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, 2014

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, 2014

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 2014. Comparative amounts for the Consolidated Statement of Profit or Loss and Other Comprehensive Income are the half-year ended 31 December 2013. Financial Position comparatives are at 30 June 2014.

2. Results for Announcement to the Market

		Change	% Change	$A'000
2.1	Revenue from ordinary activities	up	185%	639
2.2	(Loss) from ordinary activities after tax attributable to members	up	50%	(5,047)
2.3	Net (loss) for the period attributable to members	up	50%	(5,047)
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 2014 which forms part of this ASX announcement		

3. Commentary on results for the period

Benitec's Comprehensive loss for the half year to 31 December 2014 was $5,046,975 compared to a Comprehensive loss of $3,358,943 for the previous corresponding period.

Operating revenue was $639,167 compared to $223,917 in the previous corresponding period. Operating expenses were $5,686,142 compared with operating expenses in the previous period of $4,047,112.

The six month loss includes research and development spending of $2,210,023 compared to $1,850,012 in the previous corresponding period. Benitec's current assets at 31 December 2014 were $29,917,889(June 2014: $34,447,525), with current liabilities of $718,850 (June 2014: $954,680).

4. Net tangible asset backing per share

	December 2014	**December 2013**
Net tangible asset backing per ordinary share	25.7 cents	9.0 cents

Directors' Report

for the half year ended December 31, 2014

The Company's Directors present their report on the consolidated entity consisting of Benitec Biopharma Limited ('Company') and the entities it controlled ('Group')at the end of the half-year ended 31 December 2014.

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

Mr. Kevin Buchi

Dr John Chiplin

Mr. Iain Ross

FINANCIAL UPDATE

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REVIEW AND RESULTS OF OPERATIONS

Strategic Advantage

Benitec's ddRNAi technology is a form of RNA interference (RNAi) that can 'silence' or shut down disease-causing genes. Recently there has been increasing awareness of the value of gene silencing and RNAi as a therapeutic modality. Companies operating in this segment – such as Alnylam, Arrowhead, Dicerna, Tekmira, Bluebird Bio and Isis – have seen significant increases in their valuation. In particular, Alnylam has grown its market capitalisation from around $1Billion to over $7.8Billion, highlighting the value that investors are attributing to the RNAi technology space. Benitec's ddRNAi technology has a number of differential advantages over RNAi: the most important being the ability to silence a disease-causing gene for long periods of time with a single administration, whereas conventional RNAi requires continuous administration.

Big pharma continues to demonstrate interest in RNAi and gene therapy, as demonstrated by recent significant partnering deals with many of Benitec's comparator companies. Benitec's ddRNAi technology offers an optimised combination of these approaches, and the TT-034 clinical trial, if successful, will provide validation of the technology for treating a wide range of diseases.

In-house Programs

Focus	Indication	Partners / Collaborators	Discovery	Pre-clinical	Clinical
Infectious Disease	Hepatitis C				
	Hepatitis B	Biomics Biotechnology (JV)			
Cancer	Drug Resistant Lung Cancer	University of New South Wales (RC)			
Ocular Disease	AMD				
Genetic Disease	OPMD	Royal Holloway London University (RC)			

Benitec has five in-house development programs in progress. Following the establishment of the Bremner Lab in California the Company has continued to advance each of the programs. Highlights include:

- **Hepatitis C – 'TT-034':** TT- 034 is Benitec's first clinical stage treatment program. During the last six months the following milestones have been achieved:
    - Dosed the first three patients in the first-in-man dose escalation study, with the most recent patient being the first patient in the second dose cohort
    - No adverse treatment related events seen to date (in the first two patients), and approval by the Data Safety Monitoring Board (DSMB) to proceed with next dosing following their review of the safety parameters of each patient
    - Expected appointment of two additional sites to expand patient recruitment and ensure availability of sufficient patients to complete the trial.
- **Hepatitis B – 'BEN-HB231':** Hepatitis B virus (HBV) infection is currently incurable and represents a significantly larger public health problem globally than HCV. Benitec's ddRNAi-based hepatitis B therapy is similar in design to TT-034, utilising the same delivery vector, enabling it to leverage much of the toxicity and bio-distribution data obtained in the Company's HCV clinical development program. In conjunction with the Company's collaborator, Biomics Biotechnologies, Benitec is optimising the design of DNA constructs, with the Company's US laboratory undertaking a range of *in vitro* experiments to optimise the triple cassette design. The key developments in the half-year period are highlighted below:
    - Novel sequences for BEN-HB231 have been identified and optimised, targeting three well-conserved (across 8 genotypes) regions within the HBV genome
    - Final triple construct has been developed which will be tested using an vivo Model in which human hepatocytes have been engrafted into mouse liver and can replicate HBV infection. Additional models are also being investigated.

