Benitec Biopharma Ltd
ABN 64 068 943 662
F6A / 1-15 Barr Street
Balmain NSW 2041 Australia
Tel: +61 (0) 2 9555 6986
Email: info@benitec.com
www.benitec.com

BENITEC BIOPHARMA LIMITED

ABN 64 068 943 662

Interim Report

for the half year ended December 31, 2013

Lodged with ASX under Listing Rule 4.2A
Appendix 4D

Contents

The information in this report should be read in conjunction with the most recent annual financial report and any public announcements made by Benitec Biopharma Limited.

Results for Announcement to the Market

for the half year ended December 31, 2013

The following information is provided under listing rule 4.2A

1. Reporting period

The financial information contained in this report is for the half-year ended 31 December 2013. Comparative amounts for the Consolidated Statement of Profit or Loss and Other Comprehensive Income are the half-year ended 31 December 2012. Financial Position comparatives are at 30 June 2013.

2. Results for Announcement to the Market

		Change	% Change	$A'000
2.1	Revenue from ordinary activities	down	63%	224
2.2	(Loss) from ordinary activities after tax attributable to members	down	6%	(3,358)
2.3	Net (loss) for the period attributable to members	down	6%	(3,358)
2.4	The amount per security and franked amount per security of final and interim dividends	No dividends were declared or paid during the period		
2.5	A brief explanation of any of the figures in 2.1 to 2.3 necessary to enable the figures to be understood	Refer to commentary below which was extracted from the Benitec Biopharma Limited interim report for the half-year ended 31 December 2013 which forms part of this ASX announcement		

3. Commentary on results for the period

Benitec's net loss for the half year to 31 December 2013 was $3,358,943 compared to a net loss of $3,567,277 for the previous corresponding period.

Operating revenue was $223,917 compared to $600,534 in the previous corresponding period. Operating expenses were $4,047,112 and included share based expense of $116,091. This compares with operating expenses in the previous period of $4,167,811 including share based expense of $317,767.

The six month loss includes research and development spending of $1,850,012 compared to $807,643 in the previous corresponding period.

Benitec's current assets at 31 December 2013 were $8,071,440 (June 2013: $1,722,590), with current liabilities of $404,981 (June 2013: $1,110,370).

4. Net tangible asset backing per share

	December 2013	**June 2013**
Net tangible asset backing per ordinary share	9.0 cents	*1.4 cents

* for comparative purposes, the number of shares at 30 June 2013 have been adjusted to take into account the 25:1 share consolidation in July 2013

Directors' Report

for the half year ended December 31, 2013

Your directors present their report on the consolidated entity consisting of Benitec Biopharma Limited and the entities it controlled at the end of the half-year ended 31 December 2013.

DIRECTORS

The following persons were directors of Benitec Biopharma Limited ('Benitec') during the whole of the half-year and up to the date of this report, unless otherwise noted:

Mr. Peter Francis (Chairman)

Dr Peter French (appointed 26 August 2013)

Dr Mel Bridges

Mr. Kevin Buchi

Dr John Chiplin

Mr. Iain Ross

FINANCIAL UPDATE

Benitec's net loss for the half year to 31 December 2013 was $3,358,943 compared to a net loss of $3,567,277 for the previous corresponding period.

Operating revenue was $223,917 compared to $600,534 in the previous corresponding period. Operating expenses were $4,047,112 and included share based expense of $116,091. This compares with operating expenses in the previous period of $4,167,811 including share based expense of $317,767. The six month loss includes research and development spending of $1,850,012 compared to $807,643 in the previous corresponding period.

Benitec's current assets at 31 December 2013 were $8,071,440 (June 2013: $1,722,590), with current liabilities of $404,981 (June 2013: $1,110,370).

A General Meeting was held on 17 July 2013 where shareholders approved a private placement, together with a 25-for-1 consolidation of the Company's issued securities. A Share Purchase Plan (SPP) raised $2,840,000 and closed on 29 July 2013. The SPP was conducted on the same terms as the private placement, and allotment of shares to participants in the SPP occurred on 6 August 2013. The net increase in issued capital in this period was $10.3 million.

Benitec announced plans on 3 June 2013 to progress its non-small cell lung cancer (NSCLC) therapeutic Tribetarna™ into Phase II clinical trials in late 2014 calendar year. The Company had reached agreement to use European-based clinical research organisation Clinical Trials Group (CTGCRO) to manage the trial, and subsequently negotiated favourable commercial terms which included prepayments covering the clinical trial and consulting services.

REVIEW AND RESULTS OF OPERATIONS

Context

Benitec's unique ddRNAi gene silencing technology provides a paradigm-shifting approach for the treatment of, and potential cure for, a broad range of currently untreatable human diseases that are associated with the inappropriate expression of a specific gene or genes. Benitec aims to realise value in the Company's technology and intellectual property assets by demonstrating the safety and efficacy of using ddRNAi to knock down the target gene in several serious clinical conditions.

This will be achieved by entering the clinic with one or more programs in the near term. Clinical success will validate not only the specific application of the technology to a particular disease, but also the ddRNAi technology across the pipeline. Furthermore the Company is continuing to work to license the use of ddRNAi to biotechnology companies for clinical targets outside the current focus of Benitec. Accordingly, the majority of the Company's expenditure is directed to these two key activities – progressing the clinical development of the ddRNAi technology for our in house programs, and building awareness of our technology and programs amongst key stakeholders in the pharmaceutical industry with the aim of achieving partnerships, licenses and collaborations.

