Benitec

Annual Report 2007

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Chairman's Letter

Dear Shareholders,

This has been a challenging but significant year for Benitec. Benitec's recovery from its nadir in July last year is a work in progress however already we have seen an improvement in shareholder value with the increase in the share price from 2 cents to 12 cents and a market capitalisation increase of $32 million.

You will recall that in April 2006 the Board was restructured and immediately commenced a strategic review to refocus the business and put together a turnaround plan to deliver improved shareholder value in 2007 and beyond. This plan is now being implemented.

In the foreseeable future, Benitec will focus its resources on exploiting its Gene Silencing intellectual property portfolio through licensing and collaborations. Benitec has successfully moved to a model of co-investment and/or licensing to bring in additional revenues.

A review of operations is included in the body of this report. However I wanted to highlight some of the major achievements in my letter to shareholders and they include the following:

- Moved to low cost model of out-licensing and co-investment;
- Reestablishment of the business in Australia and appointment of high calibre management team;
- Recapitalisation of the Company with a Non Renounceable Rights Issue which raised $5.3 million and resulted in an improved register;
- Sigma Aldrich Pfizer Research Use Only agreement to utilise Benitec technology – a commercial license opportunity in the future;
- City of Hope project - IND filed in January 07 and first Human trial commenced in June 07;
- CSIRO agreement terms renegotiated to make more equitable and to improve opportunities for collaboration moving forward;
- Our relationship with Promega was strengthened;
- Out-licensing of Hepatitis C project to Tacere Therapeutics, Inc. in the US;
- Improved shareholder communication;
- Improved share price from 2 cents to 12 cents – increased market cap from low of $4 million; and
- Appointment of world class Scientific Advisory Board.

The other key activity for the Company has been ongoing patent prosecution and maintenance. The Company also has ongoing litigation in the US with Nucleonics, Inc. Benitec recently announced that it had won the appeal in the Federal US Court of Appeals. Nucleonics has requested a rehearing and this matter remains unresolved.

Our CEO Sue MacLeman and her team worked extremely hard this year and should be congratulated on their success to date. I also note the contribution made by my fellow Directors who have contributed to the rebuilding of your company.

We are pleased with the progress made to date and the exciting opportunities Benitec has ahead. I look forward to seeing you at the Annual General Meeting on 28 November 2007.

Yours sincerely

Peter Francis
Non Executive Chairman

Dr John J Rossi, PhD

Dr. Rossi is the Lidow family Professor and Chair of the Division of Molecular Biology, Beckman Research Institute of the City of Hope, and Dean, Graduate School of Biological Sciences, Beckman Research Institute of the City of Hope. Dr. Rossi received his doctoral training in genetics at the University of Connecticut in Storrs and postdoctoral training in molecular genetics at Brown University. His research has focused on RNA biology and clinical applications of small RNAs. His group was the first to demonstrate that hammerhead ribozymes could be used for inhibition of HIV replication. This research program led to two clinical trials in which ribozyme genes have been transduced into hematopoietic stem cells for autologous transplant in HIV infected individuals. He is the recipient of an NIH Merit award for his work on ribozymes and HIV. Work in the laboratory continues to focus upon mechanisms of small RNA mediated inhibition of gene expression and RNA based therapeutics, with recent emphasis on function and applications of RNA interference and expressed short hairpin RNAs for therapeutic treatment of HIV and cancers. He has published over 200 peer reviewed articles and numerous reviews and commentaries on RNAi based therapeutics.

Professor Cy Stein, MD, PhD

Cy Stein is Head of Medical Genitourinary Oncology and Professor of Medicine, Urology and Molecular Pharmacology at the Albert Einstein College of Medicine, New York. He also serves as an Attending Physician at the Montefiore Medical Center and is a Diplomate of nearly 20 years' standing of both the American Board of Internal Medicine and the American Board of Oncology. Professor Stein's distinguished career in research and treatment of cancers has seen him involved for the past 15 years with leading preclinical and clinical trials of nucleic acid therapies for cancers, with increasing emphasis in recent years on RNA interference.

Professor Bryan Williams, PhD Hon FRSNZ

Professor Williams was appointed the Director of the Monash Institute of Medical Research on January 1 2006 and also heads up the Centre for Cancer Research at the Institute. Prior to this appointment, Professor Williams was the Chairman of the Department of Cancer Biology at the Lerner Research Institute of the Cleveland Clinic Foundation in Cleveland, Ohio, USA, a position he had held since 1991. He was also an Associate Director of the Case Comprehensive Cancer Centre at Case Western Reserve University in Cleveland. He has previously worked in New Zealand, England, Canada and America. His research interests have included molecular biology of tumour suppression and focusing on the role tumour suppressor genes may play in regulating cell growth, differentiation and apoptosis. His research on Wilms Tumour (a cancer of the kidney that primarily affects children) continues, as does his work on protein kinase R, an important cellular signalling molecule and other projects on innate immunity. In 1990 Bryan was the recipient of the Milstein Award from the International Society for Interferon Research in recognition for his outstanding contributions to advancing interferons for treatment of human disease.

Dr David Crump

Dr Crump is a qualified medical practitioner with comprehensive and diverse experience in drug discovery, preclinical development, clinical research, and strategic drug development from a period of almost 15 years with Amrad Corporation Ltd. (subsequently Zenyth Therapeutics Limited) where until early 2007 he was Medical Director and Head of Development. He has been responsible for leading project teams successfully progressing drug candidates from the identification of a suitable drug development candidate through manufacture, formal preclinical testing, obtaining regulatory approval and into Phase I and Phase II clinical trials in Australia, Europe and North America. He has drug development experience in a diverse range of therapeutic areas including inflammatory diseases, oncology, neurology, pain medicine and virology, and has particular experience in the strategic development of drugs within the context of the Australian commercial and biotechnology environments.

Your Directors submit their report for the year ended 30 June 2007.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

NAMES, QUALIFICATIONS EXPERIENCE AND SPECIAL RESPONSIBILITIES

Peter Francis LLB, Grad Dip (Intellectual Property)
Non-Executive Chairman
Appointed 23 February 2006

Mr. Peter Francis is a partner at Francis Abourizk Lightowlers (FAL), a firm of commercial and technology lawyers with offices in Melbourne and Brisbane, Australia. He is a legal specialist in the areas of intellectual property and licensing and provides legal advice to a large number of corporations and research bodies. Mr. Francis has extensive experience in technology commercialisation and is a Non-executive Director of Xceed Biotechnology Limited and PolyNovo Biomaterials Limited.

Other Current Directorships of Listed Companies
Xceed Biotechnology Limited.
Former Directorships of Listed Companies in last three years
None.

Dr Michael Dalling AM BAgrSc, MAgrSc, PhD
Non-Executive Director
Appointed 24 March 2006

Dr Dalling has wide ranging experience in technology development, intellectual property management and commercialisation. He has been involved in several biotechnology start ups. Dr Dalling was formerly Group General Manager R&D of ASX-listed Nufarm Limited. Prior to joining Nufarm in 1999, he was Managing Director of the Strategic Industry Research Foundation Limited, a joint initiative of the Victorian Government and CSIRO, and Managing Director of Florigene Limited, one of Australia's first biotechnology companies. Dr Dalling is currently Chairman of the Biomedical Imaging Development CRC, Chairman of Biomass Conversion Technologies Pty Ltd, a Board member of the Innovative Dairy Products CRC, and a Director of Neural Diagnostics Pty Ltd and Birchip Cropping Group, Inc. He has also been a Director of ASX-listed Cougar Energy Limited since May 2007. Dr Dalling was appointed a Member in the General Division of the Order of Australia on 26 January 2006.

Other Current Directorships of Listed Companies
Cougar Energy Limited
Former Directorships of Listed Companies in last three years
Xceed Biotechnology Limited.

Dr Ken Reed BSc, MSc, PhD, FATSE
Non-Executive Director
Appointed 19 May 2000

Dr Reed was the scientific founder of Benitec, whose gene silencing technology came from research conducted at the Queensland Agricultural Biotechnology Centre (QABC) and CSIRO. Dr Reed was the founding director of QABC and previously a co-founder of Advanced Breeding Technology Pty. Ltd, the first company to commercialise the use of PCR. He was Deputy Chair of the inaugural Australian Biotechnology Advisory Council and served for many years on the Australian Government's Genetic Manipulation Advisory Committee and the board of the Australian Genome Research Facility. Dr Reed is a Fellow of the Academy of Technological Sciences and Engineering.

Other Current Directorships of Listed Companies
None.
Former Directorships of Listed Companies in last three years
None.

Ms Sue MacLeman BPharm, MMrkg, FACPP, FAICD
Chief Executive Officer and Managing Director
Appointed 1 July 2007

Ms Sue MacLeman has extensive international senior management and leadership experience in product development and commercialization in the biotechnology and pharmaceutical sector. Sue graduated with a Bachelor of Pharmacy from the University of Queensland in 1984. In addition to pharmacy qualifications, Ms MacLeman has completed a Fellowship with the Australian College of Pharmacy Practice, Masters of Marketing at Melbourne University (Melbourne Business School) and is currently enrolled in a Masters of Commercial Law at Deakin University. She is also a Fellow of the Australian Institute of Company Directors and is a Director of AusBiotech Ltd. In 1991 she joined the pharmaceutical industry with Schering Plough in the biotechnology business unit. She then went on to work with Amgen Inc and Bristol Myers Squibb Pharmaceuticals in the areas of medical, marketing, sales management and business development. In 2002 she took up the position of global Vice President for Agenix Ltd where she was responsible for the product development of the molecular clot imaging project. From 2004 to 2006 she was the CEO of a publicly listed biotechnology and investment company EQiTX Ltd. She joined Benitec Ltd as CEO in September 2006 and was appointed to the Board on 1 July 2007.

Other Current Directorships of Listed Companies
None.
Former Directorships of Listed Companies in last three years
None.

COMPANY SECRETARY

Mr John Rawling BCom, DipEd, Grad Dip AppCorpGov, CA
Appointed 2 January 2007

Mr Rawling is a chartered accountant with more than 20 years experience in the chartered accounting profession, statutory corporations and international and ASX listed companies. He was appointed as company secretary on 2 January 2007 and chief financial officer on 13 April 2007. He is currently also Company Secretary and Chief Financial Officer of Polynovo Biomaterials Limited.

Departing Company Secretaries
Mr Paul McMahon
Mr McMahon was appointed company secretary on 25 September 2006 and resigned on 26 April 2007.

Interests in the shares and options of the company and related bodies corporate
At the date of this report, the interest of the Directors in the shares and options of Benitec Limited were:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
Mr Peter Francis	474,350	474,350
Dr Michael Dalling	474,350	474,350
Dr Ken Reed	1,011,000	–
Ms Sue MacLeman	–	3,000,000

CORPORATE INFORMATION

Corporate Structure

Benitec Limited is a company limited by shares that is incorporated and domiciled in Australia. Benitec Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in note 14 of the financial statements.

PRINCIPAL ACTIVITIES

Benitec is an RNAi-based therapeutics company using its proprietary DNA-directed RNA interference (ddRNAi) technology to develop therapies for the treatment of life threatening diseases with significant unmet need and commercial attractiveness. The Company's primary therapeutic program focuses on human immunodeficiency virus (HIV). The Company's other projects are in the areas of infectious diseases and cancer. The Company also licenses its technology outside of its core in-house programs in order to generate revenue to support its corporate and operational activities.

The principal activity of the Company during the year was the management, funding and commercialisation of these projects.

Employees

The consolidated entity employed 3 employees as at 30 June 2007 (2006: 1 employee).

DIVIDENDS

No dividends in respect of the current or previous financial year have been paid, declared or recommended for payment.

OPERATING AND FINANCIAL REVIEW

Overview of Operations

The past year has been a year of major rebuilding and rebirth for the Company. Benitec's recovery from its nadir in July last year continues to be a work in progress.

In April 2006, the Board was restructured and immediately commenced a strategic review to refocus the business and put together a turn around plan to deliver improved shareholder value in 2007 and beyond. This plan is now being implemented.

In the foreseeable future, Benitec will focus its resources on exploiting its Gene Silencing intellectual property portfolio through licensing and collaborations. Benitec has successfully moved to a model of co-investment and/or licensing to bring in additional revenues. This business and technical strategy has resulted in a significantly lower cost model of value creation which should in the longer term increase shareholder value. This approach has allowed better management of technology risk across projects and further expanded opportunities beyond the Company's already impressive portfolio of R&D collaborators and licensees.

One consequence of the change in strategy was the closure of Benitec's USA operations. This restructure has effectively eliminated costs of over $7,000,000 per annum.

