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GENETIC TECHNOLOGIES LIMITED

A.B.N. 17 009 212 328

Quarterly Activities Report
and
Appendix 4C of the ASX Listing Rules
for the quarter ended
31 March 2012

GENETIC TECHNOLOGIES LIMITED

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2012

OPERATIONS

Total cash receipts from customers during the quarter ended 31 March 2012 were \$1.11 million and \$4.91 million for the nine-month period ended on that date. Following the raising of \$10.89 million by the Company from the placement of 60 million shares in late July and the subsequent raising of \$845,000 in equity capital by its former subsidiary, ImmunAid Pty. Ltd., the Group's cash reserves were \$11.5 million at the end of the quarter under review. A further \$155,000 was raised by ImmunAid Pty. Ltd. after the end of the quarter under review, taking the total amount raised to \$1 million.

Year-to-date gross revenues from the Company's Australian testing operations were in line with budget expectations at the end of the first three quarters of the 2012 financial year. Further information regarding sales and operations will be provided to the Market in the Company's 2012 Financial Report and accompanying ASX Appendix 4E which will be released prior to the end of August 2012.

BREVAGen™ breast cancer risk test

During the previous quarter, inspectors from the Centers for Medicare and Medicaid Services ("CMS") in the U.S. visited the Company's laboratory in Victoria, Australia to conduct the first survey of this facility under the U.S. Clinical Laboratories Improvement Amendments ("CLIA"). The survey process was successfully completed prior to the end of December 2011, with the Company receiving the resulting Certificate of Compliance in February 2012.

Following the granting of this Certificate, and the lodgement of procedural out of state licensure forms, the BREVAGen™ test is now available for sale in an additional two states, bringing the total to 46 of the 50 U.S. states. Phenogen is now awaiting approval from a further three states, including the key healthcare markets of California and Florida, and is actively recruiting individuals to join the Phenogen sales team in those new states. An application for the last remaining state (New York) is in process.

The Phenogen sales team currently has nine full time members, with two further sales representatives being recruited to service the Ohio Valley and Mid-Atlantic regions.

During the March quarter, the Company has continued the credentialing process, targeting the top-10 preferred provider organisations (PPOs) in the U.S., which represent more than 80 percent of the covered lives in the markets currently serviced by Phenogen. As of the date of this Report, four contracts with PPOs had been executed, with more in late stage negotiations. As the number of contracted PPOs continues to grow, the Company anticipates that the rate of reimbursement by the respective insurance companies will accelerate.

Preparations are now underway to initiate a BREVAGen™ validation study in Hispanic women. This new study will also expand the panel of genetic markers associated with breast cancer in this target population. In addition, the study will include patients ≥ 35 years old, in keeping with currently available clinical risk models. The Company has now identified the study's principal investigator with expectations that the study will begin in first half of calendar 2012.

LICENSING AND IP

Assertion programs

On 26 May 2011, the Company announced it had filed a third patent infringement law suit in the U.S., in the U.S. District Court for the District of Colorado, asserting infringement of its primary non-coding patent against the following parties:

- Agilent Technologies Inc.;
- Bristol-Myers Squibb Company;
- Eurofins STA Laboratories Inc.;
- GlaxoSmithKline PLC;
- Hologic Inc.;
- Merial LLC;
- Navigenics Inc.;
- Neogen Corporation / GeneSeek Inc.;
- Pfizer Inc.; and
- 454 Life Sciences Corporation.

The Company is pleased to report that Settlement and License Agreements have been executed with Navigenics Inc., Hologic Inc. and Eurofins STA Laboratories Inc. and that settlement discussions with certain other parties to the Colorado suit are progressing.

The Colorado suit is in addition to a seven-party suit filed in January 2011 in the U.S. District Court for the Western District of Texas for infringement of the same technology. On 21 February 2012, the Company announced the successful conclusion of this second assertion suit having executed a Settlement with a group of companies associated with Sonic Healthcare Limited.

Other licensing activities

In addition to the licenses granted as part of the Company's formal assertion program as detailed above, the Company itself continues to pursue licenses in respect of its non-coding technology in the U.S. and other jurisdictions, principally in Europe.

RESEARCH AND DEVELOPMENT

As part of the Company's strategy to place a stronger emphasis on the expansion of its cancer diagnostic franchise, its research programs are being progressed with a view to out-license, co-develop or partner the respective technologies.

immunAid™

On 13 April 2012, the Company announced that its former subsidiary, ImmunAid Pty. Ltd., had successfully raised \$1 million in a private placement from U.S., European and Australian sophisticated investors. This financing provides ImmunAid with sufficient resources to enable the company to advance its novel approach to cancer therapy by the timely reversal of immune system suppression via its unique "on/off" technology.