In addition to advancing the on-going portfolio programs in non-small cell lung cancer, age-related macular degeneration, cancer-associated pain, hepatitis B, and Oculopharyngeal muscular dystrophy, the most significant event in the 6 months to December 30, 2013 was the progress made towards the clinic on the hepatitis C program that was acquired as part of the Tacere Therapeutics acquisition made 12 months ago. This is the focus and priority program for the next 12 months as clinical data is expected to provide significant value inflection for the Company. The other pre-clinical programs will be maintained, advanced and prioritised as results and resources allow.

A summary of the current status of the Company's pipeline of programs is as follows:

Hepatitis C

Hepatitis is a general term meaning 'inflammation of the liver' and can be caused by a variety of different viruses including hepatitis A, B, C, D and E. Of the many viral causes of human hepatitis few are of greater global importance than Hepatitis B and C virus (HBV, HCV).

Benitec Biopharma's TT-034 Hepatitis C Therapeutic

Hepatitis C virus (HCV) infection, manifested by an RNA virus, is a complex public health problem, characterised by a high prevalence of chronic infection, an increasing burden of HCV-associated disease, low rates of testing, treatment and the prospect of increasing incidence associated with the epidemic of injection drug use.

Hepatitis C is a leading cause of chronic liver disease, end-stage cirrhosis and liver cancer. Because of the slow progression and asymptomatic character of the infection, many people are unaware of having it. As a consequence, the infection is often diagnosed at a late stage when treatment options are limited. As no effective vaccine against the Hepatitis C virus (HCV) has been discovered so far the market is driven by therapeutics. The increase in the prevalence of the disease and the availability of new first-in-class therapies with better safety and efficacy profiles are expected to drive the growth of the HCV market. The growth in HCV drugs market is primarily attributed to high unmet need in the market which is expected to be fulfilled by strong pipeline candidates.

Benitec has developed a single dose cure for Hepatitis C (HCV), which in itself is ground breaking. There is a widespread interest from large pharmaceutical companies in curative therapies for HCV. Before the acquisition of Tacere Therapeutics in 2012, Benitec had had a long association with Tacere. Between 2007 and 2011, Tacere worked closely with Pfizer on extensively developing this program through clinical and IND enabling studies. With the acquisition of Tacere in October 2012, Benitec gained full control of this program, called TT-034. Since then, Benitec has progressed TT-034 towards the clinic, with first dosing expected in Q1 2014. TT-034 is being developed as a one shot cure for HCV.

According to DataMonitor the HCV market is expected to show ongoing growth with sales of approved drugs jumping from USD 4.7 billion in 2013 to USD 15.5 billion in 2022. The US market will see huge growth (CAGR of 16.6%), quadrupling in size from its current market size. The next few years, the US market will grow due to the entry of warehoused patients into first line therapy. Benitec believes that the entry of a one shot cure for Hepatitis C has the potential to take a significant market share from newly entering interferon free therapies.

Because the viral genome is comprised of a single strand of RNA and its replication occurs strictly within the cytoplasm, HCV is an ideal candidate for therapeutics based upon RNAi. TT-034 is designed to prevent development of viral resistance, which is a major problem for most HCV drugs. That is done by simultaneously silencing three separate highly conserved regions on the virus genome (Figure). Much like the combination of small molecule drugs used in the treatment of HIV with highly active retroviral therapy, the simultaneous expression of the three different shRNA provides a pool of therapeutic sequences that target multiple regions of the HCV genome simultaneously, thereby creating a "cocktail in one drug". Each of the shRNA fragments in TT-034 was chosen to inhibit a different, well-conserved area of the HCV genome; In the modified AAV vector, all replication and capsid viral genes have been removed from the expression cassette and replaced with a cassette containing three modified U6 promoters that drive the expression of each of the three shRNA.

Figure 3.3: TT-034 – A Combination Therapy for HCV in a Single Construct

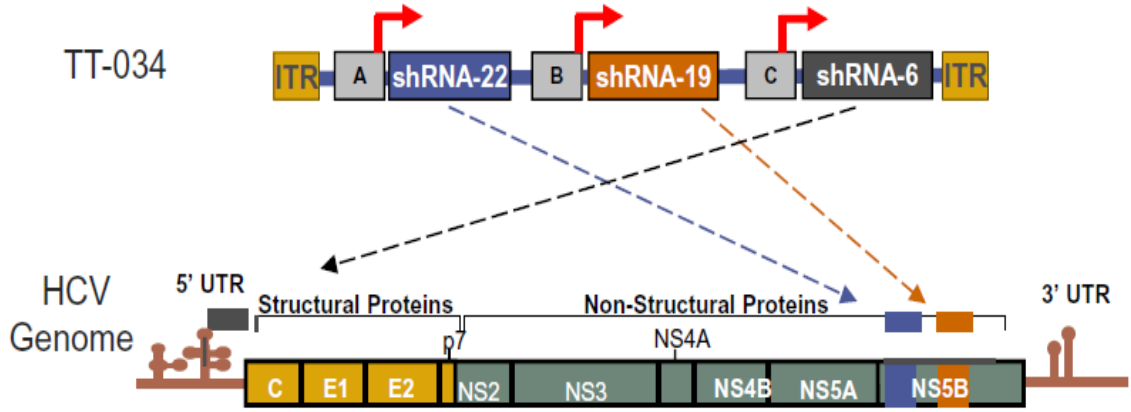


Figure above illustrates the composition of TT-034 with dotted arrows pointing to the regions of the Hepatitis C virus genome that are targeted by the drug. It comprises three shRNAs targeting three separate, highly conserved regions on the HCV genome. This design prevents resistance due to viral mutation.

