Neuren Pharmaceuticals Limited

Appendix 4D Half-Year Financial Report

30 June 2013

Name of entity

Neuren Pharmaceuticals Limited

ARBN

111 496 130

Half-year ended

30 June 2013

1. Neuren Pharmaceuticals Limited ("Neuren" or the "Company") presents this financial report, including the interim financial statements, for the six months ended 30 June 2013.

   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 2012.

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

2. Results for announcement to the market

	30 June 2013 NZ$'000	30 June 2012 NZ$'000	% Change
2.1 Operating revenue	3,421	2,820	21.3%
2.2 Loss after tax from ordinary activities	(3,746)	(2,990)	(25.3)%
2.3 Net loss from ordinary activities	(3,746)	(2,990)	(25.3)%
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 consolidated net loss attributable to equity holders for the period was $3.7 million compared with $3.0 million in the previous year, the increase largely due an increase in research and development costs and a one-off restructuring provision of $229,000, offset by an increase in grant revenue. With the commencement of the NNZ-2566 Phase 2 study in Rett Syndrome in the current period, and additional product manufacturing for the NNZ-2566 Intrepid study compared to the 2012 period, research and development costs were $1.3 million higher. Grant revenue from the US Army was higher to cover the additional NNZ-2566 drug product manufactured for the Intrepid study. At 30 June 2013 net assets were $5.5 million with $4.1 million cash. 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$ 0.001	NZ$ 0.006

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.

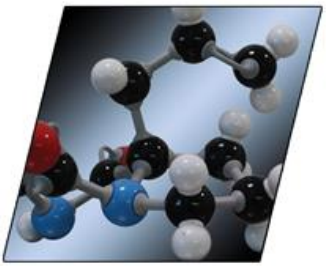
[+] See chapter 19 for defined terms.

2013

INTERIM REPORT

Neuren Pharmaceuticals Limited

ARBN 111 496 130



neuren

pharmaceuticals

Directors' Report

The Directors submit the financial report of Neuren Pharmaceuticals Limited for the six months ended 30 June 2013.

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

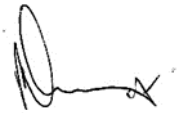
Dr Richard Treagus (Executive Chairman; appointed 31 January 2013)
Dr Robin Congreve (retired 20 May 2013)
Mr Larry Glass (Managing Director and CEO)
Mr Bruce Hancox
Dr John Holaday
Dr Trevor Scott
Dr Douglas Wilson (retired 20 May 2013)

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 2013 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 2013 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 28 August 2013.

On behalf of the Board



Dr Richard Treagus
Executive Chairman

Chief Executive's Report

Dear Shareholders

In the first half of 2013, following the appointment of Dr Richard Treagus as Executive Chairman, we undertook a company-wide review of operations and strategy. That review has resulted in a number of important changes in Neuren's approach to building shareholder value. From an operational perspective, we have relocated our financial, administrative and investor relations activities to Melbourne, closer to our shareholder base and ASX offices. Additionally, we have consolidated our clinical and scientific resources in the US where the majority of our clinical development activities and strategic relationships are focused. These changes will help to make the Company more responsive to shareholders and the Australian market. They also will ensure that our core programmes are managed cost-effectively as well as strengthen our alignment with key partners, our responsiveness to the demands of clinical investigators and the FDA, and our participation and position in the scientific and biopharmaceutical communities.

With respect to the Company's strategic vision, we have increased our commitment to and focus on neurodevelopmental conditions in which the known genetic causes and regulatory flexibility accorded to rare diseases will support more efficient, less expensive clinical development and a faster path to approval. Neurodevelopmental disorders represent large markets with substantial unmet need for safe, effective therapies and we firmly believe that this strategy will add significantly to the value of our lead molecules and to the Company as a whole. We also believe that success in these indications will lead to additional opportunities in other chronic neurological conditions many of which represent very large and underserved markets.

We are confident that the operational changes that we have made and the expansion of our product development strategy will result in increased shareholder value and improve our ability to deliver life-changing medicines for patients.

