Neuren Pharmaceuticals Limited

Appendix 4D Half-Year Financial Report

30 June 2011

Name of entity

Neuren Pharmaceuticals Limited

ARBN

111 496 130

Half-year ended

30 June 2011

1. Neuren Pharmaceuticals Limited ("Neuren" or the "Company") presents this financial report, including the interim financial statements, for the six months ended 30 June 2011.

   The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, International Accounting Standard 34 and NZ IAS 34 *Interim Financial Reporting*.

   The Interim Report should be read in conjunction with the Company's Annual Report for the year ended 31 December 2010.

   All amounts shown are in New Zealand dollars unless otherwise stated.

2. Results for announcement to the market

	30 June 2011 NZ$'000	30 June 2010 NZ$'000	% Change
2.1 Operating revenue	2,799	3,476	(19.5)%
2.2 Loss after tax from ordinary activities	(1,430)	(3,637)	60.7%
2.3 Net loss from ordinary activities	(1,430)	(3,637)	60.7%
2.4 Dividends and franked amount per security	nil	nil	n/a
2.5 Dividend record date	n/a	n/a	n/a

2.6 Explanation of results:

The financial results presented in this report are consistent with the Company's expectations for the period, with closing cash at 30 June 2011 of $3,821,000. Grant income was higher in 2010 than 2011 as a result of grant funding from the US Army for direct costs associated with the start up of the NNZ-2566 Phase II trial in the first half of 2010 compared with the relatively lower ongoing patient recruitment and site management costs incurred this year. For this reason research and development costs were also lower at $2,972,000 in 2011 compared to $4,936,000 in the comparative period. A more detailed discussion of the activities undertaken in the period is set out in the Chief Executive's Report contained in the attached Interim Report to shareholders.

+ See chapter 19 for defined terms.

3. Net Tangible Assets per Security

	Current period	Comparative period
Net tangible assets per share	NZ$ 0.003	NZ$ 0.004

4. Entities over which control has been gained or lost during the period:

Not applicable.

5. Details of dividends

Not applicable.

6. Details of dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

None.

8. Accounting standards

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, International Accounting Standard 34 and NZ IAS 34 *Interim Financial Reporting*.

9. Audit dispute or qualification

The interim financial statements have been subject to independent review by the Company's auditors. The unqualified review report is included in the attached Interim Report.

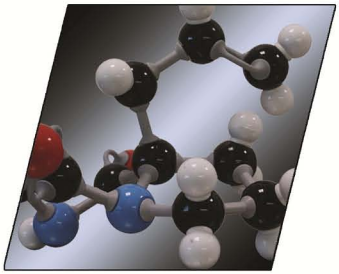
[+] See chapter 19 for defined terms.

2011

INTERIM REPORT

Neuren Pharmaceuticals Limited

ARBN 111 496 130



neuren

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Directors' Report

The Directors submit the financial report of Neuren Pharmaceuticals Limited for the six months ended 30 June 2011.

Directors' details
The names of Directors who held office during or since the end of the half-year are:

Dr Robin Congreve (Chairman)
Dr John Holaday
Dr Graeme Howie
Dr Trevor Scott
Dr Douglas Wilson

Review of Operations
During the period the Phase II trials in NNZ-2566 and Motiva® continued. The Motiva® trial is being undertaken through the University of Western Australia at essentially no cost to the Company. Research and development costs, which relate primarily to the NNZ-2566 Phase II trial, decreased from the comparative period due to the relatively lower ongoing patient recruitment and site management costs incurred this year compared to the higher start up costs incurred in the first half of 2010 ahead of the commencement of the trial. As a result, grant revenue from the US Army related to the reimbursement of direct trial costs of that trial was lower in the 2011 period compared to 2010. The consolidated net loss for the period was NZ$1.5 million, and at 30 June 2011 net assets were NZ$6.6 million with NZ$3.8 million cash. A more detailed discussion of the activities undertaken in the period is set out in the Chief Executive's Report.

Corporations Act, Australia - Directors' declaration
The Directors of Neuren Pharmaceuticals Limited ("Neuren") declare that:

1. The accompanying financial statements of Neuren and its subsidiaries for the six months ended 30 June 2011 and the notes to those financial statements:
    a. comply with the accounting standards issued by the New Zealand Accounting Standards Review Board; and
    b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the six months ended on that date of Neuren and its subsidiaries.
2. In the Directors' opinion there are reasonable grounds to believe that Neuren will be able to pay its debts as and when they become due and payable.