Preclinical *in vivo* animal studies have shown that TT-034 specifically targets liver cells where it has the ability to transduce nearly 100% of hepatocytes, the cells infected by HCV and in which the virus replicates, without causing toxic effects.

The 2014 US-based Phase I/II clinical trial is an open label dose escalating study in HCV-infected subjects, with interim data on safety and efficacy likely within months after the start of the trial. Benitec has successfully progressed through the required US regulatory approval process (including NIH's Recombinant DNA Advisory Committee [RAC] and IND filings), enabling the company to start with the enrolment of patients in February 2014.

Benitec achieved several key milestones in 2013 to move TT-034 into the clinic:

- Appointment of Duke University Medical Center (Dr Keyur Patel) and University of California San Diego (Dr David Wyles) as clinical sites for the TT-034 phase I/IIa study
- Receiving favourable feedback on submission of the clinical trial protocol from the NIH's RAC. As TT-034 is regulated akin to gene therapy, the clinical trial protocol was required to undergo a public review by the RAC prior to an IND application being submitted. The RAC was supportive of the application and did not require any significant alteration to the protocol
- In September the FDA advised that a formal pre-IND meeting was not required and the company could therefore proceed to finalise the IND based on the company's extensive pre-clinical data. The IND was filed December 6, 2013 and the FDA advised Benitec that the clinical trial could proceed on January 12, 2014
- Next to these steps, TT-034 was selected for an oral presentation by Dr. David Suhy at three international conferences: the American Association for the Study of Liver Disease (AASLD), the HCV2013 Conference, and the Oligonucleotide and Peptide Therapeutics Congress. These conferences are prestigious international meetings of researchers, clinicians and industry representatives.

Table shows the timing and distribution of the 14 patients in the dose escalation study:

Table: TT-034 Dose Escalation

Cohort	Dose (vg/kg)	Total No subjects	Dosing scheme for subjects	Observation period per subject and between cohorts
1	4.00×10^{10}	2	Sequential (1+1)	6 week
2	1.25×10^{11}	3	Sequential and parallel (1+2)	6 week
3	4.00×10^{11}	3	Sequential and parallel (1+2)	6 week
4	1.25×10^{12}	3	Sequential and parallel (1+2)	10 weeks
5	4.00×10^{12}	3	Sequential and parallel (1+2)	10 weeks

Drug Resistant Non-Small Cell Lung Cancer

In collaboration with the Children's Cancer Institute Australia at the University of New South Wales

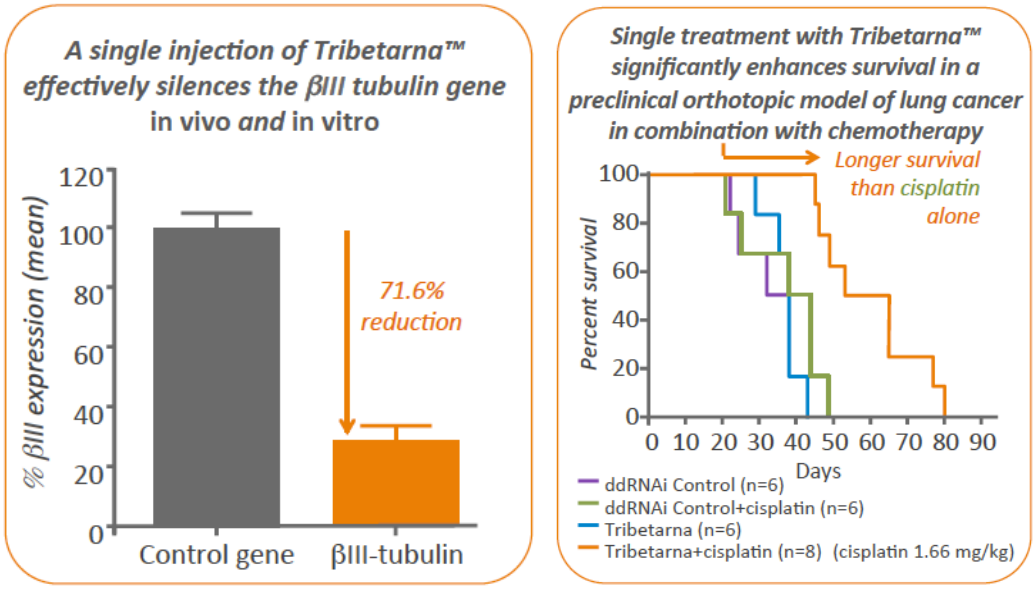
Collectively, laboratory and clinical data strongly suggest that the βIII-tubulin gene is a survival factor which helps protect cancer cells from cell death by chemotherapy drugs.

The use of βIII-tubulin as a target of RNAi is the subject of a patent application assigned to New South Innovations (NSi), with Prof Kavallaris, Dr Gan and Dr McCarroll as the inventors.

Benitec and NSi are collaborating on a project using their joint IP to exploit the use of ddRNAi to knockdown βIII-tubulin in NSCLC with the aim of taking this to a clinical trial. As reported previously, a triple cassette ddRNAi molecule named Tribetarna™ has been developed and is being tested.

In 2013 the collaboration has produced proof of principle that Tribetarna™ can be delivered specifically to lung cancer tumours *in vivo* from a systemic (intravenous) injection and produces >70% knock down of beta III tubulin tumour-wide. Furthermore, in conjunction with a chemotherapy drug (cisplatin) the treatment consistently produces a doubling in survival in an animal model of lung cancer (see Figure below).