The decision to move back to Australia has not affected Benitec's collaboration with the City of Hope center in California where a HIV AIDS drug candidate entered human trials in June 2007. Benitec also continues to be an industry partner on the NIH-funded IPCP grant for use of the same vector using a T-cell approach. Benitec announced in October 2006 that it had out-licensed the HCV project to a California based company Tacere Therapeutics, Inc.

In parallel Benitec has been able to strengthen its key alliance with CSIRO and now enjoys a more equitable and collaborative relationship with one of the world's largest government R&D agencies.

Benitec also strengthened its relations with Promega Corporation bringing them onto the Company's share register.

In January 2007 the Company announced that one of our licensee companies, Sigma Aldrich, had secured a "research use only" deal with Pfizer Inc. This is important as these non exclusive research use only licenses could potentially lead to commercial licenses for Benitec in the future.

Since rebuilding Benitec and consolidating our operations in Australia, the board of directors and management has been conscious of the need to maintain access to the best scientific advice possible. To this end, Benitec has recently announced the appointment of a new Scientific Advisory Board (SAB) to monitor scientific developments in gene silencing and assist with decisions on commercial opportunities. The four members are Dr John Rossi, Professor Cy Stein, Professor Bryan Williams and Dr David Crump. All have extensive academic, clinical and industry experience and we are delighted to welcome them to our Benitec team. Such a distinguished board of expert advisers gives Benitec a distinct advantage in the fight against life threatening chronic diseases. The SAB met for the first time in late July 2007 in Melbourne and finalised their recommendations with the Benitec team for project investment for 2008 financial year.

The other key activity for the Company has been ongoing patent prosecution and maintenance. As previously announced the Company has ongoing litigation in the US with Nucleonics, Inc. Recently Benitec announced that it had won the appeal in the Federal US Court of Appeals. Nucleonics has requested a rehearing and this matter remains unresolved.

The other key issue for the Company is the ongoing patent reexamination in the US. Nucleonics initiated a third party Reexamination at the U.S. Patent and Trademark Office ("USPTO") on 4 October 2004, providing the USPTO with art it asserted invalidated U.S. Patent No. 6,573,099 ("'099 Patent"). The USPTO rejected the claims based on the provided art. Benitec successfully overcame the references, and the USPTO withdrew all rejections but instituted new rejections on additional art it had uncovered. Benitec then filed a response, which it believed overcame the rejections of Record.

Nucleonics then requested a second Reexamination, adding art it asserted invalidated the '099 Patent. The USPTO merged the two Reexaminations and sent out an Office Action completely withdrawing most of the earlier rejections it made, modifying other rejections, and adding rejections based on the art Nucleonics provided in its second Reexamination request.

Benitec reviewed this new material and believes it does not raise any issues that would preclude patentability of the invention disclosed in the '099 Patent. Benitec also believes it has strong arguments for overcoming the art of record. Benitec responded to the rejections found in the merged Reexaminations in April 2007. During an interview with the Examiner in early July 2007, the Company had the opportunity to discuss confusing aspects of the evidence antedating the Fire patent and removing it as prior art.

In April 2007 the European Patent Office (EPO) refused to issue the European patent application (published as EP1071762). The application was rejected for formal reasons and not for novelty and obviousness. Benitec and CSIRO will pursue these patent claims through the divisional applications already on file.

On 15 August 2007 , Nucleonics' counsel filed a third-party submission to enter an Examination Report from the European Patent Office for a patent application claiming priority to the '099 Patent under re-examination. Benitec believes this submission was improper and might confuse the issues involved in the '099 Patent Reexamination. Consequently, Benitec considered it best to confront the issue directly and has submitted a request to preclude entry of the improper material.

Following a failed Shareholder Purchase Plan in August 2006, the Benitec team secured $1,000,000 in survival capital through a loan from Dr Chris Bremner. All but a small portion of this loan was later converted to equity following a shareholder meeting in February 2007. An additional $5,308,305 was also raised through a fully underwritten non renounceable rights issue in April 2007.

During the year Benitec also took steps to improve shareholder communication. The Company's website (www.benitec.com) was updated. The Company also commenced regular shareholder updates and provided more focused investor briefings both in Australia and overseas.

Benitec has also continued to promote its technology and explore new opportunities. A key mechanism for this process is the attendance at the major Scientific and Business forums which have included RNAi Europe (September 2006, Prague), RNAi for Target Validation and as a Therapeutic (February 2007, Keystone), Bio07 (May 2007, Boston), BioPartnering Europe (October 2007, London) and AusBio-07 (October 2007, Brisbane). Consequently a number of exciting scientific and partnering opportunities are currently under evaluation.

Offices have been established in Melbourne. The management team has also been strengthened with the appointment of Sue MacLeman to the CEO role, John Rawling to the CFO role and Dr John Morrison as Business Development and Licensing Manager. The Company recently announced the appointment of Dr Jason Smythe as CSO.

Financial Overview

Benitec's net loss for the 12 months to 30 June 2007 was $2,746,753 compared to a net loss of $7,676,840 for the previous financial year.

Operating revenue from continuing operations for the 12 months to 30 June 2007 was $485,957, down from $2,418,420 in the previous financial year. There was no other income during the year, compared to $1,376,444 in the previous financial year which related to the settlement of litigation. The decrease in operating revenue was due primarily to the transfer of certain royalty revenues to CSIRO in part contribution to the patent costs as per August 2006 agreements and the one-off effect of the Sigma-Aldrich initial payment of US$2 million in October 2005.

Operating expenses relating to continuing operations for the financial year were $2,494,313 down from $4,289,294 in the previous year. The net loss from discontinued operations was $738,397 as compared to $7,182,410 in the previous financial year. The reduction was due to the cost reduction measures put in place during the financial year which addressed both the unsustainable costs being incurred in the US operation and significant overheads at a corporate level.

Benitec's current assets balance at 30 June 2007 was $5,208,050 (2006: $2,285,384), with current liabilities of $1,572,659 (2006: $2,222,746).

Net tangible assets have risen to 1.3 cents per share from 0.1 cents per share last year.

The increase in net tangible assets was underpinned by capital raisings which resulted in an increase in contributed equity of $6,246,423. These raisings included:

- The satisfaction of the Promega Corporation debt, resulting in the conversion of debt of USD$175,000 being converted into ordinary shares;
- An amount of $947,020 from the $1 million loan from Dr Chris Bremner being converted into ordinary shares; and
- The rights issue which raised a net amount of approximately $5 million.

Cash Flows

The cash flows of the Company consist of : licensing of the Company's technology; payments to employees and suppliers in order to conduct product development and co-investment and /or licensing collaborations to exploit the Gene Silencing intellectual property portfolio; and the maintenance of the corporate head office, which manages existing activities as well as seeking out and investigating new opportunities.

CAPITAL RAISINGS / CAPITAL STRUCTURE

During the year under review, the Company raised $6.2 million, net of costs, to provide funding for the ongoing operations, and to support the evaluation of other project opportunities.

Ordinary Shares

The Company undertook three share issues during the financial year. The details are:

- 15,944,604 issued ordinary shares in October 2006 at an issue price of $0.015 per share to settle a debt of USD$175,000 owing to Promega Corporation. The price per share was the average trading price of Benitec shares sixty days prior to that date, less a discount of 20 percent;
- 45,096,188 issued ordinary shares to Dr Christopher Bremner approved at a General Meeting of Shareholders on 13 February 2007 at an issue price of $0.021 per share; and
- 53,083,052 issued ordinary shares in April 2007 at an issue price of $0.10 per share to raise $5.3 million before issue costs.

Options

At the date of this Directors' Report, the Company has a total of 111,362,631 options to acquire ordinary shares in the Company. Unless otherwise noted, all options are unlisted, restricted and are categorised as follows:

Type	Number
Listed Options (BLTO)	41,433,069
Listed Options (BLTOA)	56,081,915
Employee Share Option Plan	5,750,000
Directors' Options	1,953,125
Strategic Advisor Warrants	6,126,962
Other	17,560
Total	**111,362,631**

Listed Options

56,083,052 Listed Options were issued in April 2007 as part of the rights issue. These options have the right to acquire one ordinary share at $0.15 with an expiry date of 3 April 2011. A total of 1,137 of these options were exercised on 24 July 2007.

Employees Share Option Plan (ESOP)

Employee Options are regulated by the Plan which has been previously announced. In summary, all options falling under the ESOP expire on the dates set out below. Options held by any employee who resigned earlier will expire on a time determined by the Board or otherwise in six months. The Board has the power to adjust, amend and cancel the ESOP.

Grant Date	Expiry Date	Exercise Price	Number
29 July 2002	28 July 2009	$0.50	100,000
29 July 2002	28 July 2009	$1.00	100,000
29 July 2002	28 July 2009	$1.50	150,000
29 July 2002	28 July 2009	$2.00	150,000
4 September 2006	4 September 2011	$0.025	3,000,000
14 September 2006	14 September 2011	$0.025	1,000,000
20 November 2006	20 November 2011	$0.07	250,000
14 December 2006	14 December 2011	$0.067	1,000,000
Total			**5,750,000**

Other Options

The following ESOP options lapsed during the financial year:

Original Expiry Date	Exercise Price	Number
28 July 2009	$0.50	50,000
16 June 2012	$0.15	5,830,000
19 July 2012	$0.15	3,540,000
30 September 2013	$0.03	159,373
30 September 2013	$0.07	2,927
Total		9,582,300

The lapsed options represent ESOP options issued to employees who departed the Company prior to and as part of the corporate restructure which took place during the 2006 financial year. Under the terms and conditions of the ESOP, ESOP options automatically lapse if they are not exercised within a period of up to six months from cessation of employment. No options were exercised during this time.

Summary of Shares, Options and Warrants on Issue – 30 June 2007

As a result of the issue of shares and options, the Company has 286,648,481 listed ordinary shares and 97,516,121 listed options on issue. There are also 7,720,685 unlisted options and 6,126,962 warrants on issue, full details of which are included in note 17 to the financial statements.

Unissued Shares

As at the date of this report, there were 111,362,631, unissued ordinary shares (111,363,768 at the reporting date). Refer to note 17 of the financial statements for further details of the options outstanding.

Option holders do not have the right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

Shares issued as a result of the exercise of Options

No shares were issued during the year on the exercise of options issued by the Company (2006: 94,320). However on 24 July 2007, 1,137 shares were issued on the exercise of listed options.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the Company completed the shutdown of its US operations and appointed a new management team based in Melbourne, Australia.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 1 July 2007, the CEO Sue MacLeman joined the Board as a Director.

On 23 July 2007, the Company was advised that the US Federal Circuit had issued its decision in the Benitec v. Nucleonics appeal, affirming the initial US District Court decision to dismiss the Nucleonics' challenge for lack of subject matter jurisdiction.

On 17 August 2007, the Company announced that it had signed a Memorandum of Understanding with California-based CalbaTech, Inc. to provide stem cell storage services for US HIV patients who may use the healthy adult (or "blood" or "hematopoietic") stem cells in future therapy. This arrangement is expected to generate fees for stem cell storage performed by CalbaTech.

On 21 August 2007, the Company announced the appointment of Dr Jason Smythe as Chief Scientific Officer of the Company. Dr Smythe was most recently the Chief Scientific Officer at The Australian Tissue Engineering Centre Ltd. He previously held senior scientific positions in the anti-viral research unit at Johnson & Johnson Research, CSIRO as biotechnology program manager and as Unit Head of the gene therapy research unit at the Children's Medical Research Institute, Westmead, Sydney. Dr Smythe has also worked in the US with eminent AIDS researcher Dr John Rossi and with Professor Bob Gallo, co-discoverer of the AIDS virus at the National Cancer Institute, National Institutes of Health in Maryland. His appointment is effective from October 2007.

No other matter or circumstance has arisen since 30 June 2007 which has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity, in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board of Directors intends to raise further capital to support ongoing operations. The team will also move to further develop the HIV stem cell and T-cell projects with our collaborators at the City of Hope and also collaborate on new projects through co-investment in infectious disease and cancer. The company will also be exploring in- and out-licensing opportunities in the human therapeutic area. The company will continue to try to resolve ongoing litigation and work closely with the company's patent attorneys and CSIRO on the patent re-exam in the USA.

Further information on likely developments in the operations of the consolidated entity has not been included in this report because at this stage the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity. As Benitec Limited is listed on the Australian Stock Exchange, it is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Benitec Limited's securities.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

MEETINGS OF DIRECTORS

The number of meetings of the Directors held during the year and the number of meetings attended by each director was as follows:

	Board of Directors	
	Attended	Held
Current Directors		
Peter Francis	11	11
Mike Dalling	10	11
Ken Reed	11	11

Committee membership

Due to the small number of Directors, it was determined that the Board would undertake all of the duties of properly constituted Audit & Compliance and Remuneration Committees.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of the Company, and for the executives receiving the highest remuneration.

