating and investing cash flows	(475,688)	(475,688)
Cash flows related to financing activities		
1.15 Proceeds from the issue of shares	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings from third parties	(346,840)	(346,840)
1.19 Dividends paid	-	-
1.20 Repayment of finance lease principal	(61,265)	(61,265)
Net financing cash flows	(408,105)	(408,105)
Net increase / (decrease) in cash held	(883,793)	(883,793)
1.21 Cash at beginning of quarter / year to date	13,370,772	13,370,772
1.22 Exchange rate adjustments	81,520	81,520
1.23 Cash at end of quarter	12,568,499	12,568,499

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A
1.24 Aggregate amount of payments to the parties included in item 1.2	277,350
1.25 Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The amount included at Item 1.24 includes \$104,500 paid in consulting fees, bonuses, commissions, Directors' fees, superannuation and salaries to Directors and entities associated with Directors during the quarter. The amount also includes rental and outgoings of \$133,098 for the Melbourne laboratory premises paid to an entity associated with a Director and fees amounting to \$39,752 in relation to advisory services provided by a Company associated with another Director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 22 July 2008, the Company acquired 100% of the issued capital of Frozen Puppies Dot Com Pty. Ltd. ("FPDC"), Australia's foremost provider of canine reproductive services. Under the terms of the Agreement between the Company and FPDC, Genetic Technologies Limited ("GTG") acquired 100% of the issued share capital of FPDC in return for the issue to the FPDC shareholders of 12,254,902 ordinary shares in GTG and the payment of \$153,160 in cash. In other terms of the acquisition, GTG advanced \$346,840 in loan funds to FPDC to enable shareholder loans to be repaid and Employment Agreements were executed between the Company and the five principals of FPDC. Voluntary Restriction Agreements were also executed with all former FPDC shareholders. As a result, 80% of the 12,254,902 GTG shares that were issued as part of the acquisition are subject to voluntary escrow and will be released from escrow in four equal tranches after the expiration of 6, 12, 18 and 24 months from the date of issue, respectively.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

On 27 August 2008, the Company sold its entire interest in the North Laverton Joint Venture to its partner, Regis Resources Limited ("Regis"), in return for the payment of \$100,000 in cash and 500,000 fully paid ordinary shares in Regis. As part of the sale, the Company will also have returned to it a performance bond which had a face value of \$68,917 as at 30 June 2008. Further, the Company has been fully indemnified by Regis against any future rehabilitation liabilities which may arise from the exploration activities of the Joint Venture undertaken up until the date of sale. This indemnification will enable the Company, during the financial year ending 30 June 2009, to fully reverse the provision of \$94,987 in respect of such liabilities which has been recorded in the Company's balance sheet as at 30 June 2008.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A	Amount used \$A
3.1 Loan facilities	-	-
3.2 Credit standby arrangements Hire purchase facility	2,500,000	488,934

Reconciliation of cash

Reconciliation of cash at the end of the quarter
(as shown in the consolidated statement of cash flows)
to the related items in the accounts is as follows:

	Current quarter (September 2008) \$A	Previous quarter (June 2008) \$A
4.1 Cash on hand and at bank	4,575,582	5,490,843
4.2 Term deposits	7,992,917	7,879,929
4.3 Bank overdraft	-	-
4.4 Commercial Bills of Exchange	-	-
Total cash at end of quarter (item 1.23)	12,568,499	13,370,772

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Frozen Puppies Dot Com Pty. Ltd.	Not applicable
5.2 Place of incorporation or registration	New South Wales	
5.3 Consideration for acquisition or disposal (note)	\$1,403,160	
5.4 Total net assets	\$106,876	
5.5 Nature of business	Provision of canine reproductive services	

Note: Total consideration comprises \$153,160 in cash and shares in GTG with an agreed value of \$1,250,000.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: **31 October 2008**
Chief Executive Officer

Print name: **Michael B. Ohanessian**

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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