This report is signed and declaration made in accordance with a resolution of the Board of Directors dated 29 August 2011.

On behalf of the Board

Dr Robin Congreve
Chairman

Chief Executive's Report

Dear Shareholders

The first half of 2011 was truly a transformational period for the Company. Key accomplishments included:

- Laying the groundwork for a successful round of financing via private placements and a rights issue
- Completion of Cohort 1 of the NNZ-2566 Phase II trial
- Positive safety review by the Data Safety and Monitoring Committee (DSMC) followed by initiation of Cohort 2 of the NNZ-2566 Phase II trial
- Submission to and approval by the FDA of an IND for Exception from Informed Consent to accelerate enrolment in the NNZ-2566 Phase II trial
- Identification and validation of the lead oral formulation for NNZ-2566
- Initiation of pharmacokinetic (PK) studies and the bridging toxicology study for oral administration of NNZ-2566
- Commencement of development for NNZ-2566 in Rett Syndrome
- Selection of lead, fully human monoclonal antibodies targeting cancers associated with Trefoil Factor-1 (TFF-1) by Neuren's subsidiary Perseis Therapeutics

NNZ-2566 Development Program

As discussed in the annual report, patient enrolment into the first cohort was slower than anticipated. As a result, we made several changes to the protocol that include expanding the age range and enrolling female patients. We also filed a new application for Investigational New Drug (IND) with the US Food and Drug Administration (FDA) to enable recruitment under Exception from Informed Consent for Emergency Research (EFIC) and transferred site management responsibility to a different contract research organisation (CRO). The protocol amendments for the wider age range and inclusion of female patients have now been approved and are in the process of being implemented at the same time that additional sites are being activated. Changes to site management are beginning to show an effect even in advance of implementation of the protocol amendments. Since Cohort 2 was initiated, we have enrolled 14 patients, almost half of the cohort. We remain confident that, in combination, changes to the protocol and approach to site management in conjunction with addition of new sites will continue to drive up the rate of enrolment. The EFIC IND has now been approved by the FDA. The Company is continuing to discuss some details of the new protocol with the FDA but, in the interim, has moved forward to implement the EFIC process. Project staff have conducted site visits with the participating clinical centres and are working with site staff to prepare the community consultation and public disclosure plans and Institution Review Board (IRB) applications required under EFIC regulations.

Following completion of Cohort 2 later this year, the DSMC will again review safety data before recommending progression to the next higher dosing regime. Cohort 3 will enroll 200 patients receiving the highest dose in the trial comprising a 20 mg/kg bolus dose followed by 6 mg/kg/hr for 72 hours. To date, there have been no drug-related Serious Adverse Events (SAEs) in Cohort 2. As the NNZ-2566 Phase II trial is a placebo-controlled and double-blinded study, results will not be known until the trial's end.

The US Army continues to be extremely supportive of the NNZ-2566 platform through funding of the Phase II TBI trial noted above and also through additional funding provided for the NNZ-2566 oral development program. Neuren has previously announced selection of an aqueous solution for oral formulation of NNZ-2566. Pharmacokinetic studies have confirmed the suitability of the selected formulation and we have now implemented the bridging toxicology study to enable filing of the IND. That study is progressing well and we are on track to file the IND in early 2012. A Phase I study in healthy volunteers will be conducted by Nucleus Network in Melbourne to assess safety and PK after

which a Phase II trial in patients with mild traumatic brain injury will be initiated. Mild TBI (mTBI) or concussion represents the largest proportion of patients with TBI. In the US alone, approximately 700,000 people per year experience mTBI and are treated and released from the emergency department while another 500,000 sustain a mTBI but are not seen in a hospital. Approximately 70% of TBI experienced by military personnel is classified as mild. We believe that NNZ-2566 is the only drug in development for all categories of TBI severity. Neuren has obtained a proposal for the Phase II trial from the University of Pittsburgh Medical Center Sports Medicine Concussion Program, one of the world's leading centres focused on clinical research in mTBI. We are expecting to initiate the trial in Q2 2012.