Figure: Demonstration of* In Vivo *Proof-of-Concept of Tribetarna™



Studies are underway to optimise the dosing regimen *in vivo*, to conduct biodistribution and toxicology studies and to advance the program into the clinic.

Wet Age-Related Macular Degeneration

As part of the Tacere acquisition, the Company also acquired a mature pre-clinical program in wet age- related macular degeneration (wAMD). Age-related macular degeneration (AMD) is the leading cause of vision loss in patients over 60 years of age in the developed world, and it remains an area of unmet medical need. There are two forms of AMD, dry (non-neovascular) and wet (neovascular), which affect over 16 million people in the United States and Europe. The annual incidence is expected to increase with an ageing population, and prevalence in Western countries is anticipated to reach 25 million by 2020. Around 10% of patients exhibit wet AMD; however, it accounts for over 90% of the serious loss of vision[1]. The current treatment is a regular (usually monthly) injection into the eyeball of an antibody targeting the inflammatory mediator VEGF.

Benitec's ddRNAi technology, with its ability to provide long term silencing of a target gene from just a single injection has the potential therefore to become the treatment of choice in this market. Currently a $2 billion market, this program has become a high priority for development and Benitec has lodged a patent application around therapeutic targets and design of a ddRNAi-based therapeutic.

Hepatitis B

In collaboration with Biomics Biotechnologies in China

Based on information from Tacere Therapeutics following the acquisition of the company, the design of the hepatitis B ddRNAi construct was amended to mimic the HCV construct, in order to utilise the lessons learned from the extensive development of TT-034. This involved defining three sequences that target highly conserved regions of the HBV polymerase gene and have high silencing efficacy *in vitro*; defining their specificity activity, and modifying the design to minimise any potential toxicity prior to *in vivo* testing; and establishment of a high throughput assay system.

[1] Syed BA et al. (2012) Wet AMD market. *Nature Reviews Drug Discovery* 11: 827-8

The hepatitis B program is a companion therapeutic to TT034 as it is almost identical in design and delivery to the hepatitis C therapeutic, and therefore provides a potential high value combination for potential licensees. It will be progressed in 2014 as resources allow.

Cancer-associated Neuropathic Pain
In association with Stanford University

Intractable cancer-associated pain afflicts 85% of terminal cancer patients. Benitec is aiming to develop a transformational ddRNAi-based solution to this major health issue, through targeting a gene that is activated in the spinal cord of chronic neuropathic pain sufferers. Due to extensive proof-of-concept *in vivo* preclinical data generated by the Zou group [1, 2] of the efficacy and safety of knocking down protein kinase C gamma in the spinal cord on pain management, as well as additional beneficial clinical indications such as reduction of morphine tolerance, the main target of Benitec's pain program is the PKCγ gene.

Benitec has designed a number of gene silencing constructs based on regions of the PKCγ gene which are conserved across multiple species, as opposed to the shRNA sequence used by the Zou group which is only effective in rat models. Benitec has to date used a lentiviral vector to deliver the therapeutic DNA construct that expresses shRNA targeting PKCγ mRNA, and aims to gather in vivo preclinical data on these sequences and proceed to stages of clinical testing as resources allow.

Oculopharyngeal Muscular Dystrophy (OPMD)
In collaboration with the Royal Holloway, University of London

Oculopharyngeal muscular dystrophy (OPMD) is an autosomal-dominant inherited slow-progressing, late-onset degenerative muscle disorder that usually starts in the fifth or sixth decade of life. In all patients, the disease is mainly characterised by progressive eyelid drooping (ptosis) and swallowing difficulties (dysphagia). The pharyngeal and cricopharyngeal muscles (MCP) are specific targets in OPMD. OPMD is a rare disease (1/100 000 in Europe) with a worldwide distribution; it is the most common muscular dystrophy in Quebec (1/1000) due to a founder effect.

The mutation that causes the disease is an abnormal expansion of a $(GCG)_n$ trinucleotide repeat in the coding region of the poly(A)-binding protein nuclear 1 (PABPN1) gene. We propose to develop a gene-therapy strategy based on RNAi to silence the expression of the mutant PABPN1 allele in muscle cells of OPMD patients. OPMD is particularly adapted to gene therapy since targeted cells are limited, and the genetic mutation is small, known and located on a relatively small gene.

The key outcomes from the program in the past 6 months were:

- A triple cassette construct targeting the PABPN1 gene was designed and tested *in vitro* and was found to produce a high level of silencing of the target defective gene in vivo (in the *tibialis anterior* muscles of A17 mice).
- Successful in vitro demonstration of suppression of the mutant PABPN1 gene and replacement with the normal gene.

[1] Song Z, Zou W, Liu C, Guo Q. (2010). Gene knockdown with lentiviral vector-mediated intrathecal RNA interference of protein kinase C gamma reverses chronic morphine tolerance in rats. J Gene Med.;12(11):873-80.

[2] Zou W, Song Z, Guo Q, Lui C. Zhang Z, Zhang Y. (2011). Intrathecal lentiviral-mediated RNA interference targeting PKCγ attenuates chronic constriction injury-induced neuropathic pain in rats. *Hum Gene Ther.* 22(4):465-75.

