Genera Biosystems Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Genera Biosystems Limited
ABN:	69 098 663 837
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

The information in this report should be read in conjunction with the most recent annual financial report, being the report for the year ended 30 June 2014

2. Results for announcement to the market

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Revenues from ordinary activities	up	77.2%	to	146,846
Loss from ordinary activities after tax attributable to the owners of Genera Biosystems Limited	up	25.0%	to	(1,585,476)
Loss for the half-year attributable to the owners of Genera Biosystems Limited	up	25.0%	to	(1,585,476)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the company after providing for income tax amounted to $1,585,476 (31 December 2013: $1,268,272).

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security	(0.39)	(0.63)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half-year Financial Report.

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11. Attachments

Details of attachments (if any):

The Half-year Financial Report of Genera Biosystems Limited for the half-year ended 31 December 2014 is attached.

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12. Signed

Signed _____ Date: 27 February 2015

Lou Panaccio
Chairman

Genera Biosystems Limited

ABN 69 098 663 837

Half-year Financial Report - 31 December 2014

Genera Biosystems Limited
Corporate directory
31 December 2014

Directors	Mr Lou Panaccio (Chairman) Mr Richard Hannebery (Chief Executive Officer and Executive Director) Dr Karl Poetter (Executive Director) Mr David Symons (Non-executive Director) Mr Jim Kalokerinos (Non-executive Director)
Company secretary	Ms Melanie Leydin
Registered office	Small Technologies Cluster 1 Dalmore Drive, Scoresby Victoria, 3179 Ph 03 9763-1287 Fax 03 9763-2817
Share register	Computershare Investor Services Pty Limited PO Box 52 MELBOURNE VIC 8060 1300 309 739
Auditor	Grant Thornton Audit Pty Ltd Level 30, 525 Collins Street MELBOURNE VIC 3000
Solicitors	McCullough Robertson Level 11 Central Plaza Two 66 Eagle Street BRISBANE QLD 4000
Stock exchange listing	Genera Biosystems Limited shares are listed on the Australian Securities Exchange (ASX code: GBI)
Website	www.generabiosystems.com
Patent Attorneys	Davies Collison Cave 1 Nicholson Street MELBOURNE VIC 3000

Genera Biosystems Limited
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31 December 2014

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Genera Biosystems Limited
Directors' report
31 December 2014

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2014.

Directors
The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Lou Panaccio (Chairman)
Mr Richard Hannebery (Chief Executive Officer and Executive Director)
Dr Karl Poetter (Executive Director)
Mr David Symons (Non-Executive Director)
Mr Jim Kalokerinos (Non-Executive Director)

Principal activities
The Company's strategic focus is to utilise its platform DNA analysis technologies to exploit the lucrative molecular diagnostics market. Genera is developing a suite of competitive and differentiated molecular diagnostic testing products focussed on high-growth and strategically important areas.

Review of financial performance
The loss for the company after providing for income tax amounted to $1,585,476 (31 December 2013: $1,268,272).

The Company's loss for the half-year ended 31 December 2014 was greater than the previous corresponding period for the following reasons:

Revenue

Revenue for the current period from product sales and interest increased to $146,846 (2013: $82,849) predominately due to increased demand for RTI-plex RUO.

Expenses

Total expenses were $1,732,322 ($1,351,121 in 2013) predominately due to increased finance costs of $459,857 relating to options issued in lieu of loan interest and notional interest accrued on outstanding Series A convertible notes. These finance expenses were non-cash items and were largely written into equity upon conversion of the Series A convertible notes into fully paid ordinary shares.

Review of operations

Your Directors are pleased to provide this report on what was a busy and productive half-year for your Company. We first acknowledge the efforts of our staff. For a number of years your company has operated in a manner designed to minimize the level of cash burn prior to the generation of meaningful revenues. As a consequence we have been disciplined in our management of headcount and, in particular, have reduced the level of administrative support. All of our people, Directors included, have undertaken extra tasks and duties and it is appropriate to formally acknowledge this.

AmpaSand

The Directors' primary focus is to deliver value to our shareholders. Genera's AmpaSand Molecular Diagnostic ('MDx') platform continues to demonstrate its potential to be the basis of a large range of multiplexed tests used by commercial diagnostic laboratories globally.

