Neuren Pharmaceuticals Limited

Appendix 4D Half-Year Financial Report

30 June 2009

Name of entity

Neuren Pharmaceuticals Limited

ARBN

111 496 130

Half-year ended

30 June 2009

1. Neuren Pharmaceuticals Limited ("Neuren" or the "Company") presents this financial report, including the interim financial statements, for the six months ended 30 June 2009.

   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 2008.

   All amounts shown are in NZ$'000s unless otherwise stated.

2. Results for announcement to the market

	30 June 2009 NZ$'000	30 June 2008 NZ$'000	% Change
2.1 Operating revenue	167	1,552	(89.2)%
2.2 Loss after tax from ordinary activities	(2,333)	(5,222)	55.3%
2.3 Net loss from ordinary activities	(2,333)	(5,222)	55.3%
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:

Grant income was higher in 2008 than 2009 as a result of accruing for the reimbursement of US$758,000 of NNZ-2566 costs from the US Army. Research and development costs have decreased from $4.7 million to $1.4 million as a result of the current period's activities comprising planning for the NNZ-2566 Phase 2 trial compared with the costs of the Glypromate® Phase 3 trial which was underway in 2008. The consolidated net loss after minority interests for the period was $2.3 million, and at 30 June 2009 net assets were $4.0 million with $701,000 cash. These results were in line with the Company's expectations. 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$ (0.012)	NZ$ 0.003

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

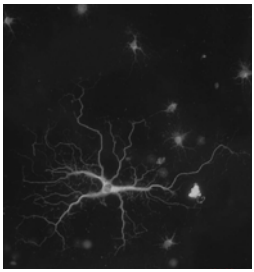
The interim financial statements have been subject to independent review by the Company's auditors. The unqualified review report is included in the attached Interim Report.

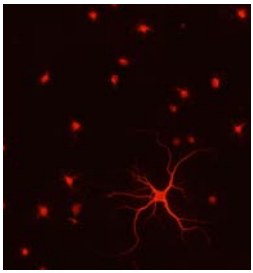
[+] See chapter 19 for defined terms.

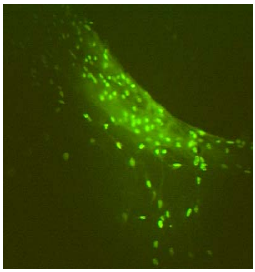
INTERIM REPORT 2009

Neuren Pharmaceuticals Limited

ARBN 111 496 130







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Directors' Report

The Directors submit the financial report of Neuren Pharmaceuticals Limited for the six months ended 30 June 2009.

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

Dr Robin Congreve (Chairman)
Dr Graeme Howie
Mr Trevor Scott
Dr Douglas Wilson
Mr Tom Amos (resigned 27 March 2009)

Review of Operations
During the period Neuren has continued to make significant progress in its lead clinical development program. Research and development costs were lower than the comparative period as a result of there being no clinical trial underway in the period compared with the Phase 3 trial of Glypromate® which ran until late 2008. The consolidated net loss for the period was NZ$2.4 million, and at 30 June 2009 net assets were NZ$4.0 million with NZ$701,000 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 2009 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 2009 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 25 August 2009.

On behalf of the Board

Trevor Scott
Director

Chief Executive's Report

Dear Shareholders

In this period we have concentrated primarily on progressing the NNZ-2566 program for traumatic brain injury (TBI) in partnership with the US Army. Key achievements have included:

- Submission of a Phase 2 IND for NNZ-2566 which was approved by the US FDA
- Granting of Fast Track designation for the NNZ-2566 program by the US FDA
- Recruitment and qualification of 12 clinical sites for the NNZ-2566 trial
- Preparation and submission of Institutional Review Board applications (the equivalent of Ethics Committee applications) to the clinical sites
- Evaluation and selection of contract research organisations (CROs) for data management, safety monitoring, EEG monitoring and biomarker analysis for the clinical trial
- Award of a US$14.2 million grant from the US Army to supplement the previously awarded US$4.5 million funding (through The Geneva Foundation) in support of the clinical trial and related activities
- Creation of a Neuren subsidiary, Perseis Therapeutics, in collaboration with the New Zealand Breast Cancer Research Trust to further develop Neuren's three cancer-focused programs.