- **Chemotherapy-resistant lung cancer – 'Tribetarna®':** Benitec's lung cancer program targeting the gene responsible for chemotherapy resistance, beta III tubulin (TUBB3), continues to make encouraging progress toward the clinic. Significant milestones include:
    - Continuing the development of Tribetarna® undertaking additional tox, biodistribution and efficacy studies requested by the FDA, and to optimise dosing and treatment regimes to enable maximal knockdown of the target gene, TUBB3, in the clinical setting
    - Advancing the development of a Companion Diagnostic enabling identification of patients likely to benefit from treatment and correlation of efficacy with TUBB3 patient levels
    - Professor Maria Kavallaris from UNSW published research identifying additional tumours that may benefit from treatment with Tribetarna®. These tumours include renal and pancreatic cancer.
- **Wet age-related macular degeneration (AMD):** Benitec's AMD program demonstrates the flexibility of ddRNAi to treat a range of diseases. Compared with the current standard of care Benitec's single-shot cure approach offers a significant improvement. In addition, this approach permits the possible development of a prophylactic, preventing any development of retinal damage before AMD develops, thus offering a therapeutic and preventative solution to this important healthcare problem. Key progress in the Company's AMD program are highlighted below:
    - Initiated 4D Molecular Therapeutics collaboration, aimed at developing next generation AAV vectors capable of broadly transducing a wide range of human retinal cells from a single intravitreal injection. These novel AAV vectors are expected to demonstrate increased cell penetration following intravitreal injection, with reduced immunogenicity
    - Identified appropriate facility offering an industry-acceptable preclinical model for *in vivo* testing of therapeutics for AMD which closely mimics the human situation.
- **Oculopharyngeal Muscular Dystrophy (OPMD) 'Pabparna™'**: OPMD is a genetic orphan disease (PABPN1 gene defect). Symptoms include severe swallowing difficulties leading to choking, with incidence of 1:100,000 (> 4,000 cases in EU and > 2,500 cases in US). No effective treatment currently exists for OPMD. Benitec's treatment is being developed in collaboration with the Royal Holloway, University of London and progress with this program is highlighted by the following:
    - A range of constructs have been prepared in AAV and lentiviral gene therapy vectors
    - AAV vectors expressing a triple cassette targeting PABPN1 DNA constructs silence PABPN1 in 293T cells (transient delivery) have been developed
    - Initial *in vivo* proof of concept studies of suppression and replacement have demonstrated efficacy in restoring muscle function in a preclinical model.

Licensed Programs

In addition to the Group's in-house development programs, Benitec has licensed its ddRNAi technology to five biotech companies. As each of these companies advances their clinical development, their success further validates ddRNAi. Each program is outlined below:

Focus	Indication	Partners/Collaborators	Discovery	Pre-clinical	Clinical
Infectious Disease	HIV/AIDS	Licensed to Calimmune			
Cancer	Cancer Vaccines	Licensed to Regen BioPharma			
Ocular Disease	Retinitis Pigmentosa	Licensed to Genable			
Genetic Disease	Huntington's Disease	Licensed to uniQure			
Neuropathic Pain	Sodium NAV 1.7 Ion Channel	Licensed to Circuit			

