

31 October 2016

The Company Announcements Office
ASX Limited

Neuren Pharmaceuticals (ASX: NEU) Appendix 4C – Quarterly Report

The attached Appendix 4C report for the quarter ended 30 September 2016 shows that Neuren had cash and cash equivalents of \$6.7 million at 30 September, compared with \$8.1 million at 30 June. Cash inflows for the quarter included grant income of \$1.1 million from rettsyndrome.org and R&D Tax Incentive of \$0.9 million.

As reported on 28 October 2016, since 30 September Neuren has received cash funds of \$929,500 from the exercise of share options. This cash inflow will be reported in Neuren's Appendix 4C report for the quarter ended 31 December 2016.

Neuren expects that its cash outflow on research and development in the quarter ended 31 March 2017 will be significantly reduced compared with the quarters ended 30 September and 31 December 2016.

Neuren expects to receive top-line results from its Phase 2 trial in pediatric Rett syndrome in the first quarter of 2017. Whilst Neuren currently estimates that it has sufficient cash reserves to fund the business through those top-line results, as previously reported, the Neuren board wishes to increase the Company's funding flexibility during this important period.

Neuren has sought an exemption under the New Zealand Takeovers Code to enable issues of shares that would increase the interests of Neuren's largest shareholder, Mr Lang Walker, above 20%. That regulatory process is nearing completion, following which the board intends to seek shareholder approval to enable the issue of a limited number of additional shares to interests of Mr Walker, if it is considered by the board to be both necessary and in the best interests of all shareholders. Full details of the proposal for approval will be contained in a forthcoming notice of meeting.

Yours sincerely



Jon Pilcher
CFO & Company Secretary
Neuren Pharmaceuticals

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Neuren Pharmaceuticals Limited

ABN

72 111 496 130

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(2,603)	(9,822)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(490)	(1,525)
(f) administration and corporate costs	(198)	(546)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	44	194
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	863	863
1.8 Other (receipts from grants)	1,144	1,306
1.9 Net cash from / (used in) operating activities	(1,240)	(9,530)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(10)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(10)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	8,132	16,642
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,240)	(9,530)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(10)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(186)	(396)
4.6	Cash and cash equivalents at end of quarter	6,706	6,706

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,334	3,000
5.2	Call deposits	2,372	5,132
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,706	8,132

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
201
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(3,759)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(405)
9.6 Administration and corporate costs	(286)
9.7 Other (Cash inflow from exercise of expiring share options)	930
9.8 Total estimated cash outflows	(3,520)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .. Date:31 October 2016.....
(Company secretary)

Print name: Jon Pilcher.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.