Genera's AmpaSand Beads consist of uniform silica microspheres which have been coupled to a unique linker DNA sequence creating a flexible, easily handled, stable micro-scale platform. AmpaSand Beads can be multiplexed to at least a 150-plex - allowing testing of over 150 analytes in a single test - when using the Genera 4-dimensional multiplexing platform.

QSand

Our Company's nascent next generation QSand technology also has exciting potential in the point of care market. Based upon the concept of 'Whispering Gallery Modes' ('WGMs') - a new photonic principle involving discrete measurement of spectral shifts in light/wavelengths, QSand provides a unique method for analyte detection which leverages Genera's core intellectual property and knowhow in chemically modifying silica microspheres to produce custom Quantum dots.

Intellectual property

Genera's technology continues to be well protected with a number of key patents granted during the half-year. Our Company now holds approximately 60 granted patents across numerous patent families in major global jurisdictions with more than 55 patents pending and our portfolio having an average expiry date of 2025.

Our Company also retains and guards key trade secrets in the construction of our silica based AmpaSand microspheres utilised in our multiplexed MDx tests

Partnering strategy

A focus for the company over the past 4 years, alongside further improving the workflow of the AmpaSand based platform and broadening the test menu, has been advancing discussions with selected global IVD companies with appropriate instrumentation platforms that are well supported in-market. An appropriately structured relationship with one of these companies would best position the uptake of Genera's MDx test menu by pathology customers globally.

While Genera's AmpaSand based MDx platform is, to a large degree, instrument agnostic, it is clear to the Directors that the successful global commercialisation of Genera's AmpaSand technology is reliant on access to an instrumentation platform with operating characteristics and in-market technical support that meet the requirements of commercial pathology laboratories. The appropriate partner will have the necessary marketing, sales, customer and equipment support expertise to achieve rapid uptake of diagnostic tests based on Genera's technology.

It is important to remember that Genera is essentially a company with proprietary diagnostic test development expertise and capability holding a strong intellectual property position in the area of multiplexed MDx.

The MDx market had sales of US$5.3 billion in 2012 and grew at 13% per annum from 2009 to 2012 and within this market multiplexed MDx is a standout showing exceptional growth rates.

Beckman Coulter

During the half Genera was pleased to announce that it has entered into a Strategic Commercial Collaboration Agreement ('SCC') with Beckman Coulter Life Sciences. Beckman Coulter, itself a US$6.7 billion company at the time of its acquisition by Danaher Corporation (NYSE:DHR), is a global leader in flow cytometry based instrumentation systems that simplify, automate and innovate complex biomedical testing. The flow cytometer is the core instrument that Genera's AmpaSand based tests utilise.

Under the SCC, the two companies will work closely together with the initial objective of integrating the PapType HPV assay on a Beckman Coulter flow cytometry platform. The integration will include a seamless integration of Genera's proprietary QPlots analytical software on the Beckman Coulter proprietary firmware. Upon completion, Genera will move to complete a 6,000 patient HPV screening study working with the Wolfson Institute in London with the Beckman Coulter instrumentation. Also following successful integration of PapType, Genera will integrate its RTI-Plex and STI-Plex assays on the Beckman Coulter platform. In addition to these 3 high value MDx assays both companies have agreed to explore further menu expansion of the AmpaSand platform capable of operating on Beckman Coulter's instrumentation platform.

Genera had been in discussions with Beckman Coulter since 2013 with a view to integrating our AmpaSand based tests with their world-leading instrumentation systems. Beckman Coulter is an ideal partner for Genera with instrumentation capabilities that are second to none and we believe that the strategic and cultural fit between our respective groups is outstanding. Beckman Coulter also possess the necessary marketing, sales, customer and equipment support expertise to achieve rapid uptake of diagnostic tests based on Genera's technology.

Both Beckman Coulter and Genera have agreed a clear roadmap and work program over the next 4 to 5 months under the SCC which culminates in both parties, mid calendar year 2015, negotiating in good faith a formal partnering agreement to leverage AmpaSand based MDx test sales globally alongside chosen Beckman Coulter instrumentation solutions.

CEO Appointment

At the time of announcement of the SCC with Beckman Coulter the Company was also pleased to announce the appointment of Richard Hannebery to the position of CEO. Richard has had a long association with Genera Biosystems. He was a director of the company from 2005 to 2008, prior to the company's listing on ASX. During this time he held the role of Corporate Development Director and was responsible for the initial agreements struck with both Healthscope and Sonic Healthcare. In May 2013, Richard rejoined the Board to again assume this key role and help drive the execution of our commercialisation strategy.

