



GENESIS BIOMEDICAL 

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27 February 2009

Companies Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

Please find attached the Company's interim results for the year 2008/09 year, for immediate release to the market.

Included in this announcement are ASX Appendix 4D and Half Yearly Report for the period 31 December 2008.

Yours faithfully

DAVID J SEMMENS
Company Secretary
Att.

**Appendix 4D****Half Year Report Period Ended 31 December 2008
Results for announcement to the Market**

Summary Information	Consolidated			
	31 Dec 08 \$	31 Dec 07 \$	Inc/Dec \$	Inc/Dec %
Loss after Tax from Ordinary Activities	(687,198)	(550,375)	(136,823)	(24.85%)
Loss after Tax Attributable to Members	(687,198)	(550,375)	(136,823)	(24.85%)
Basic Earnings – Cents per Share	(0.33)	(0.32)	(0.01)	(3.12%)
Net Tangible Assets – Cents per Share	0.20	0.88	(0.68)	(77.28%)
Dividends Paid	Nil	Nil	-	-

GENESIS BIOMEDICAL LTD

ACN 083 274 024

And Its Controlled Entities

HALF-YEAR FINANCIAL REPORT

31st DECEMBER 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Genesis Biomedical Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Your directors submit their report together with the consolidated financial report for the half-year ended 31 December 2008 and the review report thereon.

Directors

The Directors of the company during or since the end of the half-year are:

Name	Period of directorship
Roger Smith	Non-Executive Chairman. Appointed as a Director on 21 February 2005. Appointed as Chairman on 18 September 2008.
Gordon Hatch	Managing Director. Appointed as a Director on 18 September 2008. Appointed as Managing Director on 31 st January 2009.
Angus Middleton	Appointed as a Director on 1 January 2009.
Rodger Johnston	Non-Executive Chairman, appointed 7 December 2005. Resigned 5 September 2008.
Don Valentino	Managing Director, appointed 25 May 2006. Resigned 31 January 2009.

Operating and Financial Review

Result of Operations

The consolidated loss from ordinary activities of the Company and its controlled entities for the half year ended 31 December 2008 was \$687,198 (31 December 2007 - \$550,375)

Review of Operations

Summary

Review and evaluation of existing commercial activities together with identification and assessment of new opportunities from various sectors has been the central focus. The cash reserves have been greatly affected by the global economic crisis which has resulted in severely reduced levels of available finance for the biomedical field. Management has implemented cost cutting measures and continues to take appropriate action aimed at maintaining the ongoing viability of the business. Directors Fees, wage and salary reductions have occurred in all areas, with general administration and overhead expenses being cut in line with the level of business activity. This cost cutting however will only work in conjunction with an increased project evaluation effort. There is therefore, a concerted focus on increasing our market opportunities from non traditional areas and finding new sources of investment for increasing shareholders wealth.

Sepsis Project

Genovations Pty Ltd a wholly owned subsidiary of GBL holds an exclusive licence in agreement with the University of Western Australia (UWA) to develop a therapeutic for Severe Sepsis.

The incidence of Sepsis is increasing with the aging population, increasing number of intensive care patients and the increasing use of invasive procedures.

- Sepsis and septic shock are leading causes of morbidity and mortality among hospitalized patients (20%-80%).
- Health care costs in excess of \$20 billion worldwide.
- No known effective affordable treatment available for Severe Sepsis.

Unaly Hill Prospect (E57/420) – Farm In Agreement

In November 2007, the Company entered into a Farm In Agreement with Plato Mining Pty Ltd for the exploration rights of Tenement E57/420 located at Unaly Hill near Sandstone in the Yilgarn geological province of Western Australia.

Under the terms of the agreement GBL has exploration rights for 18 months with a further two year option as well as an option to acquire 100% of the Tenement.

Geochemical results from samples collected during recent reconnaissance drill investigation returned results that confirmed the presence of significant anomalous vanadium and titanium mineralisation within the Atley Layered Intrusive Complex.

Due to unexpected heavy rainfalls that occurred in the area whilst drilling, only three of the planned six RC drill holes were completed and, whereas Hole 3 reached the optimum target zone the hole had to be stopped some 30 metres short of it's planned depth of 140 metres.

The Company is reviewing the results which will determine the future of the drilling programme.

Other Opportunities

The company continues to seek opportunities in varied sectors including mining as a means of increasing shareholder value.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on the next page and forms part of the Directors' Report for the half year ended 31 December 2008.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Gordon S. Hatch', written over a horizontal line.

Gordon S.Hatch
Managing Director

Dated at Perth this 26th day of February 2009.