NNZ-2566 Clinical Development Program

The NNZ-2566 program has progressed well. Over the past six months Neuren has continued to focus on the regulatory and logistical aspects of the program. An Investigational New Drug (IND) application was submitted to the US FDA early in February and we received authorisation from the FDA to move forward with the trial in March. In June, we received Fast Track designation from the FDA which provides for more frequent and interactive communication with the FDA during the clinical trials and accelerated review during the review and approval process.

During this period, we also have identified additional clinical sites and investigators and have now recruited a total of 12 Level I trauma centres in the US to serve as patient enrolment centres for the study. These institutions are among the leading neurotrauma research and treatment centres in the world. Increasing the number of sites will enable us to accelerate the trial and to obtain an assessment of the drug's efficacy sooner. The additional costs associated with expanding the trial will largely be covered by the additional US$14.2 million in funding granted by the US Army.

Importantly, the additional funds also will be utilised to cover the costs of studies and activities beyond the Phase 2 trial including reproductive toxicology, cardiovascular safety, development of a formulation appropriate for alert and conscious patients, and a proof of concept study in mild TBI. This support has enabled us to develop and begin to implement a plan that will accelerate the program to the point where, if the results from the Phase 2 trial are positive, we will be able to initiate a Phase 3 trial almost immediately following the Phase 2 with most of the regulatory requirements for a pivotal trial already met. Our plan is to evaluate NNZ-2566 as an intravenous treatment for moderate to severe TBI concurrently with oral or intranasal administration of the drug in patients with mild TBI. To the best of our knowledge, this is the first program to address TBI as a single indication across all degrees of severity. Mild and moderate TBI represent the vast majority of cases and often are associated with significant cognitive and other disabilities.

The Phase 2 trial in moderate to severe TBI is planned to enroll a total of 260 patients, is expected to be initiated in Q4 of this year and to take approximately 18 months to complete. The trial endpoints will be safety, global functional outcomes, neuropsychological and neurocognitive function. The trial also will incorporate experimental biochemical and electroencephalographic markers. Final results are expected in Q2 2011 with interim results in mid- to late-2010.

Chief Executive's Report

In the first half of 2009, three peer-reviewed papers on NNZ-2566 were published by Neuren and US Army scientists. The Company also is in active discussions with a number of other biotechnology and pharmaceutical companies concerning licensing or partnership relationships for development of NNZ-2566 in other neurological conditions.

Motiva™
In late 2007, Neuren acquired Motiva™ through the purchase of Hamilton Pharmaceuticals. Motiva™, or nefiracetam, is a novel cyclic GABA derivative that belongs to a class of compounds called acetams, which includes approved drugs with sales of almost €1.4 billion in 2008.

Motiva™ has already been tested in over 1700 patients in Phase 1 and 2 trials and has an excellent safety profile. In addition, Motiva™ has shown efficacy in a range of neuropsychiatric outcomes in six Phase 2 and 3 trials in post-stroke patients. In a Phase 2b trial conducted in the US and Canada under a US IND, statistically significant efficacy was observed in the treatment of post-stroke apathy. When funds are availale, Neuren plans to conduct a Phase 2b clinical trial of Motiva™ for the treatment of post-stroke apathy. This will be the final Phase 2b trial prior to progressing to a pivotal Phase 3 trial in this indication. Neuren has formed an advisory committee to help guide clinical development, finalised the Phase 2b clinical trial protocol, identified trial sites and confirmed the suitability of existing drug supply for the planned study.

Preclinical Development Program
As previously announced, Neuren's preclinical program has been significantly scaled back to only focus on programs with external grant funding. The preclinical team has been significantly reduced and no further internal, Neuren-funded preclinical development is currently underway. The Company continues to aggressively pursue partnerships or licensing agreements with other companies to further the development of these extremely promising molecules.