Preclinical research and the Phase I studies with NNZ-2566 that have largely been supported by the US Army enable Neuren to pursue potential use of NNZ-2566 in conditions unrelated to TBI by leveraging the investment in TBI . From among the possible conditions for which NNZ-2566 may be effective, the Company has identified Rett Syndrome as the next indication to pursue. Rett Syndrome is a very severe and the most physically disabling form of the autism spectrum disorders. There is no approved drug for Rett Syndrome which occurs in approximately 1 of 10,000 female children worldwide. Rett Syndrome is caused by a mutation in a gene designated MeCP2 and different mutations in that gene also are believed to be associated with other autism spectrum and related developmental disorders. Preliminary results with NNZ-2566 in a model of Rett Syndrome were promising and, with the NNZ-2566 oral program well underway, we have begun work with a group of leading experts in neurodevelopmental disorders to develop a Phase IIa protocol to establish proof of principle in Rett Syndrome patients. We expect to file an IND for the Rett Syndrome study in the second half of 2012 and to initiate the clinical trial in Q4 2012.

Motiva®

In March 2010, we announced that a Phase 2 trial of Motiva® in 122 patients with post-stroke apathy had been funded by a grant to Prof. Sergio Starkstein, MD, PhD, Winthrop Professor and Head of the Neuropsychiatry Unit at Fremantle Hospital, Perth. The grant was awarded by the National Health and Medical Research Council (Australia) and covers virtually all costs associated with the study. The study has been initiated and patients are being actively recruited and enrolled at the Fremantle and Royal Perth Hospitals. If this study confirms the robust effect of Motiva® on post-stroke apathy, the Company believes that it will have an opportunity to enter into a beneficial commercial partnership to complete the pivotal trials necessary for registration of the drug for that indication. With funds from the recently completed financing, we plan to initiate a parallel study in patients diagnosed with apathy with or without depression. Clinical sites and investigators have already been identified in Australia. Prof. Starkstein will manage this trial as well as the ongoing study. Sufficient supplies of the drug are on hand to complete the additional trial. This proposed study will help us to better understand the effect of Motiva® on apathy in post-stroke patients regardless of whether they also exhibit co-morbid depression. This information will be extremely helpful in defining patient selection criteria and selecting clinical endpoints for a pivotal Phase 3 trial.

Cancer Research Programs

The Trefoil Factor (TFF) program targeting breast and other cancers was assigned to Perseis Therapeutics, a Neuren subsidiary jointly established with the New Zealand Breast Cancer Research Trust (BCRT) in 2009. Trefoil Factors are estrogen-regulated proteins secreted by cancer cells that act as growth factors in a number of cancers, promoting growth and spread of tumours. TFF-1 is expressed in up to 68% of breast cancers and its expression is negatively associated with survival in patients with metastatic disease. TFF-3 is strongly associated with tamoxifen resistance and inhibition of TFF-3 has been shown to be effective in treating tamoxifen resistant breast cancer cells in culture. With initial funding of NZ$1.18 million from the BCRT and a NZ$250,000 grant, Perseis initiated a program to develop and test monoclonal antibodies against a range of cancers. From among a large number of monoclonal antibodies generated at three separate institutions in Australia, Singapore and China as well as screening against a phage display library of fully human antibody fragments, Perseis has now selected three fully human monoclonal antibodies that will be evaluated in animal models of cancer to validate the proof of concept of targeting TFFs as a cancer therapy. Production of sufficient quantities of the antibodies for the in vivo studies is underway with results from the studies expected around the end of the year.

Chief Executive's Report

Financial Position

Taking into account previously announced share placements, the financial results and position presented in this report are consistent with the Company's expectations for the period, with closing cash at 30 June 2011 of $3,821,000. Grant income was higher in 2010 than 2011 as a result of grant funding from the US Army for direct costs associated with the start up of the NNZ-2566 Phase II trial in the first half of 2010 compared with the relatively lower ongoing patient recruitment and site management costs incurred this year. For this reason research and development costs were also lower compared to the comparative period.

Neuren is pleased to welcome interests associated with Lang Walker and Australian Ethical Investments to the share register. These significant investors are valuable cornerstone shareholders, bringing a strategic, long-term view of biotech investing. With the recently completed post balance date placements and rights issue, Neuren now has NZ$10.8 million in cash and no debt. The Company believes that this will be sufficient to cover operating expenses and approved R&D programs through the end of 2013.