K.WESTAWAY & ASSOCIATES
CHARTERED ACCOUNTANTS

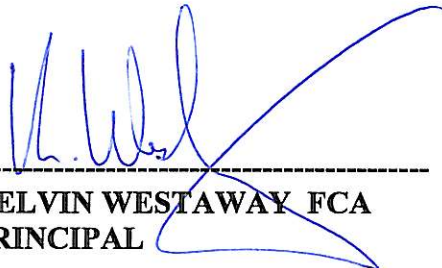
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF GENESIS BIOMEDICAL LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I provide the following declaration of independence to the directors of Genesis Biomedical Limited.

As audit principal for the review of the financial statements of Genesis Biomedical Limited for the half year ended 31 December, 2008, I declare that, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Subiaco this 26th day of February, 2009.



KELVIN WESTAWAY FCA
PRINCIPAL

K. WESTAWAY & ASSOCIATES
CHARTERED ACCOUNTANTS



The directors of Genesis Biomedical Ltd declare that:

- (a) the financial statements and notes, set out on pages 6 to 11, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Gordon S. Hatch
Managing Director

Dated at Perth this 26th day of February 2009.

	Consolidated	
	31 December 2008 \$	31 December 2007 \$
Other revenues	6,000	-
Financial income	25,180	41,928
	<u>31,180</u>	<u>41,928</u>
Expenses		
Administration	372,096	335,878
Depreciation	11,268	15,032
Employee benefits expense	211,122	201,279
Exploration expenditure	92,628	13,147
Finance costs	2,908	5,942
Occupancy expenses	28,356	21,025
	<u>718,378</u>	<u>592,303</u>
Loss before income tax expense	(687,198)	(550,375)
Income tax expense	-	-
	<u>-</u>	<u>-</u>
Net loss for the period	<u>(687,198)</u>	<u>(550,375)</u>
Earnings per share		
Basic loss per share (cents per share)	(0.33)	(0.32)

The company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

The income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
As at 31 December 2008

Genesis Biomedical Ltd and Controlled Entities

	Consolidated	
	31 December 2008	30 June 2008
Current Assets		
Cash and cash equivalents	426,343	1,123,977
Trade and other receivables	4,400	-
Financial Assets	31,460	56,000
Other	33,333	65,219
Total Current Assets	<u>495,536</u>	<u>1,245,196</u>
Non-Current Assets		
Property, plant & equipment	106,365	117,993
Financial assets	14,617	14,617
Total Non-Current Assets	<u>120,982</u>	<u>132,610</u>
Total Assets	<u>616,518</u>	<u>1,377,806</u>
Current Liabilities		
Trade and other payables	62,422	125,612
Financial Liabilities	82,952	32,498
Short Term Provisions	43,380	38,787
Total Current Liabilities	<u>188,754</u>	<u>196,897</u>
Non-Current Liabilities		
Financial liabilities	-	65,947
Total Non-Current Liabilities	<u>-</u>	<u>65,947</u>
Total Liabilities	<u>188,754</u>	<u>262,844</u>
Net Assets	<u>427,764</u>	<u>1,114,962</u>
Equity		
Issued capital	16,338,360	16,338,360
Reserves	235,590	235,590
Accumulated losses	(16,146,186)	(15,458,988)
Total Equity	<u>427,764</u>	<u>1,114,962</u>

The balance sheet should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2008

Genesis Biomedical Ltd and Controlled Entities

Consolidated	Share Capital	Accumulated Losses	Reserves	Total
Balance at 1 July 2007	15,531,985	(14,193,977)	216,590	1,554,598
Shares issued during the year	840,000	-	-	840,000
Share based payments	16,775	-	19,000	35,775
Net loss recognised directly in equity	-	(550,377)	-	(550,377)
Share issue costs	(50,400)	-	-	(50,400)
Balance as at 31 December 2007	<u>16,338,360</u>	<u>(14,744,354)</u>	<u>235,590</u>	<u>1,829,596</u>
Balance at 1 July 2008	16,338,360	(15,458,988)	235,590	1,114,962
Shares issued during the year	-	-	-	-
Share based payments	-	-	-	-
Net loss recognised directly in equity	-	(687,198)	-	(687,198)
Share issue costs	-	-	-	-
Balance as at 31 December 2008	<u>16,338,360</u>	<u>(16,146,186)</u>	<u>235,590</u>	<u>427,764</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Consolidated	
	31 December 2008 \$	31 December 2007 \$
Cash flows from operating activities		
Cash receipts from customers	-	-
Payments to suppliers and employees	(669,906)	(516,766)
Cash used in operations	(669,906)	(516,766)
Finance costs	(2,908)	(5,942)
Interest received	25,180	41,928
Net cash used in operating activities	<u>(647,634)</u>	<u>(480,780)</u>
Cash flows from investing activities		
Acquisitions of property, plant and equipment	-	-
Acquisition of other non current assets	-	(100,000)
Acquisition of other current assets	50,000	-
Repayment of Loan- MBIL	-	323,604
Net cash used in investing activities	<u>50,000</u>	<u>223,604</u>
Cash flows from financing activities		
Proceeds from issue of equity securities	-	840,000
Share Issue costs	-	(55,440)
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash provided by financing activities	<u>-</u>	<u>784,560</u>
Net increase/(decrease) in cash and cash equivalents	(697,634)	527,384
Cash and cash equivalents at beginning of half-year	<u>1,123,977</u>	<u>1,195,135</u>
Cash and cash equivalents at end of half year	<u><u>426,343</u></u>	<u><u>1,722,519</u></u>

The statement of cash flows should be read in conjunction with the accompanying notes.