Cancer Research Programs
The Trefoil Factor (TFF) and Growth Hormone (GH) programs targeting breast and other cancers have been licensed to Perseis Therapeutics, a Neuren subsidiary jointly established with the New Zealand Breast Cancer Research Trust (BCRT). Dr. Parmjot Bains, Neuren's former co-CEO, has moved into the CEO role at Perseis. With initial funding of NZ$1.18 million from the BCRT, Perseis has initiated a program to develop and test monoclonal antibodies against a range of cancers, focusing initially on breast cancer. Contracts have been executed with a CRO to produce the initial batch of antibodies for screening. The lead antibodies will be evaluated in animal models of cancer to validate the proof of concept of targeting TFFs and GH as a cancer therapy. Once lead molecules have been selected and definitive proof of concept has been obtained, Perseis will have the option of seeking an early partnership or continuing development on its own.

Financial Position
The financial results presented in this report are consistent with the Company's expectations for the period, with closing cash at 30 June 2009 of $701,000. Grant income was higher in 2008 than 2009 as a result of accruing for the reimbursement of US$758,000 of NNZ-2566 costs from the US Army. Research and development costs have decreased from $4.7 million to $1.4 million as a result of the current period's activities comprising planning for the NNZ-2566 Phase 2 trial compared with the costs of the Glypromate® Phase 3 trial which was underway in 2008.

Mr Larry Glass
Chief Executive Officer

Interim Statement of Comprehensive Income (Unaudited)

for the six months ended 30 June 2009

Group		Six months Jun 2009 NZ$'000	Six months Jun 2008 NZ$'000
Revenue	- interest income	9	104
Other income	- grants	100	1,448
	- out-licensing revenue	58	-
Total revenue and other income		167	1,552
Depreciation and amortisation expense		(341)	(667)
Research and development costs		(1,392)	(4,656)
Patent costs		(267)	(329)
Corporate and administrative costs		(705)	(1,215)
Finance costs		(1)	(29)
Share option compensation expense		(7)	(104)
Foreign exchange gain (loss)		154	226
Loss before income tax		(2,392)	(5,222)
Income tax expense		-	-
Loss after income tax for the period		$ (2,392)	$ (5,222)
Other comprehensive income (expense), net of tax			
Exchange differences on translation of foreign operations		(722)	86
Total comprehensive loss for the period		$ (3,114)	$ (5,136)
Loss after tax attributable to:			
Equity holders of the company		(2,333)	(5,222)
Minority interest		(59)	-
		$ (2,392)	$ (5,222)
Total comprehensive loss attributable to:			
Equity holders of the company		(3,055)	(5,136)
Minority interest		(59)	-
		$ (3,114)	$ (5,136)
Basic and diluted loss per share		$ (0.01)	$ (0.03)

The accompanying notes form part of this financial report.

Interim Statement of Financial Position (Unaudited)

as at 30 June 2009

Group	As at Jun 2009 NZ$'000	As at Dec 2008 NZ$'000	As at Jun 2008 NZ$'000
ASSETS			
Current Assets:			
Cash and cash equivalents	701	1,619	2,093
Trade and other receivables	117	195	1,104
Other current assets	-	6	6
Total current assets	818	1,820	3,203
Non-current assets:			
Property, plant and equipment	68	94	142
Intangible assets	7,165	8,301	14,252
Total non-current assets	7,233	8,395	14,394
TOTAL ASSETS	$ 8,051	$ 10,215	$ 17,597
LIABILITIES AND EQUITY			
Current liabilities:			
Trade and other payables	3,999	3,481	2,595
Equipment finance – short term	17	15	16
Lease incentive – short term	12	12	77
Total current liabilities	4,028	3,508	2,688
Non-current liabilities:			
Equipment finance – long term	1	11	19
Lease incentive – long term	28	34	-
Total liabilities	4,057	3,553	2,707
EQUITY			
Share capital	68,758	68,768	65,372
Other reserves	1,830	2,545	957
Accumulated deficit	(66,148)	(64,651)	(51,439)
Total equity attributable to equity holders	4,440	6,662	14,890
Minority interest in equity	(446)	-	-
Total equity	3,994	6,662	14,890
TOTAL LIABILITIES AND EQUITY	$ 8,051	$ 10,215	$ 17,597

The accompanying notes form part of this financial report.