As the operational changes and enhanced product development strategy have been implemented, we have continued to make excellent progress on our lead programmes. Progress this year on these programmes is summarised below.

Chronic Conditions

Rett Syndrome

Rett Syndrome is a profoundly disabling neurological condition that occurs almost exclusively in girls following apparently normal development for the first six months of life. Typically, between 6 to 18 months of age, patients experience a period of rapid decline with loss of purposeful hand use and the ability to speak. Many patients have recurrent seizures. They experience a variety of motor problems including increased muscle tone (spasticity) and abnormal movements as well as cardiac, respiratory, gastrointestinal and sometimes orthopaedic problems. They are never able to provide for their own needs. Although it is a rare disorder, it is believed to be second only to Down Syndrome as a cause of chronic neurological problems in females that include severe communication, motor disabilities and epilepsy. Rett Syndrome is caused by mutations on the X chromosome on a gene called MECP2. There are more than 200 different mutations found on the MECP2 gene. Rett Syndrome affects all racial and ethnic groups and occurs worldwide in 1 of every 10,000 to 23,000 female births. Patients with Rett Syndrome can live for 40 years or more.

Chief Executive's Report

Under the IND that was approved at the end of 2012, Neuren has initiated a Phase 2 clinical trial of oral NNZ-2566 in adolescents and adults with Rett Syndrome. In June 2013, the FDA granted Fast Track designation for development of NNZ-2566 in Rett Syndrome. The study will enrol up to 60 subjects, targeting 48 who complete the entire study. The first clinical site, Texas Children's Hospital led by investigators from Baylor College of Medicine, has enrolled 16 subjects, 7 of whom have now completed the entire study. The study medicine appears to be well-tolerated in this population. No serious adverse events (SAEs) have been reported and no subjects have discontinued treatment due to side effects.

A second site, the University of Alabama at Birmingham, will be added in August to further ensure that the enrolment target is met. The study is on track to complete enrolment in the first half of 2014 with top-line results in the second half of 2014.

Fragile X Syndrome

Fragile X syndrome is the most common inherited cause of intellectual disability and the most common known cause of autism. It affects approximately 1 out of 4000 males and 1 out of 6-8000 females. Fragile X Syndrome is due to a single gene defect on the X chromosome that impacts the FMRP protein, which is responsible for regulating the synapses of nerve cells. Clinically, Fragile X Syndrome is characterised by intellectual handicap, hyperactivity and attentional problems, autistic symptoms, anxiety, emotional lability and epilepsy. Generally, males are more severely affected than females. Currently, there are no medicines approved for the treatment of Fragile X Syndrome.

Results from testing NNZ-2566 in a mouse model of Fragile X Syndrome by the Fragile X Drug Validation Initiative (FraX-DVI) were extremely promising with statistically significant results across all outcomes measured. As a result, Neuren has committed to undertake a Phase 2 trial of oral NNZ-2566 in Fragile X Syndrome. Preparations for the study are well underway with the protocol finalised and lead sites and investigators engaged. The trial will be initiated before the end of 2013 and complete enrolment by the end of 2014 with top-line results in the first half of 2015.

Acute Conditions

Traumatic Brain Injury

INTREPID-2566 is a Phase 2 trial of intravenous NNZ-2566 in patients with moderate to severe traumatic brain injury (TBI). The INTREPID-2566 as well as the planned mTBI/concussion study are being conducted as a collaboration between Neuren and the US Army, which is covering the majority of direct costs associated of the studies through a grant which now totals US$21.5m. TBI is a leading cause of death and disability in both civilian and military populations with an estimated societal cost exceeding that of stroke. There is no approved drug therapy for TBI.

In response to slower than anticipated enrolment, predominantly reflecting the challenge of obtaining informed consent from family members or other legally authorised representatives within the 8 hour time window specified in the protocol, Neuren sought and obtained authorisation from the FDA and the US Army to enrol subjects under Exception from Informed Consent (EFIC) provisions. Five sites are now approved for enrolment under EFIC and five additional sites are moving toward approval.