Business Development Activities

A key focus has been to ensure that the major milestones Benitec has achieved over the last six months are being effectively communicated to new and existing stakeholders and, importantly, to potential Pharma partners. These milestones have been listed elsewhere in this document, however some of the more significant ones are:

- Submission and clearance of an Investigational New Drug (IND) for TT-034 facilitating the commencement of patient recruiting to begin Phase I/IIa clinical trials in mid-March 2014.
- Raising of $10.7 million in a Private Placement and Share Purchase Plan to fund the company's programs, along with a 25:1 share consolidation
- Oral presentations at three prestigious international conferences by Dr David Suhy on TT-034, including at the Liver Meeting™ in Washington DC
- Publication in *Nature*'s journal, *Molecular Therapies* of a key paper characterizing the molecular mechanism of TT-034
- Licensing Benitec's ddRNAi technology to Regen Biopharma for the development of cancer vaccines.
- Calimmune commencing patient dosing in a Phase I/II (a) clinical trial with their stem cell/ddRNAi based therapy for treating HIV/AIDS.

To maximise the impact of these achievements Benitec has undertaken a comprehensive communication and public relations program. The program has included multiple roadshows in the USA, UK and Australia, meeting with brokers, analysts, as well as potential and existing investors. In addition the company presented at numerous forums notably Bioshares Summit in Queenstown, AusBiotech in Brisbane and the Biotech Showcase held in conjunction with JP Morgan in San Francisco. At the JP Morgan event Benitec executives met with over 30 US-based investors, analysts, fund managers and potential Pharma partners. Benitec used these presentations to communicate the company's strategy, highlighting the growth in value of RNAi therapeutic companies, such as Alnylam, Arrowhead, Tekmira and Dicerna. These companies have all exhibited significant growth in value supported by high levels of interest from US investors. Benitec believes that this interest in RNAi therapeutics underlines the potential for growth in Benitec's value.

In July 2013 Benitec launched "*Silenceworks*" a newsletter designed to communicate and summarise the company's achievements. The company has circulated six editions of *Silenceworks* over the last 6 months with universally positive feedback.

Benitec's public relations program featured appearances by Dr French on 774 ABC Melbourne Radio's Jon Faine and 1116 4BC Brisbane Radio's John Scott. The company was also featured in QANTAS' January edition of "Australian Way" with articles also featuring in *The Australian* and *The Geelong Independent.*

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 13 of this report.

Signed in accordance with a resolution of the directors.

Peter Francis

Director

Melbourne, 27 February 2014

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To The Directors of Benitec Biopharma Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Benitec Biopharma Ltd for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

N/J Bradley
Partner - Audit & Assurance

Sydney, 27 February 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED DECEMBER 31, 2013

	Notes	HALF-YEAR December 2013 $	HALF-YEAR December 2012 $
Revenue	2	223,917	600,534
Royalties and licence fees		(5,596)	(30,000)
Research and development costs		(1,850,012)	(807,643)
Employment related expenses		(1,243,816)	(1,043,415)
Travel related expenses		(209,772)	(173,947)
Consultants costs		(304,341)	(206,565)
Occupancy costs		(61,785)	(47,314)
Corporate expenses		(386,415)	(348,988)
Foreign exchange translation		14,625	(6,643)
Impairment costs	1(d)	-	(1,503,296)
Total expenses		(4,047,112)	(4,167,811)
Loss before income tax	2	(3,823,195)	(3,567,277)
Income tax benefit	2	454,365	-
Loss for the half year		(3,368,830)	(3,567,277)
Other comprehensive income		9,887	-
Total comprehensive loss for the half year		**(3,358,943)**	**(3,567,277)**
Total comprehensive loss for the half year attributable to members of Benitec Biopharma Limited		**(3,358,943)**	**(3,567,277)**

Earnings per share (cents per share) for loss attributable to the ordinary equity holders of the consolidated entity:

Basic earnings (loss) for the half-year	(4.3)	(8.9)
Diluted earnings (loss) for the half-year	(4.3)	(8.9)

* for comparative purposes, the number of shares at 31 December 2012 have been adjusted to take into account the 25:1 share consolidation made in July 2013

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

FOR THE HALF-YEAR ENDED DECEMBER 31, 2013

	Notes	*December 2013 $*	*June 2013 $*
ASSETS			
Current Assets			
Cash and cash equivalents		5,183,854	1,587,299
Trade and other receivables		121,963	105,073
Other assets and prepaid clinical trials	1(d)	2,765,623	30,218
Total Current Assets		**8,071,440**	**1,722,590**
Non-current Assets			
Plant and equipment		24,496	28,120
Total Non-current Assets		**24,496**	**28,120**
TOTAL ASSETS		**8,095,936**	**1,750,710**
LIABILITIES			
Current Liabilities			
Trade and other payables	5	274,422	1,011,733
Provisions		130,559	98,637
Total Current Liabilities		**404,981**	**1,110,370**
TOTAL LIABILITIES		**404,981**	**1,110,370**
NET ASSETS		**7,690,955**	**640,340**
EQUITY			
Issued capital	6	99,902,715	89,609,248
Reserves		403,888	277,910
Accumulated losses		(92,615,648)	(89,246,818)
TOTAL EQUITY		**7,690,955**	**640,340**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED DECEMBER 31, 2013