- **HIV/AIDS –** Benitec's US-based licensee Calimmune Inc continues to advance their stem cell based HIV/AIDS therapy and is well established in their phase I/II(a) clinical trial.
- **Breast cancer –** Benitec has granted a license to Regen Biopharma for the development of a ddRNAi-based therapy called CellVax. Regen recently announced the successful silencing of the IDO gene in dendritic cells, an approach that in animal models has demonstrated the ability to induce regression of breast cancer.
- **Retinitis pigmentosa –** Benitec's licensee Genable Technologies Ltd is developing GT308 for retinitis pigmentosa using ddRNAi to silence the disease-causing mutant gene. Genable has been granted orphan drug designation from the FDA providing Genable the opportunity to gain seven years of market exclusivity in the US once the product is approved.
- **Huntington's disease –** Benitec's non-exclusive license allows uniQure to develop a treatment for Huntington's disease using the Company's ddRNAi gene silencing technology. uniQure listed on the NASDAQ in early 2014, raising around $90M so is well resourced to be able to advance this program towards the clinic.
- **Intractable pain** – Benitec has granted a license to Circuit Therapeutics for the use of the Company's ddRNAi technology in the area of intractable facial pain. Intractable pain is a severe and constant pain, which is not curable using current therapy. The licensing agreement covers the application of ddRNAi to target the inhibition of a Nav1.7, a sodium channel that is exclusively produced in certain sensory nerves and is critical for generation of pain. Licensing ddRNAi technology will enable Circuit to use Benitec's novel gene silencing therapy to block Nav1.7 in particular neurons that control pain without the anticipated side effects of less specific and/or less targeted therapies.

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 partners. Some of the more significant activities include:

- ASX announcements:
  - 2nd Patient dosed (TT-034 Program)
  - AGM Chair & CEO Address
  - Drug Resistance (Tubulin Program)
  - Manufacturing Expert appointed
  - Licenses ddRNAi for intractable pain to Circuit Therapeutics
  - Appeals Graham Patent in Europe
  - 3rd Patient dosed (TT-034 Program)
  - Additional Indications for Cancer (Tubulin Program)
- Research updates from:
  - Shaw Stockbroking
  - Maxim Group
  - Van Leewenhoeck Research
- AGM and Shareholder Information Sessions and Webcast in Sydney and New York
- Corporate and Investor Presentations
  - ASX Investor Series, Sydney
  - Bio Investor Showcase – JP Morgan, San Francisco
- Media/Social Media
  - The Monthly
  - Sky Business News
  - The Scientist
  - The CEO Magazine
  - Launched the Benitec app for 'one touch' access to ASX info

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 10 of this report.

Signed in accordance with a resolution of the directors.

Peter Francis

Director

Melbourne, 26 February 2015

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 Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Benitec Biopharma Limited for the half-year ended 31 December 2014, 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, 26 February 2015

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BENITEC BIOPHARMA LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Notes	HALF-YEAR December 2014	December 2013
		$	$
Revenue	2	639,167	223,917
Royalties and licence fees		(40,000)	(5,596)
Research and development costs		(2,210,023)	(1,850,012)
Employment related expenses		(2,343,524)	(1,243,816)
Travel related expenses		(516,528)	(209,772)
Consultants costs		(400,305)	(304,341)
Occupancy costs		(131,364)	(61,785)
Corporate expenses		(436,353)	(386,415)
Foreign exchange translation		391,955	14,625
Total expenses		(5,686,142)	(4,047,112)
Loss before income tax	2	(5,046,975)	(3,823,195)
Income tax benefit	2	-	454,365
Loss for the half year		(5,046,975)	(3,368,830)
Other comprehensive income		24,457	9,887
Total comprehensive loss for the half year		**(5,022,518)**	**(3,358,943)**
Total comprehensive loss for the half year attributable to members of Benitec Biopharma Limited		**(5,022,518)**	**(3,358,943)**
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		(4.4)	(4.3)
Diluted earnings (loss) for the half-year		(4.4)	(4.3)

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

BENITEC BIOPHARMA LIMITED

Consolidated Statement of Financial Position

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Notes	*December 2014 $*	*June 2014 $*
ASSETS			
Current Assets			
Cash and cash equivalents		26,827,488	31,359,199
Trade and other receivables		73,054	121,587
Other assets and prepaid clinical trials		3,017,347	2,966,739
Total Current Assets		**29,917,889**	**34,447,525**
Non-current Assets			
Plant and equipment		418,206	47,677
Total Non-current Assets		**418,206**	**47,677**
TOTAL ASSETS		**30,336,095**	**34,495,202**
LIABILITIES			
Current Liabilities			
Trade and other payables	5	541,758	788,169
Provisions		177,092	166,511
Total Current Liabilities		**718,850**	**954,680**
TOTAL LIABILITIES		**718,850**	**954,680**
NET ASSETS		**29,617,245**	**33,540,522**
EQUITY			
Issued capital	6	129,551,591	129,185,676
Reserves		1,395,041	640,773
Accumulated losses		(101,329,387)	(96,285,927)
TOTAL EQUITY		**29,617,245**	**33,540,522**