Richard has a thorough understanding of the process involved in successfully negotiating commercial deals outside of R&D. It was clear to the Board that Genera required a dedicated CEO to further execute the Company's strategy to commercialise and monetise Genera's valuable AmpaSand technology. The board believes that Richard is best placed to lead the company at this time and we are delighted that he accepted our offer to take on the CEO role. Your Board looks forward to continue working with Richard and the rest of the highly capable Genera team over the next 4 to 6 months and beyond as further progress is made on a number of fronts to realize significant shareholder value.

Sales & Regulatory approval

During the half the company has continued to sell its PapType and RTI-plex tests, on an RUO (Research Use Only) basis. Sales during the period were $147k a record level. The company believes that there is material scope to increase sales moving from RUO to IVD approved KIT sales during 2015 particularly with the support of a well-credentialed global IVD company with premier instrumentation capabilities and global sales, marketing and distribution.

During the half Genera made its conformity assessment submission to the TGA for both PapType and RTI-plex to receive approval as diagnostic tests for use in the Australian market. Our Q-Plots analytical software which has been developed to be FDA compliant for Class III IVD medical devices has also been submitted to the TGA for approval. The TGA process is rigorous and includes clinical trials validating the performance of these tests together with the performance of instrumentation and analytical software.

Genera remains cautiously optimistic that it will be successful in receiving conformity assessment certificates from the TGA and subsequent listings on the ARTG for PapType, RTI-plex as well its Q-Plots analytical software within the next few months.

Following receipt of TGA approval, CE mark - allowing for approved commercial use in the 26 member states of the European market and certain parts of Asia – will be sought. Genera is confident that with recent changes made in 2014 streamlining the CE mark process for IVD's listed on the ARTG that CE mark can be obtained within a month of TGA approval.

With respect to the US market the Company plans to initially target this market under an internally validated ASR Laboratory Developed Test (LDT) regime prior to 510(k) regulatory approvals being sought with the FDA for relevant assays.

Genera has identified and held discussions with a number of prospective pathology customers in the North American market currently undertaking substantial volumes utilising competitors' MDx assays via the ASR/LDT regime. Should Genera be successful in putting in place an appropriately structured relationship with a significant global IVD company during 2015 targeting such prospective pathology customers will be a priority late in the second half of calendar 2015. A credible global IVD company is also expected to have a significantly broader reach and capability in identifying ASR/LDT opportunities than Genera's existing capability in this area.

Existing applicable and specific CPT reimbursement codes for RTI-plex and also via 'code stack' for STI-Plex provide substantial reimbursement opportunity for US pathology customers running Genera's MDx tests. Reimbursement rates range from US$235 for STI-plex up to US$568 for RTI-plex on a per test basis.

It is the Company's current intention to allow a global IVD partner to take the PapType HPV test through the US FDA regulator under the Pre-Market Approval ('PMA') process.

Manufacturing

Genera has a GMP certified manufacturing facility in Scoresby and is ISO 13485 accredited with a current manufacturing capacity of approximately 1m tests per annum. Upon completion of an appropriately structured relationship with a global IVD company the Board will explore addition of manufacturing facilities in the Northern hemisphere should market demand support such expansion.

PapType and HPV testing

It is important to note that the current generation of PapType based upon solid phase PCR confers material workflow benefits to customers versus the first generation of PapType approved by the TGA in early 2010. Further since 2010, the clinical utility of incorporation of simultaneous genotyping of certain high risk HPV types into a robust HPV testing assay has been well validated with the FDA and other regulatory agencies. Genera's PapType HPV assay appears uniquely positioned versus other commercially available high sensitivity assays.

In 2014 we saw a number of jurisdictions announce the intention to introduce HPV testing as the primary screening tool for cervical cancer (replacing the pap smear). To adequately address the primary screening market Genera intends to undertake additional robust clinical studies to aid the facilitation of a screening indication approval for PapType. Regulatory approval for PapType for a subsequent screening indication will position Genera extremely well to derive significant revenues from the use of this test in the HPV testing market.

The Australian HPV testing market alone is projected to grow to approximately 1.3m HPV tests per annum by 2016 with universal availability made via its proposed inclusion on the Medicare Benefits Schedule (MBS). Average reimbursement on the MBS is expected to be approximately $30.00 per test and with the proposed amendments to Australia's National Cervical Screening Program, the government will most likely undertake a broad education campaign for both clinicians and women about the benefits of HPV testing.