Remuneration Philosophy (Audited)

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives based on key performance areas. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives, and shareholders.

The Board is responsible for determining the appropriate remuneration package for the CEO, and the CEO is in turn responsible for determining the appropriate remuneration packages for senior management.

All executives are eligible to receive a base salary (which is based on factors such as experience and comparable industry information), fringe benefits, options, and performance incentives. The Board reviews the CEO's remuneration package, and the CEO reviews the other senior executives' remuneration packages, annually by reference to the economic entity's performance, executive performance, and comparable information within the industry.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the overall success of the Company in achieving its broader corporate goals. Bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options, and can recommend changes to the CEO's recommendations. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are entitled to participate in the Employee Share Option Plan.

Any Australian executives or directors receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The Board as a whole determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties, and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance Based Remuneration (Audited)

As part of each executive's remuneration package there is a performance-based component. The intention of this program is to facilitate goal congruence between executives with that of the business and shareholders. Generally, the executive's performance based remuneration is tied to the Company's successful achievement of certain key milestones as relates to its operating activities, as well as the Company's overall financial position.

Company Performance, Shareholder Wealth, and Directors' and Executives' Remuneration (Audited)

The remuneration policy has been tailored to increase goal congruence between shareholders, directors, and executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on achievement of key corporate milestones, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

Details of Remuneration for Year Ended 30 June 2007 (Audited)

Table 1. Director remuneration for the year ended 30 June 2007

		Short Term			Post Employment	Equity	Other	Total
		Salary & Fees $	Cash Bonus $	Non Monetary Benefits $	Superann. $	Options $	$	$
Peter Francis	2007	45,000	100,000	–	–	–	–	145,000
	2006	18,750	–	–	–	–	–	18,750
Mike Dalling	2007	45,000	100,000	–	–	–	–	145,000
	2006	12,263	–	–	–	–	–	12,263
Ken Reed	2007	45,000	–	–	–	–	–	45,000
	2006	58,192	–	–	3,212	–	–	61,404

There was no performance related remuneration payable to directors during the year.

Table 2. Remuneration of the 4 named executives who receive the highest remuneration for the year ended 30 June 2007

		Short Term			Post Employment	Equity	Other	Total
		Salary & Fees $	Cash Bonus $	Non Monetary Benefits $	Superann. $	Options $	$	$
Sue MacLeman (1)	2007	182,174	120,000	–	16,874	39,353	–	358,401
	2006	–	–	–	–	–	–	–
John Rawling (2)	2007	39,755	–	–	3,578	27,118	–	70,451
	2006	–	–	–	–	–	–	–
Paul McMahon (3)	2007	122,229	–	–	11,618	8,000	–	141,847
	2006	–	–	–	–	–	–	–
John Morrison (4)	2007	96,640	–	–	14,496	6,614	–	117,750
	2006	–	–	–	–	–	–	–

(1) Ms MacLeman was appointed Chief Executive Officer on 4 September 2006 and became a Director on 1 July 2007.

(2) Mr Rawling was appointed Company Secretary on 2 January 2007 and Chief Financial Officer on 13 April 2007.

(3) Mr McMahon was appointed Chief Financial Officer and Company Secretary on 14 September 2006 and resigned on 4 May 2007.

(4) Dr Morrison joined the Company on 28 November 2006 as Business Development and Licensing Manager.

Options Issued as Part of Remuneration for the Year Ended 30 June 2007 (Audited)

Options can be issued to executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the executives of the Company to increase goal congruence between executives, directors, and shareholders. During the year ended 30 June 2007, 5,250,000 options were granted to Sue MacLeman, John Rawling, Paul McMahon and John Morrison under the terms of their employment agreements. No options were issued to directors as part of their remuneration during the year.

Table 3. Options granted as part of remuneration for the year ended 30 June 2007

Fully vested options over ordinary shares were granted as follows:

	Vested	Granted	Value	Terms and Conditions for each Grant				
	No.	No.	$	Grant Date	Value per option at grand date $	Exercise price per share $	Expiry Date	% of remuner. consisting of options
Sue MacLeman	1,500,000	3,000,000	43,200	04-Sep-06	0.014	0.0224	04-Sep-11	11.0%
John Rawling	500,000	1,000,000	35,100	14-Dec-06	0.035	0.0599	14-Dec-11	38.5%
Paul McMahon	1,000,000	1,000,000	8,000	14-Sep-06	0.008	0.0224	31-Dec-07	5.6%
John Morrison	125,000	250,000	8,325	20-Nov-06	0.033	0.0626	20-Nov-11	5.6%

Payments to Related Parties of Directors (Audited)

Legal services at normal commercial rates totalling $144,595 (2006:$2,930) were provided by Francis Abourizk Lightowlers, a law firm in which Mr Peter Francis is a partner and has a beneficial interest.

Travel services at normal commercial rates totalling $68,499 (2006: nil) were provided by Corporate Travel Management, a travel agency in which the son of Dr Mike Dalling is a director and has a beneficial interest.

Employment Contracts of Directors and Senior Executives (Audited)

The employment conditions of Ms Sue MacLeman, the Managing Director, are formalised in a contract of employment. The current employment contract commenced on 4 September 2006 upon her appointment as Chief Executive Officer. Ms MacLeman's appointment with the company may be terminated with the Company giving 6 months notice or by Ms MacLeman giving 2 months notice. The company may elect to pay Ms MacLeman an equal amount to that proportion of her salary equivalent to 6 months pay in lieu of notice, together with any outstanding entitlements due to her. The Company may, at any time, by notice in writing terminate Ms MacLeman's contract immediately in the event of serious misconduct. If during the period of employment, there is an acquisition of a beneficial ownership of greater than 50% of the capital of the Company, Ms MacLeman will receive the equivalent of 12 months' salary as a bonus where the market value of the Company is greater than or equal to $75 million as determined by the greater of the last sale price on the day the change of ownership occurred or the final price paid by the acquirer of the beneficial interest resulting in the change of ownership, or the equivalent of 6 months' salary as a bonus, where the market value of the Company is less than $75 million but greater than or equal to $50 million as determined by the greater of the last sale price on the day the change of ownership occurred or the final price paid by the acquirer of the beneficial interest resulting in the change of ownership. If there is a beneficial disposal by the Company during the period of employment, Ms MacLeman will receive where the sale value is greater than $20 million, but less than $40 million, a bonus equivalent to 3 months' salary, where the sale value is greater than $40 million, but less than $75 million, a bonus equivalent to 6 months' salary; or where the sale value is greater than $75 million, a bonus equivalent to 12 months' salary.

The employment conditions of Mr John Rawling, the part time CFO and Company Secretary, are formalised in a contract of employment. The current employment contract with the CFO commenced on 12 March 2007. Mr Rawling's appointment with the company may be terminated with the Company giving 2 month's notice or by Mr Rawling giving 2 month's notice. The company may elect to pay Mr Rawling an equal amount to that proportion of his salary equivalent to 2 month's pay in lieu of notice, together with any outstanding entitlements due to him. The Company may, at any time, by notice in writing terminate Mr Rawling's contract immediately in the event of serious misconduct.

The employment conditions of Dr John Morrison, the Business Development and Licensing Manager, are formalised in a contract of employment. The current employment contract with Dr Morrison commenced on 28 November 2006. Dr Morrison's appointment with the company may be terminated with the Company giving 2 month's notice or by Dr Morrison giving 2 month's notice. The company may elect to pay Dr Morrison an equal amount to that proportion of his salary equivalent to 2 month's pay in lieu of notice, together with any outstanding entitlements due to him. The Company may, at any time, by notice in writing terminate Dr Morrison's contract immediately in the event of serious misconduct.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with the Directors, the Chief Executive Officer and the Company Secretary, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the Directors and Officers of the Company. Full details of the cover and premium are not disclosed as the insurance policy prohibits the disclosure.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Benitec Limited adhere to strict principles of corporate governance. The Company's corporate governance statement is included on page 16 of this annual report.

AUDITOR INDEPENDENCE

The directors received the declaration included on page 15 of this annual report from the auditor of Benitec Limited.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

NON-AUDIT SERVICES

The Board is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

However, there were no non-audit services provided by external auditors during the year ended 30 June 2007.

This report has been made in accordance with a resolution of the Directors.

Peter Francis
Chairman

Melbourne, Victoria
5 September 2007

RSM! Bird Cameron Partners
Chartered Accountants

Level 8 Rialto South Tower
525 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 1800 F +61 3 9286 1999
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial statements of Benitec Limited for the financial year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Miano

R B MIANO
Partner

Melbourne
Dated: 5 September 2007

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Major Offices in: Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms.

Quality Endorsed Company

ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for the governance of the corporate and operational affairs of Benitec Limited and its controlled entities. The primary role of the Board is to ensure the long-term health and prosperity of the Company which it accomplishes by:

- setting objectives, goals, and strategic direction for the Company with a view to maximising shareholder value;
- adopting an annual budget and monitoring financial performance;
- ensuring adequate internal controls exist and are appropriately monitored for compliance
- ensuring significant business risks are identified and appropriately managed;
- selecting, appointing, and reviewing the performance of the Chief Executive Officer (CEO);
- selecting and appointing new directors;
- setting the highest business standards and code for ethical behaviour; and
- reviewing the performance of both executive and non-executive directors.

The Board has delegated authority to the CEO to manage the business of the Company. Matters which are not covered by delegation require Board approval. Among such matters requiring additional Board approval are material capital expenditure or expenditure outside the ordinary course of business, approval of major elements of strategy (including any significant changes in direction), approval of the interim and final accounts and related reports to the ASX, and proposals for the issue of securities by the Company.

Board papers make the Board aware of current and forthcoming issues relevant to the Company's operations and performance and Board meetings are held at regular intervals. These papers contain the monthly and year-to-date performance of all projects compared with budget and papers relating to particularly significant issues. The Board may seek further information on any issue from the executive.

An annual Board strategy meeting is held in conjunction with senior management at which the strategic direction for the Company in the short and longer term is reviewed and agreed.

CURRENT BOARD COMPOSITION

At the date of this statement, the Board comprises three Non-Executive Directors (NEDs) and one Executive Director (the CEO). The members of the Board and brief resumes are contained in a schedule in the Directors' Report.

The Board has resolved that a majority of the members of each Board committee should be NEDs. The Board has approved that, where necessary, NEDs should meet at least twice a year in absence of management and at such other times as they may determine.

The Company acknowledges the importance of having independent directors as determined by objective criteria. As importantly, the Company is committed to having a Board whose members have the capacity to act independently and have the composite skills to optimise the financial performance of the Company and return to shareholders.

The Company recognises that independent directors are important in assuring shareholders that the Board is properly fulfilling its role and is diligent in holding senior management accountable for its performance.

The Company's Constitution provides that:

- the maximum number of directors shall be ten unless amended by a resolution at a General Meeting of Shareholders;
- one third of the directors (excluding the managing director and rounded down) must retire from office at the Annual General Meeting (AGM) each year; such retiring directors are eligible for re-election;
- directors appointed to fill casual vacancies must submit to election at the next general meeting; and
- the number of directors necessary to constitute a quorum is not less than two of the directors currently in office.

PROMOTION OF ETHICAL AND RESPONSIBLE DECISION MAKING

The Board insists on honest, fair, and diligent conduct of its directors when dealing with staff, shareholders, customers, regulatory authorities, and the community. The practice of the Board and its management should not depart from the ASX Principles in any significant way.

Policies on share trading by directors and senior managers are applied and reviewed regularly. These disciplines are enforced upon all employees and contractors of the Company.

Board members who have or may have a conflict of interest in any activity of the Company or with regard to any decision before the Board, notify the Board of such and a decision is made as to whether the Board member concerned is to be excluded from making decisions that relates to the particular matter. The Company's constitution allows a director to enter into any contract with the Company other than that of auditor for the Company, subject to the law.

To encourage intelligent and responsible decision making, the Board also accepts that directors are able to seek independent professional advice for Company related matters at the Company's expense, subject to the instruction and estimated cost being approved by the chairman in advance as being respectively necessary and reasonable.

AUDIT COMMITTEE – INTEGRITY OF FINANCIAL REPORTING

The Board has assumed all of the responsibilities of the Committee at this time. Audit Committee matters are dealt with in the general business of board meetings.