Interim Statement of Changes in Equity (Unaudited)

for the six months ended 30 June 2009

	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 2008	$ 54,023	$ 857	$ (90)	$ (46,217)	$ 8,573	$ -	$ 8,573
Shares issued in rights issue	8,065				8,065		8,065
Shares issued on conversion of notes	3,866				3,866		3,866
Share issue costs expensed	(582)				(582)		(582)
Share option grants for services		104			104		104
Total comprehensive loss for the period			86	(5,222)	(5,136)		(5,136)
Equity as at 30 June 2008	$ 65,372	$ 961	$ (4)	$ (51,439)	$ 14,890	$ -	$ 14,890
Shares issued in private placement	1,190				1,190		1,190
Shares issued in Share Purchase Plan	2,426				2,426		2,426
Share issue costs expensed	(220)				(220)		(220)
Share option grants for services		13			13		13
Total comprehensive loss for the period			1,575	(13,212)	(11,637)		(11,637)
Equity as at 31 December 2008	$ 68,768	$ 974	$ 1,571	$ (64,651)	$ 6,662	$ -	$ 6,662
Minority interest issued in subsidiary					-	449	449
Gain on issue of minority interest				836	836	(836)	-
Share issue costs expensed	(10)				(10)		(10)
Share option grants for services		7			7		7
Total comprehensive loss for the period			(722)	(2,333)	(3,055)	(59)	(3,114)
Equity as at 30 June 2009	$ 68,758	$ 981	$ 849	$ (66,148)	$ 4,440	$ (446)	$ 3,994

The accompanying notes form part of this financial report.

Interim Cash Flow Statement (Unaudited)

for the six months ended 30 June 2009

Group	Six months Jun 2009 NZ$'000	Six months Jun 2008 NZ$'000
Cash flows from operating activities:		
Receipts from grants	100	468
Receipts from licensing	107	-
Interest received	9	104
GST refunded	44	157
Payments to employees	(509)	(1,222)
Interest paid	(1)	(2)
Payments to other suppliers	(1,163)	(6,349)
Net cash used in operating activities	(1,413)	(6,844)
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(8)
Proceeds from the sale of plant and equipment	2	26
Net cash used in investing activities	2	18
Cash flows from financing activities:		
Proceeds from the issue of shares	-	8,065
Proceeds from minority interest	449	-
Payments for share issue expenses	(4)	(614)
Repayment of borrowings	(8)	(8)
Net cash from (used in) financing activities	437	7,443
Net increase (decrease) in cash held	(974)	617
Effect of exchange rate changes on cash balances	56	185
Cash at the beginning of the period	1,619	1,291
Cash at the end of the period	$ 701	$ 2,093
Reconciliation with loss after income tax:		
Loss after income tax	$ (2,392)	$ (5,222)
Non-cash items requiring adjustment:		
Depreciation and amortisation	341	667
Loss on disposal of plant and equipment	-	133
Share option compensation expense	7	104
Lease incentive amortisation	(6)	2
Interest on convertible notes	-	26
Foreign exchange (gain) loss	(154)	(226)
Movements in working capital	791	(2,328)
Net cash used in operating activities	$ (1,413)	$ (6,844)

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, metabolism and cancer. The drugs target acute indications such as traumatic brain injury and psychiatric symptoms of stroke, as well as chronic conditions such as Alzheimer's and Parkinson's diseases.

Neuren has three lead candidates; Motiva™ and NNZ-2566 presently in clinical development to treat four different 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 25 August 2009.