115 subjects have now been enrolled in the study. The safety profile continues to be favourable with very few SAEs characterised as drug-related and a substantially lower than expected mortality rate. The independent Data and Safety Monitoring Committee (DSMC) recently reviewed unblinded data on the first 110 subjects who had completed at least 30 days of follow-up. The DSMC reported no safety concerns, recommended continuation of the

study and did not request any changes to the protocol. Enrolment is forecast to be completed in the second half of 2014 with top-line results reported in the first half of 2015.

Mild Traumatic Brain Injury (concussion)

Concussion or mild TBI, which represents at least 75% of all traumatic brain injury in both civilian and military populations, is a growing public health problem and the focus of increasing public and government awareness and concern. With a single concussion, a significant proportion of patients – up to 30% in some studies – continue to have symptoms a month or more later which can include trouble with memory and thinking, attention, depression, irritability, problems sleeping, dizziness and headaches. With multiple concussions, the persistence of symptoms increases dramatically and, in some patients, a condition called chronic traumatic encephalopathy or CTE develops that can result in symptoms of dementia including memory loss, confusion, aggressiveness, and depression.

We are planning to initiate a Phase 2 clinical trial of oral NNZ-2566 in patients with mTBI/concussion. The study will seek to enrol 132 subjects with acute mTBI/concussion. Subjects will be recruited from among active duty military personnel at one or more US Army installations. The first site will be Ft. Bragg in North Carolina. Enrolment is expected to be completed within 12 months from commencement.

NNZ-2591

NNZ-2591 is the lead molecule in Neuren's diketopiperazine or DKP portfolio. Like NNZ-2566, NNZ-2591 is a synthetic analogue of a naturally occurring neuropeptide. NNZ-2591 is 100% orally available and, from the initial tests that have been performed, appears to be very safe and a promising candidate for chronic oral administration in a range of neurological conditions. It has shown strong in vivo results in Parkinson's disease, stroke, cognitive impairment and peripheral neuropathy models. We have allocated limited resources to develop a reliable manufacturing process for NNZ-2591 and, as we did with NNZ-2566, to conduct studies with the US Army to elucidate the mechanism of action and to evaluate it in a Fragile X Syndrome model.

As recently reported, results from the study conducted by FraX-DVI in the same Fragile X Syndrome model in which NNZ-2566 was tested indicate that NNZ-2591 is at least as effective as NNZ-2566 at a lower dose. We believe that these findings reinforce the central logic of Neuren's scientific and drug development strategy: creating novel drugs derived from naturally occurring molecules with known biological activity and mechanisms directly relevant to targeted indications.

Intellectual Property

The value underlying Neuren's products is supported by the Company's robust patent portfolio. For NNZ-2566, we have 8 issued patents covering composition, formulation and methods of use with 6 patent applications pending. For NNZ-2591, there are 3 issued patents covering composition, formulation and methods of use with 3 pending patent applications. In the first half of 2013, two patents for oral formulation issued for NNZ-2566 and one patent for methods of use in peripheral neuropathy using NNZ-2591 issued.

Chief Executive's Report

Perseis

Reflecting our recalibrated strategic plan and focus on chronic indications for NNZ-2566, the Company is evaluating all strategic options in relation to the further development and commercialisation of the Trefoil Factor programme. This endeavour is currently being supported by Noble Life Sciences.

Financial Position

With the commencement of the NNZ-2566 Phase 2 study in Rett Syndrome in the current period, and additional product manufacturing for the INTREPID-2566 study compared to the 2012 period, research and development costs were $1.3 million higher. Grant revenue from the US Army was higher to cover the additional NNZ-2566 drug product manufactured for the INTREPID-2566 study. Interest income was NZ$86,000 lower as a result of the lower average cash balance in 2013. The consolidated net loss attributable to equity holders for the period was $3.7 million compared with $3.0 million in the previous year, the increase largely due to the noted increase in research and development costs net of grant revenue, together with a one off restructuring provision of $229,000. At 30 June 2013 net assets were $5.5 million with $4.1 million cash.