The main objective of the Audit Committee is to assist the Board in reviewing any matters of significance affecting financial reporting and compliance of the economic entity including:

- exercising oversight of the accuracy and completeness of the financial statements;
- making informed decisions regarding accounting and compliance policies, practices, and disclosures;
- reviewing the scope and results of operational risk reviews, compliance reviews, and external audits; and
- assessing the adequacy of the economic entity's internal control framework including accounting, compliance, and operational risk management controls based on information provided or obtained.

"Compliance" refers to compliance with laws and regulations, internal compliance guidelines, policies and procedures, and other prescribed internal standards of behaviour.

The Committee has the power to conduct or authorise investigations into, or consult independent experts on, any matters within the Committee's scope of responsibility. The Company will require that the external audit engagement partner and review partner be rotated every five years.

TIMELY AND BALANCED DISCLOSURE

The Board is committed to inform the shareholders and market of any major events that influence the Company in a timely and conscientious manner. The Board is responsible for ensuring that the Company complies with ASX Listing Rule 3.1.

Any market sensitive information is discussed by the Board before it is approved to be released to the market.

The Company's procedure is to lodge the information with the ASX and make it available on its website, www.benitec.com.

COMMUNICATION WITH SHAREHOLDERS

The Board ensures that the shareholders are fully informed of matters likely to be of interest to them. The Company provides all obligatory information such as annual reports, half yearly reports and other ASX required reports in accordance with the law and regulations.

Notices of shareholders meetings, annual and extraordinary, are distributed in a timely manner and are accompanied by all information that the Company has obtained.

The Company is always available to be contacted by shareholders for any query that the shareholders may have. The queries can be submitted by telephone, email or fax to the Company's office.

The chairman encourages questions and comments at the AGM ensuring that shareholders have a chance to obtain direct response from the CEO and other appropriate Board members.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company recognises the need for risk management and internal control. The Board supports the ASX Principles in relation to this matter. All Board members are responsible for reviewing the risk profile of the Company in the areas of market, liquidity, equity, credit, operational, and regulatory compliance risks and reviewing the Company's risk management framework and any variations to it. Due to the nature and size of the Company, risk management is discussed regularly in Board meetings.

Given their specific skill and roles, Mr Peter Francis and Ms Sue MacLeman are responsible for raising awareness of all operational risks, including research and projects to the Board members. Their roles include providing intelligent recommendations to the Board members to make an informed decision in relation to these risks.

Other non-operational risks are handled by appropriate directors according to their ability and area of expertise and reported/recommended in the Board meetings for discussion and approval.

As the Company grows and increases in its complexity, a Risk Management Committee may be formed to assist the Board in assessing risks and making recommendations. Where appropriate or desirable, such committee will seek external advice from experts.

BOARD MANAGEMENT AND PERFORMANCE ASSESSMENTS

The Board performs an annual review of individual performance of its members. One third of the number of directors is required to stand for re-election at the AGM. This is normally achieved by voluntary termination by the longest serving directors.

The Chairman conducts review on the performance of the NEDs and committees and the overall effectiveness of the Board. The review covers the following matters:

- the Board's effectiveness in the development of the Company's business and operations and the functionality of each committee in performing its duties;

- interaction between Board members and between Board members and the management team;
- Board functionality – to monitor and control operations, compliance, and management; and
- the standard of conduct of Board members.

This review will then be summarized and reported at the Board meeting to improve the effectiveness of the Board.

The performances of key executives are reviewed formally by the NEDs. The assessment covers:

- the Company's economic performance;
- commercial achievements;
- achievements against targets;
- project management;
- budget comparison;
- personnel management and personal and ethical conduct; and
- feedback from staff, shareholders, and customers.

The CEO reviews the management team periodically and provides reports as needed to Board members.

DIRECTOR AND EXECUTIVE REMUNERATION – REMUNERATION COMMITTEE

The Remuneration Committee assists the Board in ensuring that the economic entity's remuneration levels are appropriate in the markets in which it operates and are applied, and seen to be applied, fairly. The Board has assumed all of the responsibilities of the Committee at this time. The Committee has the responsibility to:

- review and approve, on behalf of the Board, annual budgets which include recommendations for annual CEO remuneration, as well as allocations made under the Company's option schemes.
- review remuneration arrangements relating to individuals or groups of individuals (including directors) in appropriately material circumstances; such circumstances may include but are not limited to:
  a) recommendations of the Board relating to the cessation of employment of senior executives; and
  b) recommendations of the Board involving significant exceptions to policy. The Committee may approve such arrangements unless they are significant, in which case the Committee will make a recommendation to the Board.
- review and recommend to the Board:
  a) proposals for changes to remuneration levels which are referred to the Board by the Chairman or CEO; and
  b) remuneration recommendations relating to the Executive Chairman or CEO.

The Committee meetings have been held in conjunction with the main board meetings as needed. The Committee has access to senior management of the Company and may consult independent experts where the Committee considers it necessary to carry out its duties.

Currently, the Company pays salaries to the Executive Director and directors' fees to the NEDs. As stated in the Directors' Report, businesses associated with directors may receive fees for professional services provided to the Company.

STAKEHOLDER CODE OF CONDUCT

The Board is cognisant of ASX and ASIC guidelines on Corporate Governance and regularly reviews its own governance process to ensure continuous compliance with ASX, ASIC and all other regulatory bodies having relevant authority over any of the Company's activities.

INCOME STATEMENT

For the Year Ended 30 June 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Revenue	2	485,957	2,418,420	80,450	104,275
Other income	2	–	1,376,444	–	–
		485,957	3,794,864	80,450	104,275
Royalties & licence fees		(116,061)	(492,933)	(163,216)	–
Research and development		(741,482)	(1,249,856)	(741,482)	–
Employment related		(913,618)	(1,167,921)	(913,618)	(869,827)
Travel related costs		(160,448)	(142,386)	(160,448)	(55,596)
Consultants costs		(206,411)	(24,010)	(206,411)	–
Occupancy costs		(69,146)	(6,339)	(69,146)	(2,175)
Corporate expenses	3	(335,646)	(1,133,332)	(331,536)	(889,770)
Impairment expense	3	–	–	(593,437)	(53,925,738)
Foreign currency translation		48,499	(72,517)	29,852	600,603
		(2,494,313)	(4,289,294)	(3,419,442)	(55,142,503)
Loss before income tax		(2,008,356)	(494,430)	(3,068,992)	(55,038,228)
Income tax expense	4	–	–		–
Loss from continuing operations		(2,008,356)	(494,430)	(3,068,992)	(55,038,228)
Loss from discontinued operations	5	(738,397)	(7,182,410)	–	–
Loss attributable to members of the parent entity		(2,746,753)	(7,676,840)	(3,068,992)	(55,038,228)
Earnings per share (cents per share) Basic and diluted for loss for the year attributable to ordinary equity holders of the parent	7	(1.29)	(4.68)		
Basic and diluted for loss from continuing operations attributable to ordinary equity holders of the parent	7	(0.94)	(0.30)		

The accompanying notes form part of these financial statements

BALANCE SHEET
As at 30 June 2007

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	10	4,960,351	900,740	4,739,579	562,557
Trade and other receivables	11	241,508	1,319,716	104,778	29,585
Other current assets	12	6,191	64,928	5,602	–
TOTAL CURRENT ASSETS		**5,208,050**	**2,285,384**	**4,849,959**	**592,142**
NON–CURRENT ASSETS					
Other financial assets	13	–	–	13	13
Property, plant and equipment	15	8,002	–	8,002	–
TOTAL NON–CURRENT ASSETS		**8,002**	**–**	**8,015**	**13**
TOTAL ASSETS		**5,216,052**	**2,285,384**	**4,857,974**	**592,155**
CURRENT LIABILITIES					
Trade and other payables	16	1,541,894	2,222,746	1,047,226	70,688
Provisions		30,765	–	30,765	–
TOTAL CURRENT LIABILITIES		**1,572,659**	**2,222,746**	**1,077,991**	**70,688**
TOTAL LIABILITIES		**1,572,659**	**2,222,746**	**1,077,991**	**70,688**
NET ASSETS		**3,643,393**	**62,638**	**3,779,983**	**521,467**
EQUITY					
Contributed equity	17	72,475,990	66,229,567	72,475,990	66,229,567
Reserves	18	2,174,709	2,093,624	2,174,709	2,093,624
Accumulated losses		(71,007,306)	(68,260,553)	(70,870,716)	(67,801,724)
TOTAL EQUITY		**3,643,393**	**62,638**	**3,779,983**	**521,467**

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

For the year ended 30 June 2007

	Note	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		730,847	2,313,668	–	–
Payments to suppliers and employees		(2,708,111)	(10,690,195)	(1,741,843)	(5,105,686)
Net cash used in operating activities	**10**	**(1,977,264)**	**(8,376,527)**	**(1,741,843)**	**(5,105,686)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		82,209	104,752	79,227	104,275
Purchase of property, plant and equipment		(9,030)	(11,708)	(9,030)	–
Net cash provided by investing activities		**73,179**	**93,044**	**70,197**	**104,275**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of securities		4,984,464	3,082,737	4,984,464	–
Proceeds from borrowings		1,000,000	–	1,000,000	–
Loans to related entities		–	–	(135,796)	–
Net cash provided by financing activities		**5,984,464**	**3,082,737**	**5,848,668**	**–**
Net increase/(decrease) in cash held		**4,080,379**	**(5,200,746)**	**4,177,022**	**(5,001,411)**
Exchange rate changes		(20,768)	33,749	–	–
Cash at 1 July		900,740	6,067,737	562,557	5,563,968
Cash at 30 June		**4,960,351**	**900,740**	**4,739,579**	**562,557**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2007

	Contributed Equity $	Option Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
CONSOLIDATED					
Balance at 1 July 2005	63,146,830	1,545,106	104,936	(60,583,713)	4,213,159
Loss attributable to members of parent entity	–	–	–	(7,676,840)	(7,676,840)
Foreign exchange translation of subsidiary	–	–	(104,936)	–	(104,936)
Fair value of options vested during period	–	548,518	–	–	548,518
Share issues, net of transaction costs	3,082,737	–	–	–	3,082,737
Balance 30 June 2006	**66,229,567**	**2,093,624**	**–**	**(68,260,553)**	**62,638**
Loss attributable to members of parent entity	–	–	–	(2,746,753)	(2,746,753)
Fair value of options vested during period	–	81,085	–	–	81,085
Share issues, net of transaction costs	6,246,423	–	–	–	6,246,423
Balance 30 June 2007	**72,475,990**	**2,174,709**	**–**	**(71,007,306)**	**3,643,393**
PARENT					
Balance at 1 July 2005	**63,146,830**	**1,545,106**	**–**	**(12,763,496)**	**51,928,440**
Loss attributable to members of parent entity	–	–	–	(55,038,228)	(55,038,228)
Fair value of options vested during period	–	548,518	–	–	548,518
Share issues, net of transaction costs	3,082,737	–	–	–	3,082,737
Balance 30 June 2006	**66,229,567**	**2,093,624**	**–**	**(67,801,724)**	**521,467**
Loss attributable to members of parent entity	–	–	–	(3,068,992)	(3,068,992)
Fair value of options vested during period	–	81,085	–	–	81,085
Share issues, net of transaction costs	6,246,423	–	–	–	6,246,423
Balance 30 June 2007	**72,475,990**	**2,174,709**	**–**	**(70,870,716)**	**3,779,983**

The accompanying notes form part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Benitec Limited and controlled entities, and Benitec Limited as an individual parent entity. Benitec Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Benitec Limited and controlled entities, and Benitec Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

The financial report has been prepared in accordance with the historical convention.

(b) Principles of Consolidation

A controlled entity is any entity controlled by Benitec Limited whereby Benitec Limited has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/ excluded from the date control was obtained or until the date control ceased.

A list of controlled entities is contained in note 14 to the financial statements. All controlled entities have a June financial year-end.

(c) Revenue

Revenue from the granting of licenses is recognised in accordance with the terms of the relevant agreements and is usually recognised on an accruals basis, unless the substance of the agreement provides evidence that it is more appropriate to recognise revenue on some other systematic rational basis. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(d) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted by balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Benitec Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Benitec Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group notified the ATO on 12 February 2004 that it had formed an income tax consolidated group to apply from 1 July 2002. No tax sharing agreement has been entered between entities in the tax consolidated group.

(e) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates - impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates – share-based payments transactions

The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in note 22.