Pivotal Clinical Studies

Genera is cognisant of the attraction of launching PapType with a screening indication approval during 2016 when significant amendments to the National Cervical Screening Program are introduced effectively replacing the traditional pap smear with HPV testing. With this in mind in the next 10 days Genera intends to commence a pivotal 6,000 patient screening study with the Wolfson Institute (London) – the Predictors 3 study. As samples have already been archived it is currently expected that the Predictors 3 study will be able to be completed within approximately 60 days with data available to Genera on a confidential basis shortly thereafter. This data will be able to be shared under confidentiality with prospective global IVD partners to help assess the merits of PapType. The Company anticipates that the Predictors 3 clinical data will be subsequently published in a well-recognized peer reviewed journal later in 2015.

The main strength of the Predictors 3 study is a head- to-head comparison of seven commercially available HPV tests in a screening population, conducted by an independent global key opinion leader in cervical cancer screening, in which all women are evaluated by all tests on a like for like basis. No other such comparison exists in any other clinical study done to date. It is notable that, of the HPV tests evaluated in the Predictors 3 study only four deliver some form of simultaneous genotyping and PapType is the only test able to simultaneously genotype all 14 high risk HPV sub-types. During 2014 the value of simultaneous genotyping has been unequivocally validated by both the US FDA and also Australia's Medical Services Advisory Committee ('MSAC') and our Company remains dedicated to translating the clinical and commercial merits of PapType into commercial success.

The global market opportunity for HPV testing is expected to exceed US$2 billion per annum as HPV testing moves to replace the pap smear as the front line screening tool in the fight against cervical cancer in women. Genera's RTI-plex and STI-plex MDx assays are also targeting large markets, in aggregate, in excess of US$1 billion per annum. Ultimate market penetration of Genera's AmpaSand based MDx tests will largely be driven by a successful partnership with a large IVD company with significant global reach.

New assay development

During the half the development of our 3rd high value MDx test based upon the proprietary AmpaSand technology platform was progressed – STI-plex, a commercially attractive multiplexed assay for 5 key sexually transmitted infections. With a significant market opportunity identified for STI-plex the completion of this panel is a key focus for Genera. Subject to successful completion of the development of STI-plex during the 2015 calendar year, the company plans to target the US market under an internally validated ASR Laboratory Developed Test (LDT) regime prior to a 510(k) regulatory approval being sought with the FDA in late 2016. An ARTG listing and CE mark approval will be pursued for STI-plex prior to US 510(k) regulatory approval.

In the longer term, Genera intends to roll-out a menu of a dozen or more high value MDx tests upon its Ampasand technology platform. By the end of 2015 we aim to have an additional 3 tests added to the development pipeline, doubling the menu of available AmpaSand based MDx assays.

India and China markets

Genera has also identified a distribution partner for launch of its assays into the India and China markets and will progress these discussions in coming months with a view to concluding a direct customer non-exclusive distribution agreement during the current half.

Short term domestic market opportunity

Further with pending regulatory approval of RTI-plex Genera is also focused on expanding its reach of pathology customers domestically for the upcoming flu season to substantially grow RTI-plex revenues with approved IVD KIT status.

Capital raising

During the half the company raised $1.9m of capital from both existing and new shareholders and as previously flagged to the market, its intention is to raise a further $0.6m during the first quarter of 2015. Upon completion of these financings the Board has a high degree of confidence that the Company is very well positioned going forward and looks forward to providing further updates to shareholders over coming months as many strategically planned key milestones are delivered by our capable team.

Finally the Board would like to express thanks to its shareholders who have supported the Company in a financial capacity. Without such support Genera would not be in the position that it finds itself today – the strongest position of anytime in our Company's history. The Board and the entire Genera team remains focused on delivering an outstanding outcome in the commercialisation of Genera's valuable technology.

Significant changes in the state of affairs
During the half-year period the Company issued a total of 368,581 fully paid ordinary shares in consideration for Director's fees payable to October 2014, as approved at the Company's 2014 Annual General meeting of shareholders.