Mr Larry Glass
Chief Executive Officer

Interim Statement of Comprehensive Income (Unaudited)

for the six months ended 30 June 2011

Group	Six months Jun 2011 NZ$'000	Six months Jun 2010 NZ$'000
Revenue - interest income	22	31
Other income - grants	2,777	3,445
Total revenue and other income	2,799	3,476
Depreciation and amortisation expense	(237)	(274)
Loss on disposal of intangible asset	-	(225)
Research and development costs	(2,972)	(4,936)
Patent costs	(77)	(229)
Corporate and administrative costs	(765)	(618)
Finance costs	(8)	(2)
Share option compensation expense	(177)	(923)
Foreign exchange gain (loss)	(63)	18
Loss before income tax	(1,500)	(3,713)
Income tax expense	-	-
Loss after income tax for the period	$ (1,500)	$ (3,713)
Other comprehensive income (expense), net of tax		
Exchange differences on translation of foreign operations	(303)	266
Total comprehensive loss for the period	$ (1,803)	$ (3,447)
Loss after tax attributable to:		
Equity holders of the company	(1,430)	(3,637)
Minority interest	(70)	(76)
	$ (1,500)	$ (3,713)
Total comprehensive loss attributable to:		
Equity holders of the company	(1,733)	(3,371)
Minority interest	(70)	(76)
	$ (1,803)	$ (3,447)
Basic and diluted loss per share	0.3 cents	1.0 cents

The accompanying notes form part of this financial report.

Interim Statement of Financial Position (Unaudited)

as at 30 June 2011

Group	As at Jun 2011 NZ$'000	As at Dec 2010 NZ$'000	As at Jun 2010 NZ$'000
ASSETS			
Current Assets:			
Cash and cash equivalents	3,821	1,956	3,559
Trade and other receivables	183	430	655
Total current assets	4,004	2,386	4,214
Non-current assets:			
Property, plant and equipment	12	23	38
Intangible assets	4,620	5,121	5,864
Total non-current assets	4,632	5,144	5,902
TOTAL ASSETS	$ 8,636	$ 7,530	$ 10,116
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	1,983	2,257	2,131
Convertible note – short term	-	598	121
Equipment finance – short term	-	-	2
Lease incentive – short term	12	12	12
Total current liabilities	1,995	2,867	2,266
Non-current liabilities:			
Convertible note – long term	-	-	486
Lease incentive – long term	3	9	16
Total liabilities	1,998	2,876	2,768
EQUITY			
Share capital	71,639	68,858	68,872
Other reserves	6,576	5,986	5,806
Accumulated deficit	(71,567)	(70,137)	(67,329)
Total equity attributable to equity holders	6,648	4,707	7,349
Minority interest in equity	(10)	(53)	(1)
Total equity	6,638	4,654	7,348
TOTAL LIABILITIES AND EQUITY	$ 8,636	$ 7,530	$ 10,116

The accompanying notes form part of this financial report.

Interim Statement of Changes in Equity (Unaudited)

for the six months ended 30 June 2011

	Attributable to Equity Holders						
Group	**Share Capital NZ$'000**	**Share Option Reserve NZ$'000**	**Currency Translation Reserve NZ$'000**	**Accumulated Deficit NZ$'000**	**Total NZ$'000**	**Minority Interest NZ$'000**	**Total Equity NZ$'000**
Equity as at 1 January 2010	$ 69,344	$ 3,351	$ 250	$ (63,692)	$ 9,253	$ (175)	$ 9,078
Minority interest issued in subsidiary					-	250	250
Shares issued on conversion of notes	997				997		997
Share issue costs expensed	(453)				(453)		(453)
Share option grants for services	(1,016)	1,939			923		923
Total comprehensive loss for the period			266	(3,637)	(3,371)	(76)	(3,447)
Equity as at 30 June 2010	$ 68,872	$ 5,290	$ 516	$ (67,329)	$ 7,349	$ (1)	$ 7,348
Shares issued on conversion of notes	762				762		762
Share issue costs expensed	(13)				(13)		(13)
Share option grants for services	(763)	763			-		-
Total comprehensive loss for the period			(583)	(2,808)	(3,391)	(52)	(3,443)
Equity as at 31 December 2010	$ 68,858	$ 6,053	$ (67)	$ (70,137)	$ 4,707	$ (53)	$ 4,654
Minority interest issued in subsidiary					-	113	113
Shares issued on conversion of notes	928				928		928
Shares issued in private placements	2,624				2,624		2,624
Share issue costs expensed	(55)				(55)		(55)
Share option grants for services	(716)	893			177		177
Total comprehensive loss for the period			(303)	(1,430)	(1,733)	(70)	(1,803)
Equity as at 30 June 2011	$ 71,639	$ 6,946	$ (370)	$ (71,567)	$ 6,648	$ (10)	$ 6,638