Note 1: Basis of Preparation of the Half-Year Financial Report

This general purpose condensed financial report for the half year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and considered with any public announcements made by Genesis Biomedical Ltd during the half-year ended 31 December 2008 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of the normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the half year ended 31 December 2008 the consolidated entity incurred a loss of \$687,198 and an operating cash outflow of \$697,634. The Directors hold the view that given the current economic climate and the cost cutting measures and actions currently being undertaken by management, Genesis Biomedical Limited has adequate cash reserves, funding facilities and prospects to allow it to pay its debts as and when they fall due, and thus the Directors believe that it is appropriate to prepare the financial report on a going concern basis.

Note 2: Segment Reporting

The economic entity operates entirely in Australia and predominantly in the field of bio-technology and mineral exploration.

31 December 2007	Medical Technology	Exploration	Unallocated	Total
Revenue	-	-	41,928	41,928
Expenses	(100,804)	(13,147)	(478,352)	(592,303)
Income tax (expense)/benefit	-	-	-	-
Segment results	(100,804)	(13,147)	(436,424)	(550,375)
31 December 2008	Medical Technology	Exploration	Unallocated	Total
Revenue	-	-	31,180	31,180
Expenses	(64,082)	(92,628)	(561,668)	(718,378)
Income tax (expense)/benefit	-	-	-	-
Segment results	(64,082)	(92,628)	(530,488)	(687,198)

Note 3: Dividends

No dividends were paid or proposed during the half year ended 31 December 2008.

Note 4: Contingent Liabilities and Contingent Assets

The economic entity does not have any contingent assets or liabilities outstanding at 31 December 2008.

Note 5: Events Subsequent to Reporting Date

Mr. Angus Middleton was appointed as a Non Executive Director on 1 January 2009.

Mr. Gordon Hatch was appointed as Managing Director and Chief Executive Officer on 31 January 2009.

Mr. Don Valentino resigned as Managing Director and Chief Executive Officer on 31 January 2009.

On 25 February 2009, the Company entered into an Exclusive Dealing Agreement with Mallee Minerals Pty Ltd for the exclusive right to conduct due diligence enquiries over a period of 6 months with respect to Mallee's Exploration Licence 57/710 known as Seventy One Mile Well (the tenement) in the Yilgarn Geological Province of Western Australia.

There has been no other matters or circumstances that have arisen since 31 December 2008 that has significantly affected or may significantly affect:

- (a) the economic entity's operations in future years; or
- (b) the results of those operations in future years; or
- (c) the economic entity's state of affairs in future years.

K.WESTAWAY & ASSOCIATES
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GENESIS BIOMEDICAL LIMITED**

Report on the Half-Year Financial Report

I have reviewed the accompanying half-year financial report of Genesis Biomedical Limited and its controlled entities which comprises the consolidated balance sheet as at 31 December, 2008, and the consolidated income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half – Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express a conclusion on the half year financial report based my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim And Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December, 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Genesis Biomedical Limited, ASRE 2410 requires that I comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting my review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Genesis Biomedical Limited on 26th February, 2009.



Conclusion

Based on my review, which is not an audit I have not become aware of any matter that makes me believe that the half-year report of Genesis Biomedical Limited is not in accordance with the Corporations Act 2001 including:

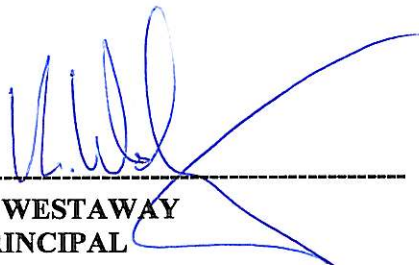
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December, 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the audit review opinion expressed above, attention is drawn to the following matter :

As disclosed in Note 1, the ability of the Company to continue as a going concern and meet the planned marketing, administration, and other commitments is dependent upon the Company raising further working capital, and the success of cost cutting measures being undertaken to preserve the Company's cash reserves. These conditions indicate the existence of a material uncertainty as to whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Dated at Subiaco this 26th day of February, 2009.



K. WESTAWAY
PRINCIPAL

K. WESTAWAY & ASSOCIATES
CHARTERED ACCOUNTANTS