	Issued capital	*Share-based Payments Reserve*	Foreign exchange translation reserve	*Accumulated Losses*	*Total equity*
	$	$		$	$
At 30 June2012	**87,348,819**	**1,394,142**	**-**	**(86,080,047)**	**2,662,914**
Loss for the period	-	-	-	(3,567,277)	(3,567,277)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**(3,567,277)**	**(3,567,277)**
Share issues, net of transaction costs, for the acquisition of Tacere Therapeutics Inc.	1,173,584	-	-	-	1,173,584
Share based payments	-	317,767	-	-	317,767
Transfer to Accumulated Losses the Share Based Payments Reserve no longer required	-	(282,840)	-	282,840	-
At 31 December 2012	**88,522,403**	**1,429,069**	**-**	**(89,364,484)**	**586,988**
Loss for the period	-	-	-	79,317	79,317
Other comprehensive income	-	-	(1,313,792)		(1,313,792)
Total comprehensive income	-	-	**(1,313,792)**	**79,317**	**(1,234,475)**
Share issues, net of transaction costs	1,086,845	-	-	-	1,086,845
Share based payments	-	200,982	-	-	200,982
Transfer to Accumulated Losses the Share Based Payments Reserve no longer required	-	(38,349)	-	38,349	-
At 30 June 2013	**89,609,248**	**1,591,702**	**(1,313,792)**	**(89,246,818)**	**640,340**
Loss for the period	**-**	-	-	(3,368,830)	(3,368,830)
Other comprehensive income	-	-	9,887	-	9,887
Total comprehensive income			**9,887**	**(3,368,830)**	**(3,358,943)**
Share issue, net of transaction costs, to complete the acquisition of Tacere Therapeutics Inc.	357,179	-	-	-	357,179
Share issues, net of transaction costs	9,936,288	-	-	-	9,936,288
Share based payments	-	116,091	-	-	116,091
At 31 December 2013	**99,902,715**	**1,707,793**	**(1,303,905)**	**(92,615,648)**	**7,690,955**

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

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED DECEMBER 31, 2013

	Notes	*HALF-YEAR*	
		December 2013	*December 2012*
		$	*$*
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		170,723	296,325
Government grants		-	184,939
Payments to suppliers and employees (inclusive of goods and services tax)		(6,328,953)	(2,359,976)
Borrowing costs		-	-
Net cash outflows from operating activities		(6,158,230)	(1,878,712)
Cash flows from investing activities			
Interest received		53,194	107,231
Acquisition of Tacere Therapeutics Inc., net of cash acquired		-	(77,104)
Purchase of plant and equipment		-	(2,399)
Net cash inflows from investing activities		53,194	27,728
Cash flows from financing activities			
Proceeds from issue of shares		9,703,483	-
Net cash inflows from financing activities		9,703,483	-
Net increase (decrease) in cash and cash equivalents		3,598,447	(1,850,984)
Effects of exchange rate changes on cash and cash equivalents		(1,892)	(10,707)
Cash and cash equivalents at beginning of the half-year		1,587,299	3,075,880
Cash and cash equivalents at end of half-year		**5,183,854**	**1,214,189**

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

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2013

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL REPORT

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2013 and are presented in Australian dollars ($), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2013 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2014.

(a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements.

This financial report has been prepared on a going concern basis.

During the half year ended 31 December 2013, the consolidated entity incurred a loss of $3,358,943 (2012 comparative period: loss 3,567,277) and had net operating cash outflows of $6,158,230 (2012 comparative period: $1,878,712).

The ability of the consolidated entity to continue as a going concern has been determined by directors on the following basis:

i. in common with start-up biotechnology companies, the consolidated entity’s operations are subject to considerable risks due primarily to the nature of the development and commercialisation being undertaken; and

ii. to allow the consolidated entity to execute its longer term plans, it will be necessary to raise additional capital and obtain income from the commercialisation of the consolidated entity's intellectual property.

Benitec is actively engaged in the development of novel therapeutic treatments (utilising its ddRNAi platform) and is commencing a Phase I/IIa trial in its lead HCV program this quarter. The company expects to continue to record negative operating cashflow in the medium term. Benitec has engaged Australian based Lodge Corporate Pty Ltd as advisors as part of the company's broader capital management program to ensure adequate capital is in place to fund the company's operations. Benitec has presented to institutional and sophisticated investors both in Australia and internationally as part of its capital management program.

The financial report does not contain any adjustments to the amounts or classifications of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

The financial statements take no account of the consequences, if any, of the effects of unsuccessful product development or commercialisation, nor of the inability of the consolidated entity to obtain adequate funding in the future.

The half-year financial report has been prepared in accordance with the historical convention. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Summary of significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2013, except for the application of the following standards as of 1 January 2013:

AASB 10 Consolidated Financial Statements;

AASB 11 Joint Arrangements;

AASB 13 Fair Value Measurement; and

AASB 119 Employee Benefits (2011)

The effects of applying these standards are described below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures and Interpretation 113 Jointly Controlled Entities – Non-Monetary-Contributions by Venturers. It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method, which is currently used for investments in associates.

There is no impact on transactions and balances recognised in the financial statements because the entity has not entered into any joint arrangements.

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

AASB 119 Employee Benefits (September 2013)

AASB 119 makes a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. AASB 119:

- eliminates the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income
- changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest cost based on the net defined benefit asset or liability
- enhances disclosures, including more information about the characteristics of defined benefit plans and related risks.

The Group does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the Group.

(c) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the consolidated entity's last annual financial statements for the year ended 30 June 2013.

(d) Significant events and transactions

i. The consolidated entity's management of capital and liquidity risk is described in note 1(a)

ii. Benitec announced on 24 February 2014 that it has entered into agreements for a Private Placement (the Placement) to raise up to approximately AUD $31.5 million from international institutional investors who include US based RA Capital Management, Perceptive Advisors, Special Situations Funds and Sabby Management as well as existing institutional and professional investors in Australia. The new international institutional investors comprise leading US healthcare and biotechnology funds and their participation represents significant support for and recognition of Benitec's ddRNAi development programs.

The Placement involves the purchase of up to approximately 29.4 million ordinary shares at a price of AUD $1.07 per ordinary share. In addition, the investors will receive free attaching options expiring in five-years to purchase up to an additional 13.2 million ordinary shares at an exercise price of AUD $1.26 per ordinary share. The issue price represents a 5.3% discount to the 15 day Volume Weighted Average Price ending on Friday 21 February 2014.