Mr Larry Glass
Chief Executive Officer

Interim Statement of Comprehensive Income (Unaudited)

for the six months ended 30 June 2013

Group	Six months Jun 2013 NZ$'000	Six months Jun 2012 NZ$'000
Revenue - interest income	56	142
Other income - grants	3,365	2,678
Total revenue and other income	3,421	2,820
Depreciation and amortisation expense	(231)	(225)
Research and development costs	(4,658)	(3,386)
Patent costs	(108)	(97)
Corporate and administrative costs	(1,305)	(863)
Share option and LTI compensation expense	(622)	(1,165)
Restructuring costs	(229)	-
Foreign exchange gain (loss)	(47)	(154)
Loss before income tax	(3,779)	(3,070)
Income tax expense	-	-
Loss after income tax for the period	(3,779)	(3,070)
Other comprehensive income (expense), net of tax		
Exchange differences on translation of foreign operations	107	(61)
Total comprehensive loss for the period	$ (3,672)	$ (3,131)
Loss after tax attributable to:		
Equity holders of the company	(3,746)	(2,990)
Minority interest	(33)	(80)
	$ (3,779)	$ (3,070)
Total comprehensive loss attributable to:		
Equity holders of the company	(3,639)	(3,051)
Minority interest	(33)	(80)
	$ (3,672)	$ (3,131)
Basic and diluted loss per share	0.3 cents	0.3 cents

The accompanying notes form part of this financial report.

Interim Statement of Financial Position (Unaudited)

as at 30 June 2013

Group	As at Jun 2013 NZ$'000	As at Dec 2012 NZ$'000	As at Jun 2012 NZ$'000
ASSETS			
Current Assets:			
Cash and cash equivalents	4,079	6,477	9,893
Trade and other receivables	100	164	82
Total current assets	4,179	6,641	9,975
Non-current assets:			
Property, plant and equipment	22	32	30
Intangible assets	4,005	4,021	4,348
Total non-current assets	4,027	4,053	4,378
TOTAL ASSETS	$ 8,206	$ 10,694	$ 14,353
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	2,410	2,676	1,989
Restructuring provision	229	-	-
Deferred grant income	-	-	1,351
Lease incentive – short term	6	7	6
Total current liabilities	2,645	2,683	3,346
Non-current liabilities:			
Lease incentive – long term	14	17	4
Total liabilities	2,659	2,700	3,350
EQUITY			
Share capital	81,517	80,914	80,917
Other reserves	10,662	9,933	9,465
Accumulated deficit	(86,418)	(82,672)	(79,240)
Total equity attributable to equity holders	5,761	8,175	11,142
Minority interest in equity	(214)	(181)	(139)
Total equity	5,547	7,994	11,003
TOTAL LIABILITIES AND EQUITY	$ 8,206	$ 10,694	$ 14,353

The accompanying notes form part of this financial report.

Interim Statement of Changes in Equity (Unaudited)

for the six months ended 30 June 2013

	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 2012	$ 80,374	$ 8,498	$ (137)	$ (76,250)	$12,485	$ (59)	$ 12,426
Shares issued on option exercise	547				547		547
Share issue costs expensed	(4)				(4)		(4)
Share option grants for services		1,165			1,165		1,165
Total comprehensive loss for the period			(61)	(2,990)	(3,051)	(80)	(3,131)
Equity as at 30 June 2012	$ 80,917	$ 9,663	$ (198)	$ (79,240)	$11,142	$ (139)	$ 11,003
Share issue costs expensed	(3)				(3)		(3)
Share option grants for services		529			529		529
Total comprehensive loss for the period			(61)	(3,432)	(3,493)	(42)	(3,535)
Equity as at 31 December 2012	$ 80,914	$10,192	$ (259)	$ (82,672)	$ 8,175	$ (181)	$ 7,994
Shares issued on option exercise	624				624		624
Share issue costs expensed	(21)				(21)		(21)
Share option and LTI grants for services		622			622		622
Total comprehensive loss for the period			107	(3,746)	(3,639)	(33)	(3,672)
Equity as at 30 June 2013	$ 81,517	$10,814	$ (152)	$ (86,418)	$ 5,761	$ (214)	$ 5,547

The accompanying notes form part of this financial report.