Key judgements - tax losses

Given the company's and each individual entities history of recent losses, the Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the company or its subsidiaries will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

(f) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a diminishing value basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20-40 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(l) Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(m) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid and arise when the group becomes obliged to make future payments in respect of the purchase of these goods and services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(n) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(o) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(p) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Share-based payment transactions

The group provides benefits to employees of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The plan currently in place to provide these benefits is the Employee Share Option Plan (ESOP), which provides benefits to senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Benitec Limited ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

– costs of servicing equity (other than dividends) and preference share dividends;
– the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
– other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 2: REVENUE FROM CONTINUING OPERATIONS

	Consolidated		Parent	
	2007	2006	2007	2006
	$	$	$	$
Revenue				
– Licensing revenue and royalties	402,589	2,313,668	-	-
– Finance income -				
bank interest receivable	83,368	104,752	80,450	104,275
	485,957	2,418,420	80,450	104,275
Other income				
– Settlement of IP dispute	-	1,376,444	-	-
	-	1,376,444	-	-
TOTAL REVENUE AND OTHER INCOME	**485,957**	**3,794,864**	**80,450**	**104,275**

NOTE 3: LOSS FOR THE YEAR

(a) Expenses incurred by continuing operations

Borrowing costs				
Included in Corporate expenses				
Interest payable – other persons	2,097	–	–	–
Depreciation included in income statement				
Included in Administration expenses				
Depreciation of plant and equipment	2,136	21,131	–	–
Included in Loss from discontinued operations				
Depreciation of plant and equipment	–	316,623	–	–
Employee benefits expense included in income statement				
Included in Employment related expenses				
Wages and salaries	552,624	155,348	565,348	155,348
Superannuation costs	51,629	7,509	51,629	7,509
Expense of share–based payments	81,085	548,518	81,085	548,518
	685,338	711,375	698,062	711,375
Finance costs				
Included in Loss from discontinued operations				
Loan written off	–	205,508	–	–
Impairment expense included in income statement				
Current trade and other receivables (refer Note 11)	–	–	593,437	44,396,825
Non–current financial assets (refer Note 13)	–	–	–	9,528,913
	–	–	593,437	53,925,738

NOTE 3: LOSS FOR THE YEAR CONTINUED

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
(b) Significant Revenues and Expenses:				
The following significant revenue and expense items are relevant in explaining the financial performance:				
Expenses				
Research and development costs consist of:				
IP litigation expenses	430,845	1,088,879	430,845	–
Other IP related expenses	310,637	160,977	310,637	–
	741,482	1,249,856	741,482	–

NOTE 4: INCOME TAX EXPENSE

(a) The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)	(824,026)	(2,303,052)	(2,983,156)	(16,511,468)
Add Tax effect of:				
Non–deductible depreciation	–	101,326	–	–
Non–deductible share–based payment expense	24,326	164,555	24,326	164,555
Non–deductible impairment expense	–	–	178,031	16,177,721
Capital items expensed not deductible for tax	–	646,730	–	–
Overseas entities losses	87,476	2,563,073	–	–
Foreign exchange translation	14,550	(21,755)	8,956	180,181
Other non deductible items	32,896	48,493	32,896	–
Future income tax benefit not brought to account	664,778	–	2,738,947	–
Add Tax effect of:				
Recoupment of prior year tax losses not previously brought to account	–	(1,199,370)	–	(10,989)
Income tax expense reported in the income statement	–	–	–	–

(b) The parent entity, acting as the Head Entity, notified the Australian Taxation Office on 12 February 2004 that it had formed a Tax Consolidated Group applicable as from 1 July 2002. No tax sharing agreement has been entered between entities in the tax consolidated group.

(c) As at 30 June 2007, the consolidated Group has a net Deferred Tax Asset arising from significant available tax losses (calculated at 30%), which has not been recognised in the financial statements.

The recoupment of available tax losses as at 30 June 2007 is contingent upon the following:

(i) the Company and the consolidated Group deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;

(ii) the conditions for deductibility imposed by tax legislation continuing to be complied with; and

(iii) there being no changes in tax legislation which would adversely affect the company and the consolidated group from realising the benefit from the losses.

Given the company's and each individual entities history of recent losses, the Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined whether the company or its subsidiaries will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised.

NOTE 5: DISCONTINUED OPERATIONS

On April 17 and 22 June 2006 the economic entity announced its intention to scale back and ultimately close its in-house clinical program based in the United States. Office equipment and other items were divested prior to 30 June 2006. Certain activities were relocated to Australia and the costs of those activities have been included in the costs of continuing operations.

The financial performance of the discontinued operation which is included in the loss from discontinued operations per the income statement is as follows:

	Consolidated		Parent	
	2007	2006	2007	2006
	$	$	$	$
Other revenue	–	92,197	–	–
Expenses	(738,397)	(6,907,802)	–	–
Loss on sale or write down of equipment	–	(366,805)	–	–
Loss before income tax	(738,397)	(7,182,410)	–	–
Income tax expense	–	–	–	–
Loss attributable to members of the parent entity	(738,397)	(7,182,410)	–	–

Basic and diluted earnings per share for loss from discontinued operations attributable to ordinary equity holders of the parent	cents	cents
	(0.35)	(4.38)

NOTE 6: AUDITOR'S REMUNERATION

	2007	2006	2007	2006
	$	$	$	$
Remuneration of the auditor of the parent entity for:				
– auditing or reviewing the financial report	35,000	52,500	35,000	29,500
Remuneration of other auditors of subsidiaries for:				
– auditing or reviewing the financial report of subsidiaries	17,212	–	–	–
	52,212	52,500	35,000	29,500

NOTE 7: EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options) and the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Consolidated	
	2007	2006
	$	$
Loss after income tax used in the calculation of basic EPS and dilutive EPS	(2,746,753)	(7,676,840)

	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	213,592,676	164,102,696
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in diluted earnings per share	–	–

All options to acquire ordinary shares are not considered dilutive for the year ended 30 June 2007 and the comparative period.

Classification of securities

No securities or convertible debt instruments could be classified as potential ordinary shares under AASB 133 and therefore have not been included in determination of dilutive EPS.

NOTE 9: DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives

(i) Specified Directors

Mr Peter Francis	Chairman - Non-Executive	Appointed on 23 February 2006
Dr Mike Dalling	Director - Non-Executive	Appointed on 24 March 2006
Dr Ken Reed	Director - Non-Executive	Appointed on 19 May 2000

(ii) Specified Executives

Ms Sue MacLeman	Chief Executive Officer	Appointed on 4 September 2006
Mr John Rawling	Company Secretary/CFO	Appointed on 2 January 2007
Dr John Morrison	Business Development and Licensing Manager	Appointed on 20 November 2006
Mr Paul McMahon	Company Secretary/CFO	Appointed on 14 September 2006, resigned on 4 May 2007

(b) Specified Directors' Remuneration

	Short Term			Post Employ.	Equity	Other	Total
	Salary, Fee & Commiss.	Cash Bonus	Non-Cash Bonus	Superann.	Options		
2007							
Peter Francis	45,000	100,000	–	–	–	–	145,000
Mike Dalling	45,000	100,000	–	–	–	–	145,000
Ken Reed	45,000	–	–		–	–	45,000
	135,000	200,000	–				335,000
2006							
Peter Francis	18,750	–	–	–	–	–	18,750
Mike Dalling	12,263	–	–	–	–	–	12,263
Ken Reed	58,192	–	–	3,212	–	–	61,404
	89,205	–	–	3,212	–	–	92,417

(c) Specified Executives' Remuneration

2007							
Sue MacLeman	182,174	120,000	–	16,874	39,353	–	358,401
John Rawling	39,755	–	–	3,578	27,118	–	70,451
John Morrison	96,640	–	–	14,496	6,614	–	117,750
Paul McMahon	122,229	–	–	11,618	8,000	–	141,847
	440,798	120,000	–	46,566	81,085	–	688,449

(d) Options Granted As Remuneration

				Terms & Conditions for each			
	Vested No.	Grant No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	First Exercise Date	Last Exercise Date
Specified Executives							
Sue MacLeman	1,500,000	3,000,0000	4-Sep-06	0.016	0.0224	04-Sep-06	04-Sep-11
John Rawling	500,000	1,000,000	14-Dec-06	0.039	0.0599	14-Dec-06	14-Dec-11
John Morrison	125,000	250,000	20-Nov-06	0.037	0.0626	20-Nov-06	20-Nov-11
Paul McMahon	1,000,000	1,000,000	14-Sep-06	0.008	0.0224	14-Sep-06	31-Dec-07

All grants of options vest 50% up front and 50% 12 months from grant date, except for Mr McMahon's options which vested 100% up front.

No specified directors were granted options during the year.

(e) Shares Issued on Exercise of Remuneration Options

In respect of the specified directors and specified executives, there were no shares issued on exercise of remuneration options.

(f) Options and Rights Holdings

Number of Options held by Key Management Personnel

	Balance 1-Jul-06	Granted as Remun.	Options Aquired	Options Exercised/ Lapsed	Balance at 30-Jun-07*	Total Vested at 30-Jun-07	Total Exercisable at 30-Jun-07
Specified Directors							
Peter Francis	–	–	474,350	–	474,350	474,350	474,350
Mike Dalling	–	–	474,350	–	474,350	474,350	474,350
Ken Reed	1,000,000	–	–	–	1,000,000	1,000,000	1,000,000
Sub–total	**1,000,000**	**–**	**948,700**	**–**	**1,948,700**	**1,948,700**	**1,948,700**
Specified Executives							
Sue MacLeman	–	3,000,000	–	–	3,000,000	1,500,000	1,500,000
John Rawling	–	1,000,000	–	–	1,000,000	500,000	500,000
John Morrison	–	250,000	–	–	250,000	125,000	125,000
Paul McMahon	–	1,000,000	–	–	1,000,000	1,000,000	1,000,000
Sub–total	**–**	**5,250,000**	**–**	**–**	**5,250,000**	**3,125,000**	**3,125,000**
Total	**1,000,000**	**5,250,000**	**948,700**	**–**	**7,198,700**	**5,073,700**	**5,073,700**

(g) Shareholdings

Number of Shares held by Specified Directors and Specified Executives

	Balance 1–Jul–06	Received as Remun.	Upon Options Exercised	Net Change Other*	Balance 30–Jun–07**
Specified Directors					
Peter Francis	–	–	–	474,350	474,350
Mike Dalling	–	–	–	474,350	474,350
Ken Reed	1,011,000	–	–	–	1,011,000
Sub–total	1,011,000	–	–	948,700	1,959,700
Specified Executives					
Sue MacLeman	–	–	–	–	–
John Rawling	–	–	–	–	–
John Morrison	–	–	–	61,364	61,364
Paul McMahon	–	–	–	–	–
Sub–total	**–**	**–**	**–**	**61,364**	**61,364**
Total	**1,011,000**	**–**	**–**	**1,010,064**	**2,021,064**

*Net Change Other refers to total shares purchased or sold during the financial year.

(h) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The Board of Directors of Benitec Limited is responsible for determining and reviewing compensation arrangements for the directors, the chief executive officer and the executive team. The Board's remuneration policy has been implemented to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The policy seeks to provide remuneration and benefits that encourage high standards of performance and demonstrate the value the Company places on its officers by being equitable, consistent with individual performance and experience, and market competitive. Such officers are given the opportunity to receive their base emolument in a variety of forms, including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost to the company.

To assist in achieving these objectives, the Board links the nature and amount of executive officers' emoluments to the company's financial and operational performance. All directors and executives have the opportunity to qualify for participation in the Benitec Employee Share Option Plan, which provides incentives where specified performance criteria are met. The purpose of the Plan is to recognise employees who have contributed to the success of the company, to provide an incentive to achieve long term objectives of the company and foster and promote loyalty between the company and its employees.

The current employment agreement with the Chief Executive Officer has a six month notice period. The Chief Executive Officer's appointment with the company may be terminated by her providing 2 months notice and the company by providing 6 months notice in writing. The company may elect to pay the Chief Executive Officer an amount equal to 6 months' pay in lieu of notice, together with any outstanding entitlement due to her.