As at 31 December 2014 the Company raised $1.885 million (including $0.035m of capital raising fees settled via the issuance of Notes) through the issue of 18,850 Series B Convertible Notes at an issue price of A$100.00 per note ('Notes') with sophisticated and professional investors. It was also announced that the Company is intending on offering a 2nd investment tranche of Notes to selected investors on the same terms prior to 31 March 2015 to take the total issuance of Series B Convertible Notes to $2.5 million.

On 31 December 2014 the Company announced that it had issued 7,518,871 fully paid ordinary shares at an issue price of $0.115 (11.5 cents) per share for conversions of Series A Convertible Notes.

There were no other significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year
During January 2015 the Company received an R&D tax credit of $504,121 in relation to amounts claimed for expenditure during previous periods.

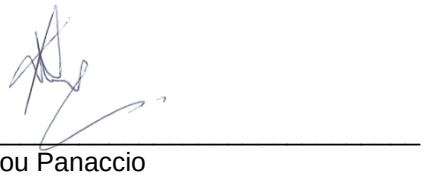
On 9 February 2015 the Company announced that it had issued a total of 2 million unlisted options exercisable at $0.27 (27 cents) per option on or before 31 December 2017. The options were granted as consideration for interest amounts repayable on shareholder loans received during the half-year period.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Lou Panaccio
Chairman

27 February 2015

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Auditor's Independence Declaration
To The Directors of Genera Biosystems Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Genera Biosystems Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B.A. Mackenzie
Partner - Audit & Assurance

Melbourne, 27 February 2015

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Genera Biosystems Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014

	Note	31 December 2014 $	31 December 2013 $
Revenue		146,846	82,849
Expenses			
Laboratory expenses		(123,237)	(91,762)
Corporate expenses		(90,309)	(87,662)
Employee benefits expense		(541,574)	(543,660)
Depreciation and amortisation expense		(297,041)	(353,516)
Professional fees		(39,536)	(1,953)
Rent expense		(45,815)	(113,169)
Other expenses		(134,953)	(75,677)
Finance costs	3	(459,857)	(83,722)
Loss before income tax expense		(1,585,476)	(1,268,272)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Genera Biosystems Limited		(1,585,476)	(1,268,272)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Genera Biosystems Limited		(1,585,476)	(1,268,272)
		Cents	**Cents**
Basic earnings per share		(1.76)	(1.50)
Diluted earnings per share		(1.76)	(1.50)

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

Genera Biosystems Limited
Statement of financial position
As at 31 December 2014

	Note	31 December 2014 $	30 June 2014 $
Assets			
Current assets			
Cash and cash equivalents		1,680,343	592,538
Trade and other receivables		207,071	101,069
Inventories		8,241	8,241
Other current assets		175,395	84,843
Total current assets		2,071,050	786,691
Non-current assets			
Plant and equipment		262,596	313,679
Development costs		1,739,536	1,870,510
Intangible assets		1,873,513	1,828,318
Deferred tax assets		392,933	392,933
Total non-current assets		4,268,578	4,405,440
Total assets		6,339,628	5,192,131
Liabilities			
Current liabilities			
Trade and other payables		402,988	297,968
Borrowings	5	2,095,206	1,216,749
Provisions		171,226	169,074
Total current liabilities		2,669,420	1,683,791
Non-current liabilities			
Deferred tax liabilities		392,933	392,933
Provisions		44,841	32,659
Total non-current liabilities		437,774	425,592
Total liabilities		3,107,194	2,109,383
Net assets		3,232,434	3,082,748
Equity			
Issued capital	4	25,668,043	24,158,260
Reserves		848,269	622,890
Accumulated losses		(23,283,878)	(21,698,402)
Total equity		3,232,434	3,082,748

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

Genera Biosystems Limited
Statement of changes in equity
For the half-year ended 31 December 2014

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2013	23,310,324	255,382	(19,321,036)	4,244,670
Loss after income tax expense for the half-year	-	-	(1,268,272)	(1,268,272)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,268,272)	(1,268,272)
Transactions with owners in their capacity as owners:				
Issue of ESOP options	-	10,000	-	10,000
Issue of ordinary shares	240,491	-	-	240,491
Transfer of expired options	-	(75,264)	75,264	-
Balance at 31 December 2013	23,550,815	190,118	(20,514,044)	3,226,889