In return for their \$1 million investment, the incoming investors have secured a 10% interest in ImmunAid Pty. Ltd. After allowing for certain capital restructuring, including the payment of capital raising expenses via the issue of shares, the pricing of this financing round, participated in by independent, arm's-length parties, places a value on Genetic Technologies' stake in ImmunAid of in excess of \$4.5 million. Plans to further expand that company's patent estate and commercialise the technology have been prepared and approved by the Board.



Quarterly Activities Report for the quarter ended 31 March 2012

RESEARCH AND DEVELOPMENT (cont.)

RareCollect™

Discussions with large international companies interested in pursuing potential commercial collaborations are continuing, with a number progressing advanced due diligence on the RareCollect™ data and samples.

CORPORATE MATTERS

During the March quarter, a total of 166,667 options which had previously been issued to a former employee were exercised, generating a total of \$7,500 in funds for the Company. Also during the quarter, a total of 333,333 options which had previously been issued to the same former employee were cancelled.

On 20 April 2012, the Company granted a total of 1,750,000 options to six employees of the Group. Each option, which was granted at no cost, entitles the holder to acquire one ordinary share in the Company at a price of \$0.12 each at any time up to, and including, 20 February 2017.

Signed on behalf of Genetic Technologies Limited

Dated this 24th day of April, 2012

DR. PAUL D.R. MacLEMAN
Chief Executive Officer

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")

31 MARCH 2012

Consolidated statement of cash flows

	Current quarter (March 2012) A\$	Year to date (nine months) A\$
Cash flows related to operating activities		
1.1 Receipts from customers	1,111,082	4,914,389
1.2 Payments for (a) staff costs	(1,741,148)	(5,412,929)
(b) advertising and marketing	(156,204)	(329,293)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,413,812)	(5,059,977)
1.3 Dividends received	-	-
1.4 Interest and items of a similar nature received	237,761	446,247
1.5 Interest and other costs of finance paid	(8,767)	(33,557)
1.6 Income taxes paid	-	-
1.7 Grant and other income	-	-
Net operating cash flows	(1,971,088)	(5,475,120)

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Consolidated statement of cash flows (cont.)

	Current quarter (March 2012) A\$	Year to date (nine months) A\$
1.8 Net operating cash flows (carried forward)	(1,971,088)	(5,475,120)
Cash flows related to investing activities		
1.9 Payment for the acquisition of:		
a) businesses (item 5)	-	-
b) equity investments	-	-
c) intellectual property	-	-
d) physical non-current assets	(28,534)	(51,042)
e) other non-current assets	-	-
1.10 Proceeds from the disposal of:		
a) businesses (item 5)	-	-
b) equity investments	20	20
c) intellectual property	-	-
d) physical non-current assets	-	-
e) joint venture interest	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(28,514)	(51,022)
1.14 Total operating and investing cash flows	(1,999,602)	(5,526,142)
Cash flows related to financing activities		
1.15 Net proceeds from the issue of shares	7,500	10,894,537
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Net proceeds from borrowings (refer note)	844,877	844,877
1.18 Repayment of borrowings from third parties	-	-
1.19 Dividends paid	-	-
1.20 Repayment of finance lease principal	(12,520)	(36,997)
Net financing cash flows	839,857	11,702,417
Net increase / (decrease) in cash held	(1,159,745)	6,176,275
1.21 Cash at beginning of quarter / year to date	12,580,688	5,104,667
1.22 Exchange rate adjustments	28,867	168,868
1.23 Cash at end of quarter	11,449,810	11,449,810

Note: Item 1.17 relates to net funds received in relation to the fundraising undertaken by the Company's former subsidiary, ImmunAid Pty. Ltd., the shares for which were subsequently issued on 12 April 2012.

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**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	117,933
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 \$82,349 paid to Directors during the quarter in respect of fees and superannuation. The amount also includes \$35,584 in commissions and consulting fees paid to a former Director and substantial shareholder in respect of services rendered to the Company by that individual and parties associated with him.

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

None during the quarter under review

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

None during the quarter under review

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	30,881

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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:

- 4.1 Cash on hand and at bank
- 4.2 Term deposits
- 4.3 Bank overdraft
- 4.4 Commercial Bills of Exchange

Total cash at end of quarter (item 1.23)

Current quarter (March 2012) \$A	Previous quarter (December 2011) \$A
2,949,810	1,580,688
8,500,000	11,000,000
-	-
-	-
11,449,810	12,580,688

Acquisitions and disposals of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal (note)
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
Not applicable	Not applicable

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: **24 April 2012**
Chief Executive Officer

Print name: **Dr. Paul D.R. MacLeman**

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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 107: Statement of Cash Flows* apply to this report except for any additional disclosure requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting 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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