NOTE 10: CASH AND CASH EQUIVALENTS

	Consolidated		Parent	
	2007	2006	2007	2006
	$	$	$	$
Cash at bank	4,700,121	203,536	4,485,260	58,239
Deposits at call	260,230	697,204	254,319	504,318
	4,960,351	900,740	4,739,579	562,557
Reconciliation of Cash Flow from Operations with Loss after Income Tax				
Loss after Income Tax	(2,746,753)	(7,676,840)	(3,068,992)	(55,038,228)
Non–cash flows included in operating loss:				
Interest received	(82,209)	(104,752)	(79,227)	(104,275)
Depreciation	2,136	337,754	2,136	–
Share–based payments	81,085	548,518	81,085	548,518
Impairment expense	–	–	593,437	53,925,738
Loss/(Gain) on sale of property, plant and equipment	–	(175,964)	–	–
Loan written off	–	205,508	–	–
Provisions and non–cash adjustments	30,765	–	30,765	–
Exchange (gain)/loss	(27,731)	–	(29,852)	–
Changes in assets and liabilities:				
(Increase)/Decrease in trade and other receivables	1,078,208	(1,216,884)	(532,834)	(3,928,956)
(Increase)/Decrease in other current assets	58,737	664,654	(5,602)	9,792
Increase/(Decrease) in trade and other payables	(371,502)	(958,521)	1,267,241	(518,275)
Net cash flows from operations	(1,977,264)	(8,376,527)	(1,741,843)	(5,105,686)

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $

NOTE 11: TRADE AND OTHER RECEIVABLES

	2007 $	2006 $	2007 $	2006 $
CURRENT				
Sundry Debtors	241,508	1,319,716	104,778	29,585
Amounts receivable from:				
– wholly owned subsidiaries	–	–	–	–
	241,508	1,319,716	104,778	29,585

An impairment expense of $593,437 (2006: $44,396,825) was booked in the parent entity accounts to reflect the view of the Board that it is unlikely that the parent entity will be able to recover amounts receivable from wholly owned subsidiaries.

NOTE 12: OTHER ASSETS

	2007 $	2006 $	2007 $	2006 $
CURRENT				
Prepayments	589	–	–	–
Other current assets	5,602	64,928	5,602	–
	6,191	64,928	5,602	–

NOTE 13: OTHER FINANCIAL ASSETS

	2007 $	2006 $	2007 $	2006 $
NON–CURRENT				
Unlisted investments, at cost:				
– Shares in controlled entities	–	–	13	13
– Shares in controlled entities	–	–	13	13

An impairment of $nil (2006: $9,528,913) was booked to ensure that the carrying value of the investments did not exceed the amount recoverable from investments in wholly owned subsidiaries.

NOTE 14: CONTROLLED ENTITIES

(a) Controlled entities:

	Country of Incorporation	Percentage Owned 2007	Percentage Owned 2006
Parent Entity:			
Benitec Limited	Australia		
Controlled entities of Benitec Limited:			
Benitec Australia Limited	Australia	100%	100%
Benitec Limited	United Kingdom	100%	100%
Benitec, Inc.	USA	100%	100%
Benitec, LLC	USA	100%	100%
RNAi Therapeutics, Inc.	USA	100%	100%

(b) Controlled entities acquired or disposed:

No controlled entities were acquired or disposed during the financial year.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment

At cost	10,138	–	10,138	–
Accumulated depreciation	(2,136)	–	(2,136)	–
Total Property, Plant and Equipment	8,002	–	8,002	–

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Equipment $	Total $	Plant & Equipment	Plant & Total
Balance at the beginning of year	–	–	–	–
Additions	10,138	10,138	10,138	10,138
Depreciation expense	(2,136)	(2,136)	(2,136)	(2,136)
Carrying amount at the end of year	8,002	8,002	8,002	8,002

NOTE 16: TRADE AND OTHER PAYABLES

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
CURRENT				
Unsecured liabilities				
Trade creditors	649,700	1,346,819	316,457	48,190
Sundry creditors and accrued expenses	652,677	875,927	446,764	22,498
Unsecured loan Dr C. Bremner	52,980	–	52,980	–
Promissary note – Promega Corporation*	186,537	–	186,537	–
	1,541,894	2,222,746	1,047,226	70,688

* The convertible Promissary note provided by the Company to Promega Corporation has a face value of USD$158,333. It becomes due on 10 October 2007 at which time Promega Corporation, at their election, may:

- convert the note into ordinary shares of the Company at a price per share equivalent to the average trading price for the period of 60 days prior to the due date; or
- request payment in cash.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $

NOTE 17: CONTRIBUTED EQUITY

	2007 $	2006 $	2007 $	2006 $
286,648,481 *(2006: 172,524,637)* fully paid ordinary shares	72,475,990	66,229,567	72,475,990	66,229,567

(a) Ordinary Shares

	2007 $	2006 $	2007 $	2006 $
At the beginning of the reporting period	66,229,567	63,146,830	66,229,567	63,146,830
Shares issued during the year	6,494,494	3,400,217	6,494,494	3,400,217
Transaction costs relating to share issues	(248,071)	(317,480)	(248,071)	(317,480)
At reporting date	72,475,990	66,229,567	72,475,990	66,229,567

	No.	No.	No.	No.
At the beginning of reporting period	172,524,637	152,101,966	172,524,637	152,101,966
Shares issued during the year	114,123,844	20,422,671	114,123,844	20,422,671
At reporting date	286,648,481	172,524,637	286,648,481	172,524,637

(b) Share options

At the end of the financial year, there were 111,363,768 unissued ordinary shares (2006: 59,613,016) over which options were outstanding:

Details	No. of Options	Expiry Date	Exercise Price
Listed options BLTO	41,433,069	06-Apr-08	$0.32
Listed Options BLTOA	56,083,052	03-Apr-11	$0.15
Employee share options plan options	100,000	28-Jul-09	$0.50
Employee share options plan options	100,000	28-Jul-09	$1.00
Employee share options plan options	150,000	28-Jul-09	$1.50
Employee share options plan options	150,000	29-Jul-09	$2.00
Employee share options plan options	3,000,000	04-Sep-11	$0.0224
Employee share options plan options	1,000,000	31-Dec-07	$0.0224
Employee share options plan options	250,000	20-Nov-11	$0.0626
Employee share options plan options	1,000,000	14-Dec-11	$0.0599
Directors' options	1,953,125	23-Oct-15	$0.17
Strategic Advisor Warrants	6,126,962	04-Aug-14	$0.90
Other	17,560	30-Sep-13	$0.03
	111,363,768		

Since 30 June 2007, 250,000 additional options under the ESOP have been issued to Dr John Morrison. These options have a grant date of 1 July 2007, an expiry date of 1 July 2012 and an exercise price of $0.1255. The options vest 50% up front and 50% 12 months from grant date.

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $

NOTE 18: RESERVES

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Option Reserve				
At the beginning of the reporting period	2,093,624	1,545,106	2,093,624	1,545,106
Fair value of options vested during year	81,085	548,518	81,085	548,518
At reporting date	2,174,709	2,093,624	2,174,709	2,093,624
Foreign Currency Translation Reserve				
At the beginning of the reporting period	–	104,936	–	–
Foreign currency translation of subsidiary	–	(104,936)	–	–
At reporting date	–	–	–	–
Total Reserves at reporting date	2,174,709	2,093,624	2,174,709	2,093,624

Nature and purpose of reserves

Share–based Payments Reserve

The Share–based Payments reserve records items recognised as expenses on valuation and vesting of employee share options granted.

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 19: CONTINGENT LIABILITIES

There were no contingent liabilities to be reported at the reporting date.

NOTE 20: SEGMENT REPORTING

Business Segments

The economic entity had only one business segment during the financial year, being the global commercialisation (by licensing and partnering) of patents and licences developed in the area of biotechnology, more specifically in functional genomics, with applications in biomedical research and human therapeutics.

Geographical Segments

Business operations are conducted in Australia following the closure of the US operations in July 2006.

	Segment Reserves from External		Carrying Amount of Segment Assets		Acquisitions of Non–Current Segment Assets	
	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
Geographical location						
Australia	485,957	2,418,420	4,857,961	1,441,552	–	–
United States of America	–	–	358,091	843,832	–	–
United Kingdom	–	–	–	–	–	–
	485,957	2,418,420	5,216,052	2,285,384	–	–

NOTE 20: SEGMENT REPORTING (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.

NOTE 21: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The group's financial instruments consist mainly of cash, short term deposits with banks, accounts receivable and payable, and loans to and from subsidiaries.

The main purpose of non-derivative financial instruments is to raise finance for group operations.

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the group's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

i. Treasury Risk Management

The board and management of the group meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks

The main risks the group is exposed to through its financial instruments are interest rate risk, credit risk and foreign currency risk.

Interest Rate Risk

The group has no exposure to market risk for changes in interest rates as it has no long-term debt obligations.

Credit Risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There were no significant concentrations of credit risk within the group.

Foreign Currency Risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency. Refer to Note 21(b) for further details.

(b) Financial Instruments

Fair Values

All financial assets and liabilities have been recognised at the balance date at their net fair value.

Interest Rate Risk

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

NOTE 21: FINANCIAL INSTRUMENTS CONTINUED

	<1 year $	>1-<2 years $	>2-<3 years $	>3-<4 years $	>4-<5 years $	Total $
Year ended 30 June 2007						
CONSOLIDATED						
Floating Rate						
Cash assets	4,960,351	–	–	–	–	4,960,351
PARENT						
Floating Rate						
Cash assets	4,739,579	–	–	–	–	4,739,579
Year ended 30 June 2006						
CONSOLIDATED						
Floating Rate						
Cash assets	900,740	–	–	–	–	900,740
PARENT						
Floating Rate						
Cash assets	562,557	–	–	–	–	562,557

NOTE 22: SHARE BASED PAYMENTS

Benitec Limited Employees Share Option Plan (ESOP):

Description of plan

The company may from time to time issue employees options to acquire shares in the company at a fixed price on the market. Each option when exercised will then entitle the option holder to one share in Benitec Limited (ASX Code: BLT). All options are exercisable on or before an expiry date, do not carry any voting or dividend rights and are not transferable except on death of the option holder.

Transactions during the year

On 12 February 2007, the Board confirmed the issue of 5,250,000 share options under the ESOP to executives in accordance with the terms of their employment agreements. The options vest 50% up front and 50% in 12 months from sign-on date, except for Mr McMahon's options which vested 100% up front.

Share Options Granted to Executives

All of the options above were granted to executives.

The fair value of options is estimated at the date of grant using the Black-Scholes model. The following table gives the assumptions made in determining the fair value of the options granted in the year to 30 June 2007

	Dividend Yield	Expected Volatility	Risk-free interest rate	Expected life of Option	Share price at grant date
S. MacLeman	Nil	60%	5.74%	5 years	$0.027
J. Rawling	Nil	60%	5.91%	5 years	$0.067
J. Morrison	Nil	60%	5.76%	5 years	$0.068
P. McMahon	Nil	60%	5.77%	5 years	$0.023

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Additional options under the ESOP have been issued to Dr John Morrison after year end. These options have a grant date of 10 August 2007, an expiry date of 10 August 2012 and an exercise price of $0.1255. The options vest 50% up front and 50% 12 months from grant date, except for Mr McMahon's options which vested 100% up front.

NOTE 22: SHARE BASED PAYMENTS CONTINUED

No other options have been issued to directors and executives after year end.

All options issued by Benitec Limited under its ESOP are unlisted.

The closing market price of an ordinary share of Benitec Limited (ASX Code: BLT) on the Australian Stock Exchange at 30 June 2007 was $0.115 (30 June 2006: $0.04)

The following table illustrates the number (No.) and weighted average exercise price (WAEP) of share options issued under the ESOP:

	2007 No.	2007 WAEP	2006 No.	2006 WAEP
Outstanding at the beginning of the year	10,082,300	$0.207	6,826,620	$0.261
Granted during the year	5,250,000	$0.035	3,540,000	$0.145
Exercised during the year	–	–	(94,320)	$0.030
Lapsed during the year	(9,582,300)	$0.148	(190,000)	$1.059
Outstanding at the end of the year	5,750,000	$0.150	10,082,300	$0.207

Details of share options outstanding as at end of year:

		Consolidated		Parent	
Expiry Date and Exercise Price	Grant Date	2007 $	2006 $	2007 $	2006 $
28 July 2009 @ $0.50 each	29-Jul-02	100,000	100,000	100,000	100,000
28 July 2009 @ $1.00 each	29-Jul-02	100,000	150,000	100,000	150,000
28 July 2009 @ $1.50 each	29-Jul-02	150,000	150,000	150,000	150,000
29 July 2009 @ $2.00 each	29-Jul-02	150,000	150,000	150,000	150,000
16 June 2012 @ $0.145 each	16-Jun-05	–	5,830,000	–	5,830,000
19 July 2002 @ $0.145 each	19-Jul-05	–	3,540,000	–	3,540,000
30 September 2013 @ $0.03 each	17-May-04	–	159,373	–	159,373
30 September 2013 @ $0.03 each	17-May-04	–	2,927	–	2,927
4 September 2011 @ $0.025 each	04-Sep-06	3,000,000	–	3,000,000	–
14 September 2011 @ $0.025 each	14-Sep-06	1,000,000	–	1,000,000	–
20 November 2011 @ $0.07 each	20-Nov-06	250,000	–	250,000	–
14 December 2011 @ $0.067 each	14-Dec-06	1,000,000	–	1,000,000	–
		5,750,000	10,082,300	5,750,000	10,082,300

NOTE 23: EVENTS SUBSEQUENT TO BALANCE SHEET DATE

On 1 July 2007, the CEO Sue MacLeman joined the Board as a Director.