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2014	24,158,260	622,890	(21,698,402)	3,082,748
Loss after income tax expense for the half-year	-	-	(1,585,476)	(1,585,476)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,585,476)	(1,585,476)
Transactions with owners in their capacity as owners:				
Issue of ordinary shares	1,311,217	-	-	1,311,217
Issue of Series B Convertible Notes (Equity component)	226,625	-	-	226,625
Capital raising expenses	(28,059)	-	-	(28,059)
Share based payments	-	225,379	-	225,379
Balance at 31 December 2014	25,668,043	848,269	(23,283,878)	3,232,434

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

Genera Biosystems Limited
Statement of cash flows
For the half-year ended 31 December 2014

	31 December 2014 $	31 December 2013 $
Cash flows from operating activities		
Receipts from customers	180,332	73,744
Payments to suppliers and employees	(825,400)	(794,734)
Net GST recovered from the ATO	-	(217)
Net cash used in operating activities	(645,068)	(721,207)
Cash flows from investing activities		
Payments for purchase of intangibles	(159,289)	(83,553)
Interest received	1,846	853
Net cash used in investing activities	(157,443)	(82,700)
Cash flows from financing activities		
Proceeds from issue of shares and options	-	129,253
Proceeds from issue of convertible notes	1,700,000	655,747
Payments for share and convertible note issue costs	(9,684)	(38,456)
Proceeds from shareholder loans	250,000	-
Repayment of shareholder loans	(50,000)	-
Net cash from financing activities	1,890,316	746,544
Net increase/(decrease) in cash and cash equivalents	1,087,805	(57,363)
Cash and cash equivalents at the beginning of the financial half-year	592,538	128,326
Cash and cash equivalents at the end of the financial half-year	1,680,343	70,963

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

Genera Biosystems Limited
Notes to the financial statements
31 December 2014

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. The same accounting policies and methods of computation are followed in the half-year financial report as compared with the Company's most recent annual financial report, for the financial year ended 30 June 2014.

New, revised or amending Accounting Standards and Interpretations adopted

There were no new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), that are mandatory for the current reporting period, that affect the financial position or performance of the company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business even though the Company has experienced operating losses of $1,585,476 during the half year ended 31 December 2014. Cash reserves were $1,680,343 at 31 December 2014.

The Directors are of the opinion that the existing cash reserves, further revenues and, if required, additional capital to be raised within the next 12 months will provide the Company with adequate funds to ensure its continued viability and operate as a going concern.

The Genera Board continues to believe that the opportunities for the Company are substantial. Specifically, the Board considers the Ampasand platform technology and associated product suite to have significant commercial potential with a robust intellectual property position encompassing a range of granted patents both in the US and other jurisdictions. The Board is committed to the process of crystallising value for shareholders through an appropriately structured commercialisation process that may in due course lead to a monetisation event.

The Board is confident, given current circumstances, that existing cash reserves will provide Genera adequate time to undertake the formal commercialisation process and also to raise further capital to enable the Company to conclude a significant commercial agreement or achieve a monetisation event.

The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities.

In light of the matters referred to above, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recognised in the financial report as at 31 December 2014. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Note 2. Operating segments

Management has determined, based on the reports reviewed by the chief operating decision maker, the CEO, that are used to make strategic decisions, that Genera Biosystems Limited operates in one business and geographical segment being the development and commercialisation of a portfolio of molecular diagnostic test technologies in Australia.

Note 3. Finance costs

	31 December 2014 $	31 December 2013 $
Finance costs		
Interest on shareholders loans	225,379	-
Interest on convertible notes	234,478	83,722
	459,857	83,722

Finance costs relate to options issued in lieu of loan interest and notional interest accrued on Series A convertible notes outstanding during the period. These finance expenses were non-cash items and were largely written into equity upon conversion of the Series A convertible notes into fully paid ordinary shares. For the purpose of valuing the options issued in lieu of loan interest a volatility of 80% was applied.