The accompanying notes form part of this financial report.

Interim Statement of Cash Flows (unaudited)

for the six months ended 30 June 2011

Group	Six months Jun 2011 NZ$'000	Six months Jun 2010 NZ$'000
Cash flows from operating activities:		
Receipts from grants	2,777	3,734
Interest received	22	31
GST refunded	27	102
Payments to employees	(879)	(676)
Interest paid	-	(2)
Payments to other suppliers	(2,945)	(4,834)
Net cash used in operating activities	(998)	(1,645)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2)	(4)
Proceeds from the sale of plant and equipment	-	-
Net cash used in investing activities	(2)	(4)
Cash flows from financing activities:		
Proceeds from the issue of shares	2,624	-
Proceeds from the issue of convertible notes	316	1,127
Proceeds from minority interest	113	250
Payments for share issue expenses	(46)	(465)
Repayment of borrowings	-	(10)
Net cash from (used in) financing activities	3,007	902
Net increase (decrease) in cash held	2,007	(747)
Effect of exchange rate changes on cash balances	(142)	74
Cash at the beginning of the period	1,956	4,232
Cash at the end of the period	$ 3,821	$ 3,559
Reconciliation with loss after income tax:		
Loss after income tax	$ (1,500)	$ (3,713)
Non-cash items requiring adjustment:		
Depreciation and amortisation	237	274
Loss on disposal of intangible asset	-	225
Share option compensation expense	177	923
Lease incentive amortisation	(6)	(6)
Foreign exchange (gain) loss	63	(18)
Movements in working capital	31	670
Net cash used in operating activities	$ (998)	$ (1,645)

The accompanying notes form part of this financial report.

Notes to the Interim Financial Statements (Unaudited)

for the six months ended 30 June 2011

1. Nature of business

Neuren Pharmaceuticals Limited (Neuren or the Company, and its subsidiaries, or the Group) is a publicly listed biopharmaceutical company focusing on the development of drugs for neurological disorders, metabolism and cancer. The drugs target acute indications of brain injury such as cognitive impairment resulting from cardiac surgery and traumatic brain injury, psychiatric symptoms of stroke, as well as chronic conditions such as Parkinson's and Alzheimer's diseases.

Neuren has three lead candidates; Motiva® and NNZ-2566 presently in clinical development to treat a range of acute and chronic neurological conditions, and NNZ-2591 in preclinical development for Parkinson's disease dementia and other chronic neurodegenerative conditions. The Group has operations in New Zealand and the United States.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office in New Zealand is level 2, 57 Wellington Street, Auckland, and in Australia Level 13, 122 Arthur Street, North Sydney. Neuren has its primary listing on the Australian Securities Exchange (ASX code: NEU).

These consolidated interim financial statements have been approved for issue by the Board of Directors on 29 August 2011.

2. Summary of significant accounting policies

These general-purpose interim financial statements are for the six months ended 30 June 2011 and have been prepared in accordance with and comply with generally accepted accounting practice in New Zealand, International Accounting Standard 34 and NZ IAS 34 *Interim Financial Reporting*.

The accounting policies that materially affect the measurement of the Statement of Comprehensive Income, Statement of Financial Position and the Statement of Cash Flows have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 December 2010 and the unaudited financial statements for the six months ended 30 June 2010.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 31 December 2010.

Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with the comparative interim period and the annual financial statements.