On 23 July 2007, the Company was advised that the US Federal Circuit had issued its decision in the Benitec v. Nucleonics appeal, affirming the initial US District Court decision to dismiss the Nucleonics' challenge for lack of subject matter jurisdiction.

On 17 August 2007, the Company announced that it had signed a Memorandum of Understanding with California-based CalbaTech, Inc. to provide stem cell storage services for US HIV patients who may use the healthy adult (or "blood" or hematopoietic") stem cells in future therapy. This arrangement is expected to generate fees for stem cell storage performed by CalbaTech.

NOTE 23: EVENTS SUBSEQUENT TO BALANCE SHEET DATE CONTINUED

On 21 August 2007, the Company announced the appointment of Dr Jason Smythe as Chief Scientific Officer of the Company. Dr Smythe was most recently the Chief Scientific Officer at The Australian Tissue Engineering Centre Ltd. He previously held senior scientific positions in the anti-viral research unit at Johnson & Johnson Research, CSIRO as biotechnology program manager and as Unit Head of the gene therapy research unit at the Children's Medical Research Institute, Westmead, Sydney. Dr Smythe has also worked in the US with eminent AIDS researcher Dr John Rossi and with Professor Bob Gallo, co-discoverer of the AIDS virus at the National Cancer Institute, National Institutes of Health in Maryland. His appointment is effective from October 2007.

NOTE 24: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

	Consolidated		Parent	
	2007 $	2006 $	2007 $	2006 $
Transactions with Directors and Director-related Entities:				
Legal services paid / payable to Francis Abourizk Lightowlers, a law firm in which Mr Peter Francis is a partner and has a beneficial interest.	144,595	2,930	144,595	2,930
Travel and accommodation services paid / payable to Corporate Travel Management, a travel agency in which the son of Dr Mike Dalling is a director and has a beneficial interest	68,499	–	68,499	–

NOTE 25: STATEMENT OF COMPLIANCE

Except for the amendments to AASB 101 Presentation of Financial Statements and AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments, which the Company has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ending 30 June 2007. These are outlined in the table below.

Reference	Title	Summary	Application date of standard*	Impact on Company's financial report	Application date for Company *
AASB 2005-10	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments arise from the release in August 2005 of AASB 7 Financial Instruments: Disclosures.	01-Jan-07	AASB 7 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. However, the amendments will result in changes to the financial instrument disclosures included in the Company's financial report.	01-Jul-07

Reference	Title	Summary	Application date of standard*	Impact on Company's financial report	Application date for Company *
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	Amending standard issued as a consequence of AASB Interpretation 11 AASB 2 – Group and Treasury Share Transactions.	01-Mar-07	This is consistent with the Company 's existing accounting policies for share-based payments so will have no impact.	01-Jul-07
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]	Amending standard issued as a consequence of AASB Interpretation 12 Service Concession Arrangements. Amending standard issued as a consequence of AASB 8 Operating Segments.	01-Jan-08	As the Company currently has no service concession arrangements or public-private-partnerships (PPP), it is expected that this Interpretation will have no impact on its financial report.	01-Jul-08
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amendments arising as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment.	01-Jan-09	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. However the new standard may have an impact on the Company's segment disclosures.	01-Jul-09
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038]	Amendments arising as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment.	1 July 2007	These amendments are expected to reduce the extent of some disclosures in the Company's financial report.	1 July 2007
AASB 2007-5	Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities [AASB 102]	This Standard makes amendments to AASB 102 Inventories.	1 July 2007	This amendment only relates to Not-for-Profit Entities and as such is not expected to have any impact on the Company's financial report.	1 July 2007

NOTE 25: STATEMENT OF COMPLIANCE CONTINUED

Reference	Title	Summary	Application date of standard*	Impact on Company's financial report	Application date for Company *
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of revisions to AASB 123 Borrowing Costs.	1 January 2009	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Company has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Company's financial report.	1 July 2009
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]	Amending standards for wording errors, discrepancies and inconsistencies.	1 July 2007	The amendments are minor and do not affect the recognition, measurement or disclosure requirements of the standards. Therefore the amendments are not expected to have any impact on the Company's financial report.	1 July 2007
AASB 7	Financial Instruments: Disclosures	New standard replacing disclosure requirements of AASB 130 Disclosures in the Financial Statements of Banks and Similar Financial Institutions and AASB 132 Financial Instruments: Disclosure and Presentation.	1 January 2007	Refer to AASB 2005-10 above.	1 July 2007
AASB 8	Operating Segments	New standard replacing AASB 114 Segment Reporting, which adopts a management approach to segment reporting.	1 January 2009	Refer to AASB 2007-3 above.	1 July 2009
AASB 123 (amended)	Borrowing Costs	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset must be capitalised.	1 January 2009	Refer to AASB 2007-6 above.	1 July 2009
AASB Interpretation 10	Interim Financial Reporting and Impairment	Addresses an inconsistency between AASB 134 Interim Financial Reporting and the impairment requirements relating to goodwill in AASB 136 Impairment of Assets and equity instruments classified as available for sale in AASB 139 Financial Instruments: Recognition and Measurement.	1 November 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Company's financial report.	1 July 2007

Reference	Title	Summary	Application date of standard*	Impact on Company's financial report	Application date for Company *
AASB Interpretation 11	AASB 2 – Group and Treasury Share Transactions	Addresses whether certain types of share-based payment transactions with employees (or other suppliers of good and services) should be accounted for as equity-settled or as cash-settled transactions under AASB 2 Share-based Payments. It also specifies the accounting in a subsidiary's financial statements for share-based payment arrangements involving equity instruments of the parent.	1 March 2007	Refer to AASB 2007-1 above.	1 July 2007
AASB Interpretation 12	Service Concession Arrangements	Clarifies how operators recognise the infrastructure as a financial asset and/or an intangible asset – not as property, plant and equipment.	1 January 2008	Refer to AASB 2007-2 above.	1 July 2008
IFRIC Interpretation 13	Customer Loyalty Programmes	Deals with the accounting for customer loyalty programmes, which are used by companies to provide incentives to their customers to buy their products or use their services.	1 July 2008	The Company does not have any customer loyalty programmes and as such this interpretation is not expected to have any impact on the Company's financial report.	1 July 2008
IFRIC Interpretation 14	IAS 19 - The Asset Ceiling: Availability of Economic Benefits and Minimum Funding Requirements	Aims to clarify how to determine in normal circumstances the limit on the asset that an employer's balance sheet may contain in respect of its defined benefit pension plan	1 January 2008	The Company does not have a defined benefit pension plan and as such this interpretation is not expected to have any impact on the Company's financial report.	1 July 2008

* designates the beginning of the applicable annual reporting period

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial report also complies with International Financial Reporting Standards (IFRS)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Benitec Limited, I state that:

1. In the opinion of the directors:
   (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
      (ii) complying with Accounting Standards and 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.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2007.

On behalf of the Board

Peter Francis
Director

Melbourne,
5 September 2007

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

BENITEC LIMITED

We have audited the accompanying financial report of Benitec Limited ("the company"), which comprises the balance sheet as at 30 June 2007 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is to also express an opinion on the remuneration disclosures contained in the directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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Major Offices in: Perth, Sydney, Melbourne, Adelaide and Canberra
ABN 36 965 185 036

RSM Bird Cameron Partners is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms.

Quality Endorsed Company

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Benitec Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

R B MIANO
Partner

Melbourne
Dated: 5 September 2007

1. Share and Option Holding Information

a) Distribution of Equity Security Holders

The number of holders and amount of holdings by a range of holding sizes of the ordinary shares and options as at 31 August 2007 are detailed below.

Holding Size	Ordinary Shares (ASX: BLT)		Options (ASX: BLTO)		Options (ASX: BLTOA)	
	No. of holders	No. of Shares Held	No. of holders	No. of Options Held	No. of holders	No. of Options Held
1-1,000	132	82,202	105	61,303	96	59,466
1,001 - 5,000	664	2,214,671	133	350,814	314	873,018
5,001 – 10,000	454	3,735,440	39	285,403	116	820,133
10,001 – 100,000	1,144	40,185,412	74	2,960,891	192	5,148,016
100,001 – and over	237	240,431,947	44	37,774,658	31	49,181,282
	2,631	286,649,618	395	41,433,069	749	56,081,915

b) Marketable parcels

The number of holdings of ordinary shares less than a marketable parcel of $500 is 641.

c) Substantial Shareholders

The names of substantial shareholders listed in the Company's register as at 31 August 2007 were:

Holder	Number of Ordinary Shares Held	% Held of Issued Capital
Dr Christopher Bremner	55,065,388	19.21%
Merrill Lynch (Australia) Nominees Pty ltd	21,000,000	7.33%
Sigma-Aldrich Pty Limited	19,531,250	6.81%
Promega Corporation	15,944,604	5.56%

d) Voting rights

The voting rights attached to each class of equity security are as follows:

Each ordinary share holder is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Option holders do not have any voting rights until the option is converted into an ordinary share.

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e) 20 Largest Shareholders (ASX: BLT) as at 31 August 2007

Holder	Number of Ordinary Shares Held	% Held of Issued Capital
Dr Christopher Bremner	55,065,388	19.21
Merrill Lynch (Australia) Nominees Pty Limited <Berndale A/C>	21,000,000	7.33
Sigma-Aldrich Pty Limited	19,531,250	6.81
Promega Corporation	15,944,604	5.56
Citicorp Nominees Pty Limited	13,629,641	4.75
HSBC Custody Nominees (Australia) Limited	10,974,498	3.83
Invia Custodian Pty Limited <White A/C>	9,639,209	3.36
ANZ Nominees Limited <Cash Income A/C>	7,612,359	2.66
Invia Custodian Pty Limited <Black A/C>	7,339,279	2.56
National Nominees Limited	4,022,566	1.40
Cotsenvy Pty Ltd <Nasser Family A/C>	3,145,806	1.10
Kanilo Pty Limited	2,800,000	0.98
Giuseppe & Concetta Luca	2,491,653	0.87
Done Nominees Pty Limited <Done Super Plan A/C>	2,292,515	0.80
Anne Tang	2,205,000	0.77
HSBC Custody Nominees (Australia) Limited - A/C 3	1,792,370	0.63
John Alexander & Irene Lucy May Hunt J&I Hunt S/F A/C>	1,779,091	0.62
Feta Nominees Pty Ltd	1,761,124	0.61
Ken Done & Associates Pty Ltd <Ken Done & Assoc S/F A/C>	1,504,625	0.52
Merrill Lynch (Australia) Nominees Pty Limited	1,360,338	0.47
TOTAL	**185,891,316**	**64.85**
SHARES ON ISSUE AT 31 AUGUST 2007	**286,649,618**	

f) 20 Largest Optionholders (ASX: BLTO) as at 31 August 2007

Holder Name	Number of Options Held	% Held of Options
Sigma-Aldrich Pty Limited	10,011,643	24.16
Invia Custodian Pty Limited <Black A/C>	6,814,317	16.45
Giovanni Nominees Pty Ltd	2,455,846	5.93
HSBC Custody Nominees (Australia) Limited	2,291,214	5.53
Keith Richard Donougher	1,830,000	4.42
Cappello Group Inc	1,001,164	2.42
Citicorp Nominees Pty Limited	854,368	2.06
National Nominees Limited	812,906	1.96
Invia Custodian Pty Limited <White A/C>	785,417	1.90
Grand R O I Pty Ltd <Pinnacle S/F A/C>	737,206	1.78
Robert Bain Thomas	685,974	1.66
David Burton Gibson	637,000	1.54
ANZ Nominees Limited <Cash income A/C>	620,532	1.50
John Alexander & Irene Lucy Hunt <J&I Hunt S/F A/C>	576,666	1.39
Keith Richard Donougher	550,000	1.33
Barbary Coast Investments Pty Ltd	500,000	1.21
Dr Warna + Mrs Alankarage Sriyani Karunasena	485,796	1.17
Picton Cove Pty Ltd	459,546	1.11
Talal Tabikh	416,333	1.00
David Burton Gibson	313,565	0.76
TOTAL	**32,839,493**	**79.26**
LISTED OPTIONS BLTO ON ISSUE AT 31 AUGUST 2007	**41,433,069**	

g) 20 Largest Optionholders (ASX: BLTOA) as at 31 August 2007

Holder Name	Number of Options Held	% Held of Options
Dr Christopher Bremner	19,969,200	35.61
Merrill Lynch (Australia) Nominees Pty Limited <Berndale A/C>	11,000,000	19.61
Arkwright Developments Pty Ltd <Findlay Fund Account>	7,429,773	13.25
Invia Custodian Pty Limited <White A/C>	1,785,039	3.18
Invia Custodian Pty Limited <Black A/C>	1,359,126	2.42
ANZ Nominees Limited <Cash Income A/C>	889,793	1.59
David Burton Gibson	832,453	1.48
Cotsenvy Pty Ltd <Nasser Family A/C>	582,557	1.04
Jennifer Mollett	500,000	0.89
Michael Dalling & Neil Bishop <Michael Dalling Super A/C>	474,350	0.85
Peter Francis & Jenni Lightowlers <Lightowlers Family Super A/C>	474,350	0.85
Fitel Nominees Limited	454,545	0.81
John Alexander & Irene Lucy May Hunt J&I Hunt S/F A/C>	375,758	0.67
Dr Warna & Mrs Alankarage Sriyani Karunasena	357,744	0.64
National Nominees Limited	265,245	0.47
Rajeshkumar Harikrushna Soni	250,000	0.45
Jaime Lai	240,492	0.43
A J McDonald Pty Ltd	202,273	0.36
HSBC Custody Nominees (Australia) Limited	167,153	0.30
Stony Rises Pty Ltd <Boyle Family A/C>	163,637	0.29
TOTAL	**47,773,488**	**85.19**
LISTED OPTIONS BLTOA ON ISSUE AT 31 AUGUST 2007	**56,081,915**	

h. Restricted securities

There are no securities on issue subject to restriction agreements.