Note 4. Issued capital

	31 December 2014 Shares	30 June 2014 Shares	31 December 2014 $	30 June 2014 $
Ordinary shares - fully paid	97,944,353	90,056,902	25,668,043	24,158,260

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2014	90,056,902		24,158,260
Shares issued to Directors in lieu of Directors fees - June 2014	15 July 2014	86,032	$0.30	25,534
Shares issued to Directors in lieu of Directors fees - July 2014	14 August 2014	84,198	$0.30	25,534
Shares issued to Directors in lieu of Directors fees - August 2014	15 September 2014	63,492	$0.28	18,000
Shares issued to Directors in lieu of Directors fees - September 2014	10 October 2014	66,128	$0.27	18,000
Shares issued to Directors in lieu of Directors fees - October 2014	11 November 2014	68,730	$0.26	18,000
Series A Convertible Notes converted to shares	31 December 2014	7,518,871	$0.11	1,206,149
Equity component of Series B Convertible Notes		-		226,625
Capital raising costs		-		(28,059)
Balance	31 December 2014	97,944,353		25,668,043

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 4. Issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 5. Borrowings

		31 December 2014 $	30 June 2014 $
Series A Convertible Notes	(a)	236,831	1,216,749
Series B Convertible Notes	(b)	1,658,375	-
Shareholder loans	(c)	200,000	-
		2,095,206	1,216,749

(a) Series A Convertible Notes

During the previous financial year the Company raised $1.0 million through the issue of 10,000 Series A unlisted convertible notes with a face value of $100 per note. The notes have a maturity date of 30 June 2015, and accrue interest at a rate of 40% per annum in the event of redemption.

During the period, the company converted 8,646 convertible notes to 7,518,871 ordinary shares at a conversion price of $0.115 per share.

To comply with Accounting standards the notional interest payable in the event of redemption has been expensed during the period and these amounts have been written back to equity upon conversion of the convertible notes into ordinary shares. No cash interest has been paid by the company to note holders.

(b) Series B Convertible Notes

As at 31 December 2014 the Company raised $1.885 million (including $0.035m of capital raising fees settled via the issuance of Notes) through the issue of 18,850 Series B Convertible Notes at an issue price of A$100.00 per note ('Notes') with sophisticated and professional investors. The notes have a maturity date of 30 December 2016, and accrue interest at a rate of 30% per annum in the event of redemption. They can be early converted to shares at the election of the note holder, no earlier than 1 May 2015, at a conversion price of $0.25 per share prior to 31 July 2015 and $0.23 after 31 July 2015.

These notes have a mixture of debt and equity features and as such a component of this funding has been recognised in Issued Capital (refer Note 4).

The classification as being a current liability relates to note holders having the right to convert to fully paid ordinary shares after 1 May 2015. The notes are not redeemable by note holders until 31 December 2016 unless the Company is in receipt of no less than $7.5 million of cash proceeds resulting from a licensing transaction.

(c) Shareholder loans

During the half year, the Company borrowed $250,000 from shareholders in November 2014 for short term funding. The Company granted 2 million options at an exercise price of $0.27, expiring at 31 December 2017. These options have been fair valued at $0.13 cents per option and recognised in the profit or loss as finance costs using the effective interest rate method. In valuing the options a volatility of 80% has been applied.

At 31 December 2014, $50,000 was repaid via a subscription to the Series B Convertible Notes. The funding was repaid on 6 January 2015 once the proceeds of the Series B Convertible Notes were receipted.

Note 6. Contingent liabilities

For the period 30 June 2011 to 15 August 2013, certain directors of the Company agreed to forgo part of their fees until such time as the Company achieves a “monetisation event”, being a commercial agreement with a third party that delivers material revenue to Company, including, but not limited to, a licensing or sales agreement relating to the Company’s products. The total amount of directors’ fees forgone as at 31 December 2014 was $437,500 (2013: $437,500). This amount has not been provided for in the Company’s accounts as at 31 December 2014 as it will become payable only in the event that a monetisation event occurs.

Note 7. Events after the reporting period

During January 2015 the Company received an R&D tax credit of $504,121 in relation to amounts claimed for expenditure during previous periods.

On 9 February 2015 the Company announced that it had issued a total of 2 million unlisted options exercisable at $0.27 (27 cents) per option on or before 31 December 2017. The options were granted as consideration for interest amounts repayable on shareholder loans received during the half-year period.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Genera Biosystems Limited
Directors' declaration
31 December 2014

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mr Lou Panaccio
Chairman

27 February 2015

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Independent Auditor's Review Report
To the Members of Genera Biosystems Limited

We have reviewed the accompanying half-year financial report of Genera Biosystems Limited ("Company"), which comprises the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Genera Biosystems Limited financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Genera Biosystems Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Genera Biosystems Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

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

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that consolidated entity incurred a net loss of $1,585,476 for the half-year ended 31 December 2014 and, as of that date, the consolidated entity and cash outflows from operating and investing activities equates to $802,511. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 27 February 2015