Interim Cash Flow Statement (Unaudited)

for the six months ended 30 June 2013

Group	Six months Jun 2013 NZ$'000	Six months Jun 2012 NZ$'000
Cash flows from operating activities:		
Receipts from grants	3,365	4,006
Interest received	56	143
GST refunded	46	35
Payments to employees	(967)	(776)
Payments to other suppliers	(5,458)	(3,750)
Net cash used in operating activities	(2,958)	(342)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(4)	(29)
Proceeds from the sale of plant and equipment	-	2
Net cash used in investing activities	(4)	(27)
Cash flows from financing activities:		
Proceeds from the exercise of options	624	547
Proceeds from the issue of shares	-	-
Payments for share issue expenses	(11)	(4)
Net cash from financing activities	613	543
Net (decrease) increase in cash held	(2,349)	174
Effect of exchange rate changes on cash balances	(49)	(125)
Cash at the beginning of the period	6,477	9,844
Cash at the end of the period	$ 4,079	$ 9,893
Reconciliation with loss after income tax:		
Loss after income tax	(3,779)	(3,070)
Non-cash items requiring adjustment:		
Depreciation and amortisation	231	225
Share option and LTI compensation expense	622	1,165
Lease incentive amortisation	(3)	1
Foreign exchange loss	47	154
Movements in working capital	(76)	1,183
Net cash used in operating activities	$ (2,958)	$ (342)

The accompanying notes form part of this financial report.

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 and cancer. In neurology, the drugs target both acute indications such as traumatic brain injury and concussion as well as chronic conditions such as autism spectrum disorders and neurodegenerative diseases. In oncology, the focus is on developing monoclonal antibodies to treat breast and other cancers.

Neuren has two lead candidates: NNZ-2566 presently in clinical development to treat a range of acute and chronic neurological conditions, and NNZ-2591 in preclinical development for chronic neurodegenerative conditions. The Group has operations in New Zealand, Australia 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 1, 59 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 28 August 2013.

2. Summary of significant accounting policies

These general-purpose interim financial statements are for the six months ended 30 June 2013 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 2012 and the unaudited financial statements for the six months ended 30 June 2012.

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 2012.

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 2013 NZ$'000	Jun 2012 NZ$'000
Depreciation	(10)	(3)
Amortisation of intangible assets		
- Intellectual property	(221)	(222)
Employee benefits expense		
- Salaries and wages	(975)	(713)
- Share option and LTI compensation	(622)	(1,165)

Notes to the Interim Financial Statements (Unaudited)

for the six months ended 30 June 2013

4. Share capital

During the period to 30 June 2013, 13,200,000 options with exercise prices ranging from A$0.0377 to A$0.0445 were exercised for a total amount of A$519,400. In addition, following shareholder approval, two Long Term Incentives (LTIs) were granted to the Executive Chairman, comprising:

- 40,000,000 Loan Funded Shares with a vesting period of three years and certain performance criteria related to total shareholder return over three years and progress of a product candidate or conclusion of a partnering or licensing transaction; and
- 9,615,385 Equity Performance Rights (EPR) with a value of A$300,000, also with a three year vesting period.

During the period to 30 June 2012, 26,922,145 options with exercise prices ranging from A$0.0146 to A$0.0163 were exercised for a total amount of A$428,610.

5. Commitments and contingencies

(a) Cash and cash equivalents

Total cash and cash equivalents as at 30 June 2013 includes $338,000 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 commitments are for a four years and three months lease, and a two years and six months lease, both with annual CPI reviews.