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

BENITEC BIOPHARMA LIMITED

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Issued capital	*Share-based Payments Reserve*	Foreign exchange translation reserve	*Accumulated Losses*	*Total equity*
	$	$		$	$
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 issues, net of transaction costs, for the acquisition of Tacere Therapeutics Inc.	357,179	-	-	-	357,179
Share based payments	-	116,091	-	-	116,091
Share issues, net of transaction costs	9,936,288	-	-	-	9,936,288
At 31 December 2013	**99,902,715**	**1,707,793**	**(1,303,905)**	**(92,615,648)**	**7,690,955**
Loss for the period	-	-	-	(3,670,279)	(3,670,279)
Other comprehensive income	-	-	(2,140)	-	(2,140)
Total comprehensive income	-	-	**(2,140)**	**(3,670,279)**	**(3,672,419)**
Share issues, net of transaction costs	29,282,961	-	-	-	29,282,961
Share based payments	-	239,025	-	-	239,025
At 30 June 2014	**129,185,676**	**1,946,818**	**(1,306,045)**	**(96,285,927)**	**33,540,522**
Loss for the period	**-**	**-**	**-**	(5,046,975)	(5,046,975)
Other comprehensive income	**-**	**-**	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**	**(5,046,975)**	**(5,046,975)**
Share issues, net of transaction costs	257,615	**-**	**-**	**-**	257,615
Other comprehensive income	-	-	24,457	-	24,457
Share based payments	-	841,626	-	-	841,626
Transfer of expired share based payments	-	(3,515)	-	3,515	-
Transfer to share capital for options exercised	108,300	(108,300)	-	-	-
At 31 December 2014	**129,551,591**	**2,676,629**	**(1,281,588)**	**(101,329,387)**	**29,617,245**

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

BENITEC BIOPHARMA LIMITED

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED DECEMBER 31, 2014

	Notes	*HALF-YEAR*	
		December 2014	***December 2013***
		$	***$***
Cash flows from operating activities			
Receipts from customers		253,761	170,723
Payments to suppliers and employees		(5,493,311)	(6,328,953)
Interest income		452,603	53,194
Net cash outflows from operating activities		(4,786,947)	(6,105,036)
Cash flows from investing activities			
Purchase of plant and equipment		(394,334)	-
Net cash inflows from investing activities		(394,334)	-
Cash flows from financing activities			
Proceeds from issue of shares		257,615	9,703,483
Net cash inflows from financing activities		257,615	9,703,483
Net (decrease)/ increase in cash and cash equivalents		(4,923,666)	3,598,447
Effects of exchange rate changes on cash and cash equivalents		391,955	(1,892)
Cash and cash equivalents at beginning of the half-year		31,359,199	1,587,299
Cash and cash equivalents at end of half-year		**26,827,488**	**5,183,854**

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 2014

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 2014 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 2014 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 26 February 2015.

(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 2014, the consolidated entity incurred a loss of $5,046,975 (2013 comparative period: loss $3,358,943) and had net operating cash outflows of $4,795,062 (2013 comparative period $6,105,036).

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

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

ii. to allow the consolidated entity to execute its long term plans, it may be necessary to raise additional capital, and generate further income from commercialising the consolidated entity's intellectual property.

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 2014.

(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 2014.

(d) Significant events and transactions

Key highlights of the interim reporting period to 31 December 2014 include the following:

- **Multiple patients dosed in Benitec's 'first in human' trial for TT034, a hepatitis C therapeutic, designed as a single-shot cure for hepatitis C**

Benitec Biopharma continues to advance its transformational ddRNAi gene silencing technology into the clinic with the dosing of a third patient in the Company's phase I/II(a) clinical trial for TT-034, a single-shot cure for hepatitis C. The success of this 'first in human' trial is an important element in the Group's strategy for commercialising ddRNAi and validating the other indications in the Group's pipeline. Demonstration of safety and efficacy of ddRNAi as treatment for hepatitis C, based on industry comparators, will be a significant value inflection point for the Group.

