

Monday 30 June 2014

**ASX Announcement – GENERA BIOSYSTEMS LIMITED (ASX: GBI)
STRATEGIC REVIEW OUTCOME**

Genera Biosystems Limited (**Company**) is pleased to provide an update in relation to the strategic review process that commenced in late 2013.

The Board has now completed an initial review of the strategic alternatives available to the company, and the value that each would be expected to deliver for shareholders over the short to medium term.

As a result of this process, a preferred transaction has been identified. The preferred transaction involves a merger of Genera with a larger international molecular diagnostics business with a highly compatible platform technology that is achieving considerable commercial success while growing rapidly.

The partner company has a number of key strategic relationships that can be leveraged, creating substantial revenue opportunities for the combined group. These relationships include big pharma in the development of high value molecular companion diagnostics (Molecular CDx) and also substantial leading US pathology customers. Further, the partner company has well-developed relationships with certain global IVD companies that are also preferred IVD partners for Genera.

Commercial negotiations and mutual due diligence investigations are substantially advanced, with both parties now moving expeditiously to complete due diligence and finalise all commercial terms.

Commenting on the strategic review process, Genera's Executive Chairman Lou Panaccio said, "I am delighted that we have been able to pursue various options in a competitive process and that this has resulted in the identification of a merger partner which shares our excitement for Genera's technology and potential. I am also confident that we have an outstanding human capital and cultural fit. The proposed transaction is intended to deliver a more global reach for Genera's current and future product pipeline, particularly in the US market, driving substantial revenue opportunities in the short and medium term. We are looking to structure the transaction to maximise value for Genera shareholders who wish to retain exposure to longer term upside, while also providing liquidity to any shareholders wishing to exit on attractive terms following the merger.

"We believe the proposed transaction provides the ideal intermediate step before a significant partnering deal with a global IVD company or an eventual exit via a trade sale to such a group. The board believes the outstanding strategic fit and revenue synergies of the combined group will create considerable value for Genera shareholders and augur well for the terms of any eventual complete exit event.



Advanced Molecular Diagnostic Systems

“The proposed transaction will ensure both companies’ robust development pipelines are accelerated. Genera is fortunate to employ an expert team for the development of high-value MDx and our capabilities can be leveraged strongly with our partner company’s development pipeline as well as our own. The existing combined MDx product menu and the development pipeline of both Genera and our partner company is compelling for pathology customers. I believe that there is a clear pathway to the merged group attaining a premier position within the global MDx market.”

The reconstituted board of the merged entity will include two representatives from the current Genera board.

Genera, its merger partner and relevant advisors are working toward having a Merger Implementation Agreement executed in around six weeks, at which time a further announcement will be made.

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About Genera Biosystems: Genera Biosystems Limited (“GBI”) is an Australian Stock Exchange listed molecular diagnostics company, which develops, manufactures and distributes advanced PCR molecular diagnostics tests. GBI has successfully developed two products to date, PapType™ and RTI-Plex™, with several additional products in the company’s development pipeline. Genera manufactures these products in its Therapeutics Goods Administration (TGA) certified manufacturing facility in Scoresby, Victoria, Australia.

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