Group	Jun 2013 NZ$'000	Dec 2012 NZ$'000	Jun 2012 NZ$'000
Non-cancellable operating lease commitments			
Not later than one year	96	83	83
Later than one year and not later than five years	97	218	259
Later than five years	-	-	-
	$ 193	$ 301	$ 342

(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 2012 and 2013, or 31 December 2012.

(d) Capital commitments

The Company is not committed to the purchase of any property, plant or equipment as at 30 June 2013 (30 June 2012 and 31 December 2012: nil).

6. Restructuring costs

In April 2013 the Company announced the relocation from Auckland of certain administration and investor relations functions to Australia and clinical functions to the US. At 30 June 2013 redundancy costs of $203,000 and onerous lease costs of $26,000 were recognised.

7. Related party transactions

In January 2013 Dr Richard Treagus was appointed Executive Chairman. In conjunction with his appointment Dr Treagus was awarded the LTIs set out in note 4, and in the period to 30 June 2013 earned $243,000 in executive director fees. A compensation cost of $112,000 related to the LTIs was recorded in the period.

8. 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 assesses 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	2013 New Zealand NZ$'000	2013 United States NZ$'000	2013 Consolidation Adjustments NZ$'000	2013 Total Group NZ$'000
Segment revenue	56	3,365	-	3,421
Segment result	(3,896)	150	-	(3,746)
Segment assets	10,210	3,936	(5,940)	8,206
Segment liabilities	2,248	2,094	(1,683)	2,659
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	4	-	-	4
Depreciation and amortisation expense	53	178	-	231

Group	2012 New Zealand NZ$'000	2012 United States NZ$'000	2012 Consolidation Adjustments NZ$'000	2012 Total Group NZ$'000
Segment revenue	162	2,658	-	2,820
Segment result	(2,745)	(245)	-	(2,990)
Segment assets	14,771	5,123	(5,541)	14,353
Segment liabilities	1,879	2,755	(1,284)	3,350
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	29	-	-	29
Depreciation and amortisation expense	45	180	-	225

9. Events after balance date

As at the date of this financial report there were no events arising since 30 June 2013 that require disclosure

10. Going Concern Assumption

In the period ended 30 June 2013 the Group reported a net loss of $3,746,000, and had cash balances at period end of $4,079,000. Whilst the Directors are continuing to monitor the Group's cash position and on an ongoing basis initiatives to ensure adequate funding continues to be available for the Group to meet its business objectives, they consider that the strategic plans of the Group may require additional financing within the next 12 months. The timing and terms of any such financing are presently unknown, however the Directors have a reasonable expectation that it would proceed successfully.

Notwithstanding this, the Directors' have concluded that the issue around a future fund raising is material. After making enquiries, and considering the uncertainties described above, the Directors' have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these financial statements. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

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Independent Accountants' Report
to the shareholders of Neuren Pharmaceuticals Limited

Report on the Interim Financial Statements
We have reviewed the interim condensed financial statements of Neuren Pharmaceuticals Limited on pages 5 to 12, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income and 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 Group as at 30 June 2013, 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.

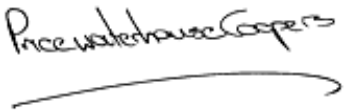
We have reviewed the financial statements of the Group for the period ended 30 June 2013 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, Neuren Pharmaceuticals Limited other than in our capacities as accountants conducting this review, auditors of the annual financial statements and as tax advisors. These services have not impaired our independence as accountants of the Group.

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 New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 June 2013 and its financial performance and cash flows for the period ended on that date.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 10 to the financial statements which indicates that the ability of the Group to fund its planned product development and operating expenditure is dependent upon the level of future capital raising. These conditions indicate the existence of a material uncertainty that may cast doubt about the Group's ability to continue as a going concern.

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
28 August 2013

Auckland

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Stock Exchange Listing
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ASX Code: NEU

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neuren pharmaceuticals

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