- **In-house laboratory capabilities established through the opening of the 'Bremner Lab' in Northern California**

Setting up Benitec's own laboratory (called the Bremner Lab) under the leadership of Dr David Suhy, the inventor of TT-034, is an important step in enabling the Group to advance its other programs. Dr Suhy has built a strong team of scientists in Benitec's California facility, the group prioritising three of the Group's programs to advance towards the clinic – hepatitis B, non-small cell lung cancer and age related macular degeneration (AMD). Using Benitec's in-house expertise the Group will expand and modify each of these programs, progressing them from pre-clinical proof of concept to IND ready programs.

- **Executed an agreement with 4D Molecular Therapeutics for development of next generation novel vectors – enabling advancement of the AMD program**

The execution of an agreement with 4D Molecular Therapeutics was an important step in the advancement of Benitec's AMD program. The engagement with 4D aims to develop novel vectors with increased tissue specificity, a vital component in building a long lasting cure for this important disease.

- **Licensed ddRNAi to Circuit Therapeutics for the development of treatments for intractable pain**

The recent license agreement executed with Circuit Therapeutics for the development of a treatment for intractable pain, targeting the Nav1.7 sodium ion channel provides further validation of the importance of ddRNAi as a platform for treating a wide range of diseases, and offers the Group another opportunity to extend its pipeline of programs.

Benitec is actively engaged in the development of novel therapies with its ddRNAi platform and has commenced a Phase I/IIa clinical trial in its lead HCV program. The Group continues to progress discussions and advance its opportunities to engage with big pharma.

Benitec expects to continue to record negative operating cashflow in the medium term. Benitec has a capital management program to ensure adequate capital is in place to fund the Group's operations. Benitec has presented to institutional and sophisticated investors as part of its capital management plan, and is always considering further funding opportunities, whether domestically or internationally.

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 December 2014

2. REVENUE AND EXPENSES

		HALF-YEAR December 2014 $	December 2013 $
(a) (i) Revenue			
	Licensing revenue	186,564	170,723
	Finance income	452,603	53,194
		639,167	223,917
(ii) Expenses			
	Depreciation	23,804	6,924
	Share-based payments	841,626	116,091
	Foreign exchange fluctuation	(391,955)	14,625
	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. The United Kingdom entity has no segment revenues, results or assets.

Geographical location	Segment Revenues from External Customers		Segment Results		Carrying Amount of Segment Assets	
	Dec 2014	*Dec 2013*	*Dec 2014*	*Dec 2013*	*Dec 2014*	*June 2014*
	$	*$*	*$*	*$*	*$*	*$*
Australia	639,167	223,971	(4,333,576)	(3,617,151)	29,956,867	34,433,803
United States of America	-	-	(713,399)	258,208	379,228	61,399
	639,167	223,971	(5,046,975)	(3,358,943)	30,336,095	34,495,202

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

There were no significant events after balance date.

5. TRADE AND OTHER PAYABLES

	December 2014 $	*June 2014* $
Trade creditors	241,053	572,557
Sundry creditors and accrued expenses	300,705	215,612
	541,758	788,169

6. ISSUED CAPITAL

	No. of Shares	*$*
Ordinary shares		
Issued and fully paid at the beginning of the period	114,898,992	129,160,891
Options exercised	664,618	282,400
Transfer from share based payments for options exercised	-	108,300
At 31 December 2014	115,563,610	129,551,591
The weighted average number of shares on issue during the period was	115,218,666	

6. ISSUED CAPITAL (continued)

Share options outstanding ***Dec 2014***

Details	*Expiry Date*	*Exercise Price*	*Number of options*
Unlisted Options - placement	18 February 2015	0.3250	318,153
Other Options	10 April 2015	2.5000	480,000
Other Options	23 October 2015	4.2500	78,125
NED Options	26 September 2016	1.2500	1,600,000
ESOP Options	17 November 2016	1.2500	1,800,000
NED Options	26 September 2016	1.2500	1,200,000
ESOP Options	7 February 2017	1.2500	168,000
ESOP Options	18 July 2017	1.2500	400,000
ESOP Options	16 November 2017	1.2500	400,000
NED Options	18 May 2018	0.6250	400,000
ESOP Options	22 August 2018	1.2500	2,080,000
Unlisted Options - placement	28 February 2019	1.2600	13,246,203
ESOP Options	15 May 2019	1.5000	180,000
ESOP Options	17 December 2014	1.2500	3,334,000
			25,684,481

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.

Directors' Declaration

for the half year ended December 31, 2014

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 2014 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, 26 February 2015

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 2014, 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 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations

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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 2014 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, 26 February 2015