i. Unquoted securities

As at the date of this report, the Company has unquoted securities as follows:

Details of Security	Grant Date	Expiry Date	Exercise Price	Number
Options - ESOP	29-Jul-02	28-Jul-09	$0.50	150,000
Options - ESOP	29-Jul-02	28-Jul-09	$1.00	100,000
Options - ESOP	29-Jul-02	28-Jul-09	$1.50	150,000
Options - ESOP	29-Jul-02	28-Jul-09	$2.00	150,000
Options - Other	30-Sep-03	30-Sep-13	$0.03	17,560
Strategic Advisor Warrants	4-Aug-04	4-Aug-14	$0.90	6,126,962
Options - Directors	17-May-04	30-Sep-13	$0.17	1,953,125
Options - ESOP	4-Sep-06	4-Sep-11	$0.0224	3,000,000
Options – ESOP	14-Sep-06	14-Sep-11	$0.0224	1,000,000
Options – ESOP	20-Nov-06	20-Nov-11	$0.0626	1,000,000
Options - ESOP	14-Dec-06	14-Dec-11	$0.0599	250,000
Options - ESOP	01-Jul-07	01-Jul-12	$0.1255	250,000
TOTAL				**14,147,647**

2. On-Market Buy Back

There is currently no on-market buy back.

3. Listing on Exchanges

Trading of the Company's securities is available on the Australian Stock Exchange.

LIST OF PATENTS

Patent/ Application Number	Invention Title	Inventor(s)	Patent Summary
6,573,099 (US)	GENETIC CONSTRUCTS FOR DELAYING OR REPRESSING THE EXPRESSION OF A TARGET GENE*	Graham, Michael W Rice, Robert N Waterhouse	The present invention relates generally to synthetic genes for modifying endogenous gene expression in a cell, tissue or organ of a transgenic organism, in particular a transgenic animal or plant. More particularly, the present invention provides novel synthetic genes and genetic constructs which are capable of repressing delaying or otherwise reducing the expression of an endogenous gene or a target gene in an organism when introduced thereto.
PCT/ AU99/00195 (WO99/49029) AU 29163/99 CA 2,323,726 CZ PV2000-3346 (295108) GB GB2353282 HK 01105904.3 NZ 506648 SG 200004917-1 ZA 2000/4507	CONTROL OF GENE EXPRESSION *	Graham, Michael W. Rice, Robert N Waterhouse, Peter Wang, MingBo	The present invention relates generally to a method of modifying gene expression and to synthetic genes for modifying endogenous gene expression in a cell, tissue or organ of a transgenic organism, in particular a transgenic animal or plant. More particularly, the present invention utilises recombinant DNA technology post-transcriptionally modify or modulate the expression of a target gene in a cell, tissue, organ or whole organism, thereby producing novel phenotypes. Novel synthetic genes and genetic constructs which are capable or repressing delaying or otherwise reducing the expression of an endogenous gene or a target gene in an organism when introduced thereto are also provided.
US 10/821,726 US 11/180,928 US 11,218,999	SYNTHETIC GENES AND GENETIC CONSTRUCTS COMPRISING THE SAME*	Waterhouse, Peter Graham, Michael Wang, MingBo Smith, Neil	The present invention relates generally to a method of modifying gene expression and to synthetic genes for modifying endogenous gene expression in a cell, tissue or organ of a transgenic organism, in particular a transgenic animal or plant. More particularly, the present invention utilises recombinant DNA technology to post-transcriptionally modify or modulate the expression of a target gene in a cell, tissue, organ or whole organism, thereby producing novel phenotypes. Novel synthetic genes and genetic constructs which are capable or repressing delaying or otherwise reducing the expression of an endogenous gene or a target gene in an organism when introduced thereto are also provided.
WO99/53050	METHODS AND MEANS FOR OBTAINING MODIFIED PHENOTYPES *	Waterhouse, Peter; Graham, Michael Wang, MingBo Smith, Neil	Methods and means are provided for reducing the phenotypic expression of a nucleic acid of interest in eucaryotic cells, particularly in plant cells, by introducing chimeric genes encoding sense and antisense RNA molecules directed towards the target nucleic acid, which are capable of forming a double stranded RNA region by base-pairing between the regions with the sense and antisense nucleotide sequence or by introducing the RNA molecules themselves. Preferably, the RNA molecules comprises simultaneously both sense and antisense nucleotide sequence.

Patent/ Application Number	Invention Title	Inventor(s)	Patent Summary
GB2377221 (GB), P-91678 (SG) 2002/7428 (ZA) AU01/000297 0170904 (WO)	GENETIC SILENCING □	Graham, Michael W. Rice, Robert N Reed, Kenneth C Murphy, Kathleen	The present invention relates generally to a method of inducing, promoting or otherwise facilitating a change in the phenotype of an animal cell or group of animal cells including a animal comprising said cells. The modulation of phenotypic expression is conveniently accomplished via genotypic manipulation through such means as reducing translation of transcript to proteinaceous product. The ability to induce, promote or otherwise facilitate the silencing of expressible genetic sequences provides a means for modulating the phenotype in, for example, the medical, veterinary and the animal husbandry industries. Expressible genetic sequences contemplated by the present invention including not only genes normally resident in a particular animal cell (i.e. indigenous genes) but also genes introduced through recombinant means or through infection by pathogenic agents such as viruses.
10/861191 (US) 2527907 (CA) 04735856.9 (EP) 172191 (IL) 2006/508084(JP) 200507474-5 (SG) 2005/09813 (ZA) AU04/00075 (WO)	DOUBLE-STRANDED NUCLEIC ACID □	Graham, Michael W. Rice, Robert N Roelvink, Petrus W Suhy, David A Kolkykhalov, Alexander A Harrison, Bruce T Reed, Kenneth C.	The invention is directed towards constructs for RNAi techniques. The invention provides a ribonucleic acid (RNA) for use as interfering RNA in gene silencing techniques to silence a target gene comprising in a 5' to 3' direction at least a first effector sequence, a second effector sequence, a sequence substantially complementary to the second effector sequence and a sequence substantially complementary to the first effector sequence, wherein the complementary sequences are4 capable of forming double stranded regions with their respective effector sequences and wherein at least one of these sequences is substantially identical to the predicted transcript of a region of the target gene, and a nucleic acid construct encoding such an RNA.
11/072592 (US) PCT/US2005/ 0017 447 2005/087926 (WO) 2005222084 (AU) 2558771 (CA) 0580013979.5 (CN) 05727680.0 (EP) 177862 (IL) 2007-502094 (JP) 20067020986 (KR) 550284 (NZ)	MULTIPLE PROMOTER EXPRESSION CASSETTES FOR SIMULTANEOUS DELIVERY OF RNAI AGENTS □	Roelvink, Petrus W Suhy, David A Kolkykhalov, Alexander A Couto,	The present invention provides multiple-promoter expression cassettes for simultaneous delivery of RNAi, preferably to mammalian cells in vivo.
11/251,076 (US) US05/037210 (WO)	THERAPEUTIC RNAI AGENTS FOR TREATING RESTENOSIS	Linda Brashears, Sarah; Cunningham, Sara Mary	The present invention provides compositions and methods suitable for delivering RNAi agents against genetic targets in vascular and adjacent tissue in vivo so as to treat restenosis.
11/256666 (US) US05/038139 (WO)	THERAPEUTIC RNAi AGENTS FOR TREATING PSORIASIS □	Reed, Kenneth C.; Brashears, Sarah J.	The present invention provides compositions and methods suitable for delivering RNAi agents against genetic targets in skin tissues so as to treat psoriasis.

LIST OF PATENTS (CONTINUED)

Patent/ Application Number	Invention Title	Inventor(s)	Patent Summary
11/325244 (US) US06/000091 (WO)	RNAi AGENTS FOR MAINTENANCE OF STEM CELLS □	Evertsz, Elisabeth; Brashears, Sarah J.	The present invention provides compositions and methods suitable for delivering RNAi agents against genetic targets in stem cells so as to direct cell growth and differentiation
11/340830 (US)	METHOD FOR DETECTION AND CHARACTERIZATION OF SHORT NUCLEIC ACIDS □	Kolykhalov, Alexander; Schroeder, A. R.	A method of detecting and characterizing a target short RNA is provided.
11/347028 (US) US06/004003 (WO)	RNAi EXPRESSION CONSTRUCTS □	Roelvink, Petrus W Suhy David A Kolkykhalov, Alexander A Couto, Linda	The present invention provides compositions and methods suitable for expressing 1-x RNAi agents against a gene or genes in cells, tissues or organs of interest in vitro and in vivo so as to treat diseases or disorders.
11/355516 (US)	RNAi EXPRESSION CONSTRUCTS WITH LIVER-SPECIFIC ENHANCER/ PROMOTER □	Roelvink, Petrus W Suhy, David A Kolkykhalov, Alexander A 'Kay, Mark A Giering, Jeffery C	The present invention provides compositions and methods suitable for RNAi specifically in the liver so as to treat diseases or disorders.
11/413628 (US) US06/016507 (WO)	MULTIPLE RNAi EXPRESSION CASSETTES FOR SIMULTANEOUS DELIVERY OF RNAi AGENTS RELATED TO HETEROZYGOTIC EXPRESSION PATTERNS □	Evertsz, Elisabeth; Brashears, Sarah J.	The present invention provides compositions and methods suitable for expressing y-x multiple-RNAi agents against an allele or alleles of interest in cells, tissues or organs of interest in vitro and in vivo so as to treat diseases.
60/554861 (US)	EXPRESSION MODULATING AGENTS-II □	Reed, Kenneth C.	US Provisional Filed 19 March 2004.
60/792008 (US)	DIFFERENTIAL EXPRESSION OF SHORT HAIRPIN RNA BY MUTAGENIZED OR HYBRID RNA POL III PROMOTERS □	Roelvink, Petrus W Suhy, David A	The present invention provides compositions and methods suitable for expressing y-x multiple-RNAi agents against an allele or alleles of interest in cells, tissues or organs of interest in vitro and in vivo so as to treat diseases.
11/244314 (US)	MODULATION OF HAIR GROWTH □	Reed, Kenneth C.	The present invention provides methods and compositions including RNAi agents for modulating the growth, development, or maintenance of hair or hair follicles in vertebrate animals.
	* CSIRO/BLT licence agreement □ Fully owned by BLT		

Benitec Limited
ABN 64 068 943 662

Directors
Mr Peter Francis
(Non-Executive Chairman)
Dr Michael Dalling
(Non-Executive Director)
Dr Ken Reed
(Non-Executive Director)
Ms Sue MacLeman
(Managing Director and
Chief Executive Officer)

Company Secretary
Mr John Rawling

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Rialto Towers
525 Collins Street
Melbourne Vic 3000

Auditors
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Level 8 Rialto South Tower
525 Collins Street
Melbourne Vic 3000

Bankers
Westpac Banking Corporation
Business Banking
Level 8
360 Collins Street
Melbourne Vic 3000

Share Registry
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452 Johnston Street
Abbotsford Vic 3067

Stock Exchange Listing
The Company is listed on the Australian
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