Capital raised by Benitec under the Placement will be used to accelerate the clinical development of the company's lead compound – TT-034 – a potential "single shot" treatment for hepatitis C. Funds will also be used to advance other programs in the company's pipeline with a particular emphasis on the lung cancer, age related macular degeneration and hepatitis B programs.

The Placement will proceed in two stages:

- Approximately 14.7 million ordinary shares, which represent a total of approximately AUD $15.7 million, and approximately 6.6 million options which can be issued without shareholder approval are anticipated to be issued on or about Friday 28 February 2014 following receipt of funds; and
- Approximately 14.7 million ordinary shares also representing a total of approximately AUD $15.7 million, and approximately 6.6 million options to be issued subject to Benitec receiving shareholder approval at a general meeting, which is expected to be held in or about the week commencing April 7, 2014.

A further announcement will be released when the first stage shares and options are issued. A notice of general meeting, specifying the date of the meeting and containing further details will be sent to shareholders and released to ASX as an announcement.

Maxim Group LLC is acting as U.S. placement agent with Lodge Corporate Pty Ltd acting as lead manager in Australia for the Private Placement.

iii. Benitec announced a capital management update on 6 June 2013, including details of a Private Placement and share purchase plan (SPP).

The private placement raised $7,900,000 and was subscribed to by several new institutional investors, along with Benitec management and directors and existing sophisticated investors at $0.011 per share. The placement was conducted in two tranches on the following basis:

- Tranche 1 – $412,000 was raised under the Company's 15% placement capacity, in accordance with ASX Listing Rule 7.1, and settled on 14 June 2013; and
- Tranche 2 - $7,488,000 was raised following shareholder approval, settled on 24 July 2013.

A General Meeting was held on 17 July 2013 where shareholders approved Tranche 2 of the private placement, together with a 25-for-1 consolidation of the Company's issued securities. The securities consolidation meant that shareholders now have 1 new consolidated security for every 25 securities held before Friday 19 July 2013. Information relating to the share consolidation was provided to shareholders in the Notice of Meeting, the Benitec website and on the BLT page of the ASX website.

A Share Purchase Plan (SPP) raised $2,840,000 and closed on 29 July 2013. The SPP was conducted on the same terms as the private placement, and allotment of shares to participants in the SPP occurred on 6 August 2013.

iv Benitec announced on 3 June 2013 that the company had committed to moving Tribetarna™, its non-small cell lung cancer therapeutic, into clinical development. The Company is using European-based clinical research organisation Clinical Trials Group (CTGCRO) to manage both the initial clinical development and trials. Benitec made prepayments in the six months to 31 December 2013 in order to secure favourable commercial terms with CTGCRO for the conduct of the trials.

v Tacere acquisition on 30 October 2012

In the previous corresponding half year period, Benitec announced the acquisition of US-based RNA interference (RNAi) therapeutics company Tacere Therapeutics Inc.. The acquisition was completed on 30 October 2012. Tacere has a Phase I/II ready program in hepatitis C (HCV) which uses Benitec's gene silencing technology. Benitec acquired Tacere's extensive HCV program data and materials, as well as an advanced preclinical program for the eye disease macular degeneration, which also uses Benitec's ddRNAi technology.

The consideration for the acquisition was in an issue of 102,321,345 new shares in Benitec Biopharma for USD1.5 million, plus a potential cash royalty on future licensing revenue. Further, the agreements with the Tacere vendors provided for $357,179 Benitec Biopharma Limited shares (included in the consideration of 102,321,345 shares) be treated as reserve shares and not issued to the Tacere vendors for a period of 12 months from acquisition. The reserve shares were accounted for as a creditor (refer to note 6) in the June 2013 financial statements and were released on 30 October 2013.

Impairment costs relating to the goodwill on the acquisition of Tacere of $1,503,296 were written off in previous corresponding half year period.

2. REVENUE AND EXPENSES

		HALF-YEAR December 2013 $	HALF-YEAR December 2012 $
(a) (i) Revenue			
	Licensing revenue	170,723	296,325
	Finance income	53,194	119,270
	Government grants	-	184,939
		223,917	600,534
(ii) Expenses			
	Depreciation	6,924	5,947
	Impairment costs relating to the write-off of goodwill resulting from the acquisition of Tacere Therapeutics Inc.	-	1,503,296
	Share-based payments	116,091	317,767
	Foreign exchange fluctuation	9,887	6,643
	US tax refund	(454,365)	-

(b) Seasonality of Operations

There is no discernible seasonality in the operations of the consolidated entity.

3. OPERATING SEGMENTS

Business Segments

The Group had only one business segment during the period, being the global commercialisation by licensing and partnering of patents and licences in biotechnology, with applications in biomedical research and human therapeutics.

Geographical Segments

Business operations are conducted in Australia. However there are controlled entities based in the USA and United Kingdom.