3. Loss before income tax

The loss before income tax includes:

Group	Jun 2011 NZ$'000	Jun 2010 NZ$'000
Depreciation	(13)	(18)
Amortisation of intangible assets		
- Intellectual property	(224)	(256)
Employee benefits expense		
- Salaries and wages	(832)	(670)
- Share option compensation	-	(923)

4. Share capital

During the period to 30 June 2011, convertible notes amounting to A$521,400 were converted to 39,273,507 ordinary shares and 39,273,507 options in the Company. The option exercise prices range from A$0.0154 – A$0.0163 with terms of four years. 10,000,000 options with an exercise price of A$0.0154 per option and a term of 3 years were also issued for future broker services. In addition, in conjunction with the termination of the convertible loan facility, proceeds due to the Company of A$184,600 on subscription of previously issued collateral shares were set-off against amounts due by the Company on outstanding convertible notes.

During the period to 30 June 2010, 31,471,976 shares and options were issued on conversion of convertible notes amounting to A$800,000. The option exercise prices range from A$0.0224 – A$0.0337 with terms of four years. In addition, 26 million options with an exercise price of A$0.03 and a term of five years were issued to employees under the Company's Share Option Plan. 1,320,000 share options previously granted under the Share Option Plan also expired unexercised in the 2010 period.

5. Commitments and contingencies

(a) Cash and cash equivalents

Total cash and cash equivalents as at 30 June 2011 includes $1.5 million received under grant and funding arrangements which require this amount to be spent on future specific research and development programs.

(b) Operating leases

The current premises commitment is for a four years and four months lease, with two five year rights of renewal and three yearly rental reviews.

Group	Jun 2011 NZ$'000	Dec 2010 NZ$'000	Jun 2010 NZ$'000
Non-cancellable operating lease commitments			
Not later than one year	148	148	148
Later than one year and not later than five years	37	111	185
Later than five years	-	-	-
	$ 185	$ 259	$ 333

(c) Legal claims

The Company has not entered into any collaborative arrangements and has no other significant legal or other contingencies as at 30 June 2010 and 2011, or 31 December 2010.

(d) Capital commitments

The Company is not committed to the purchase of any property, plant or equipment as at 30 June 2011 (30 June 2010 and 31 December 2010: nil).

Notes to the Interim Financial Statements (Unaudited)

for the six months ended 30 June 2011

6. Segment information

(a) Description of segments

The chief operating decision maker has been identified as the CEO, who reviews the business largely on a geographic basis and assess results from New Zealand and the USA separately. The information reviewed is prepared in the same format as included in the financial statements.

(b) Geographic segments

Group	2011 New Zealand NZ$'000	2011 United States NZ$'000	2011 Consolidation Adjustments NZ$'000	2011 Total Group NZ$'000
Segment revenue	78	2,721	-	2,799
Segment result	(1,729)	299	-	(1,430)
Segment assets	7,903	5,671	(4,938)	8,636
Segment liabilities	1,495	1,166	(663)	1,998
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	2	-	-	2
Depreciation and amortisation expense	51	186	-	237

Group	2010 New Zealand NZ$'000	2010 United States NZ$'000	2010 Consolidation Adjustments NZ$'000	2010 Total Group NZ$'000
Segment revenue	44	3,432	-	3,476
Segment result	(2,507)	(1,130)	-	(3,637)
Segment assets	7,415	7,701	(5,000)	10,116
Segment liabilities	2,400	1,167	(799)	2,768
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	4	-	-	4
Depreciation and amortisation expense	67	207	-	274

7. Events after balance date

Subsequent to 30 June 2011, the Company completed a pro rata rights issue offer and private placements and allotted 523,727,622 ordinary shares for NZ$8.5 million.

Independent Accountants' Report
to the shareholders of Neuren Pharmaceuticals Limited

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("financial statements") of Neuren Pharmaceuticals Limited on pages 4 to 10, which comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Company as at 30 June 2011, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Company for the period ended 30 June 2011 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

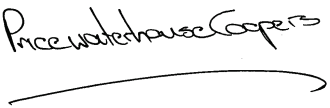
Other than in our capacity as accountants conducting this review we have no relationship with, or interests in, Neuren Pharmaceuticals Limited.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Company as at 30 June 2011 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the opinions we have formed.



Chartered Accountants
Auckland
29 August 2011

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Stock Exchange Listing
ASX Limited
ASX Code: NEU

INTERIM REPORT 2011

neuren
pharmaceuticals

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