Geographical location	Segment Revenues from External Customers		Segment Results		Carrying Amount of Segment Assets	
	Dec 2013	*Dec 2012*	*Dec 2013*	*Dec 2012*	*Dec 2013*	*Dec 2012*
	$	*$*	*$*	*$*	*$*	*$*
Australia	223,971	600,534	(3,617,151)	(3,518,249)	8,030,402	922,313
United States of America	-	-	258,208	(49,028)	65,534	461,944
United Kingdom	-	-	-	-	-	-
	223,917	600,534	(3,358,943)	(3,567,277)	8,095,936	1,384,257

3. OPERATING SEGMENTS (continued)

Accounting Policies

Segment revenues and expenses are directly attributable to the identified segments and include joint venture revenue and expenses where a reasonable allocation basis exists. Segment assets include all assets used by a segment and consist mainly of cash, receivables, inventories, intangibles and property, plant and equipment, net of any allowances, accumulated depreciation and amortisation. Where joint assets correspond to two or more segments, allocation of the net carrying amount has been made on a reasonable basis to a particular segment. Segment liabilities include mainly accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Deferred income tax provisions are not included in segment assets and liabilities.

4. EVENTS AFTER THE BALANCE SHEET DATE

i. The Company announced on 14 January 2014 that the US Food and Drug Administration (FDA) has advised the Company that it may proceed with its 'first in man' clinical trial for TT-034, a ddRNAi-based therapeutic, designed to treat Hepatitis C with a single injection. This follows the FDA's review of Benitec's Investigational New Drug (IND) application, which was filed on 6 December 2013.

ii. As noted elsewhere in this report, Benitec announced on 24 February 2014 that it has entered into agreements for a Private Placement (the Placement) to raise up to approximately AUD $31.5 million from international institutional investors who include US based RA Capital Management, Perceptive Advisors, Special Situations Funds and Sabby Management as well as existing institutional and professional investors in Australia. The new international institutional investors comprise leading US healthcare and biotechnology funds and their participation represents significant support for and recognition of Benitec's ddRNAi development programs.

Capital raised by Benitec under the Placement will be used to accelerate the clinical development of the company's lead compound – TT-034 – a potential "single shot" treatment for hepatitis C. Funds will also be used to advance other programs in the company's pipeline with a particular emphasis on the lung cancer, age related macular degeneration and hepatitis B programs.

Other than the above, there have been no significant events after balance date.

		December 2013 $	*June 2013 $*
5.	**TRADE AND OTHER PAYABLES**		
	Trade creditors	130,446	279,994
	Sundry creditors and accrued expenses	143,976	374,560
	Deferred consideration - Tacere vendors	-	357,179
		274,422	1,011,733

		$	*No. of Shares*
6.	**ISSUED CAPITAL**		
	Ordinary shares		
	Issued and fully paid	99,902,715	85,113,450
	At 1 July 2013 (after applying the 25:1 consolidation)	89,609,248	46,076,562
	Share Placement	7,082,088	27,629,650
	Share Purchase plan	2,820,000	10,254,696
	Options exercised	34,200	197,540
	Shares issued as part of the consideration for the acquisition of Tacere Therapeutics Inc.	357,179	955,002
	At 31 December 2013	99,902,715	85,113,450
	The weighted average number of shares on issue during the period was		78,846,552

6. ISSUED CAPITAL (continued)

Share options outstanding ***Dec 2013***

Details	*Expiry Date*	*Exercise Price*	*Number of options*
Listed BLTO	8 April 2014	$ 2.500	1,866,956
Strategic Advisor Warrants	4 August 2014	$ 22.500	245,078
ESOP Options	19 August 2014	$ 0.510	260,000
NED Options	19 August 2014	$ 0.570	120,000
Unlisted Options	10 April 2015	$ 2.500	480,000
Directors' Options	23 October 2015	$ 4.250	78,125
NED Options	26 September 2016	$ 1.250	2,800,000
ESOP Options	17 November 2016	$ 1.250	1,800,000
ESOP Options	7 February 2017	$ 1.250	168,000
ESOP Options	18 July 2017	$ 1.250	400,000
ESOP Options	16 November 2017	$ 1.250	400,000
ESOP Options	17 November 2017	$ 1.250	400,000
ESOP Options	22 August 2018	$ 1.250	2,080,000
Unlisted Options - placement	18 February 2015	$ 0.325	1,008,617
			12,106,776

7. CONTINGENT LIABILITIES

In January 2010, the Company reached a settlement with the CSIRO to replace the existing Licence Agreement and Commercial Agreement with a new exclusive Licence Agreement for the use of intellectual property and the Capital Growth Agreement with the issue of ordinary shares. As part of the settlement, a Transition Agreement was put in place in order to facilitate the change from the old agreements to the new agreement and to deal with a number of other matters.

Under the terms of the Transition Agreement, the Company agreed to pay CSIRO an amount of $297,293 for past patent costs only in the event of a trigger event, being either a corporate transaction or an insolvency event.

The Company has contracted for scientific work on the therapeutic programs, and payments are due within the next six months totalling $nil (June 2012: $120,242). The company's existing scientific contracts are with suppliers who bill for work once it is performed.

Directors' Declaration

for the half year ended December 31, 2013

In the opinion of the directors of Benitec Biopharma Limited:

(a) the consolidated financial statements and notes of Benitec Biopharma Limited are in accordance with the *Corporations Act 2001*, including

i. giving a true and fair view of its financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

ii complying with Accounting Standard AASB 134 *Interim Financial Reporting*; 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:

Peter Francis

Director

Melbourne, 27 February 2014

Grant Thornton Audit Pty Ltd
ACN 130 913 594

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report
To the Members of Benitec Biopharma Limited

We have reviewed the accompanying half-year financial report of Benitec Biopharma Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year..

Directors' responsibility for the half-year financial report

The directors of Benitec Biopharma Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Benitec Biopharma Limited consolidated entity's financial position as at 31 December 2013 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 Benitec Biopharma Limited, ASRE 2410 requires that we 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Benitec Biopharma 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 2013 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

N J Bradley
Partner - Audit & Assurance

Sydney, 27 February 2014