2. Summary of significant accounting policies

These general-purpose interim financial statements are for the six months ended 30 June 2009 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 2008 and the unaudited financial statements for the six months ended 30 June 2008.

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 2008.

The following new standards and amendments are mandatory for the first time in the period beginning 1 January 2009:

- NZ IAS 1 (Revised) *Presentation of financial statements*. The revised standard requires non-owner changes in equity to be presented separately from owner changes in equity within non-owner changes in equity shown on a performance statement. The interim financial statements have been prepared under the revised disclosure requirements and a Statement of Comprehensive Income is presented.

- NZ IFRS 8 *Operating Segments*. The revised standard requires a "management approach" under which operating segment information is presented on the same basis as that used for internal reporting to the chief operating decision-maker, in the Company's case, the CEO. This presentation is consistent with prior year reporting by the Company.

Changes in accounting policies

Other than the required adoption of NZ IAS 1 (Revised) and NZ IFRS 8 as described above, 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 2009 NZ$'000	Jun 2008 NZ$'000
Depreciation	(23)	(57)
Amortisation of intangible assets		
- Intellectual property	(317)	(602)
- Software	(1)	(8)
Employee benefits expense		
- Salaries and wages	(581)	(962)
- Share option compensation	(7)	(9)

4. Share capital

During the period to 30 June 2009 17,517,627 share options previously granted under the Company's Share Option Plan expired unexercised.

During the period to 30 June 2008, the Company undertook a 1:2 rights issue offer to shareholders under which 50,700,000 ordinary shares were issued for A$7.1 million (A$0.14 per share or the New Zealand dollar equivalent of NZ$0.16 per share). In addition, 3,000,000 options with an exercise price of A$0.25 and a three year term were granted in February 2008 for consulting services related to capital raising and financing. As the funds raised from the rights issue exceeded US$5 million, the convertible notes on issue at that time, together with accrued interest, converted on 1 February 2008 into 24,525,060 Neuren ordinary shares.

5. Commitments and contingencies

(a) Operating leases

During the comparative period to 30 June 2008 the Company moved premises and fully depreciated assets and leasehold improvements related to the previous tenancy that were not sold were written off. The lease over the former premises was surrendered.

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 2009 NZ$'000	Dec 2008 NZ$'000	Jun 2008 NZ$'000
Non-cancellable operating lease commitments			
Not later than one year	148	148	176
Later than one year and not later than five years	333	407	481
Later than five years	-	-	-
	$ 481	$ 555	$ 657

(b) Legal claims

A claim by a former employee for a share of any proceeds received on commercialisation of a portion of the Neural Regeneration Peptides (NRP) intellectual property was lodged against the Company during 2008 and continues. The Company has disclaimed liability and is defending the action. No provision in relation to this claim has been recognised in the interim financial statements at 30 June 2008 and 2009, as legal advice indicates that it is not probable that a significant liability will arise. There were no other contingent liabilities as at 31 December 2008 or at 30 June 2008.

(c) Capital commitments

The Company is not committed to the purchase of any property, plant or equipment as at 30 June 2009 (30 June 2008 and 31 December 2008: nil).

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) Operating Segments

Group	2009 New Zealand NZ$'000	2009 United States NZ$'000	2009 Consolidation Adjustments NZ$'000	2009 Total Group NZ$'000
Segment revenue	167	-	-	167
Segment result	(2,020)	(313)	-	(2,333)
Segment assets	7,033	5,928	(4,910)	8,051
Segment liabilities	4,019	690	(652)	4,057
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	-	-	-	-
Depreciation and amortisation expense	88	253		341

Group	2008 New Zealand NZ$'000	2008 United States NZ$'000	2008 Consolidation Adjustments NZ$'000	2008 Total Group NZ$'000
Segment revenue	1,550	2	-	1,552
Segment result	(4,980)	(242)	-	(5,222)
Segment assets	16,776	5,588	(4,767)	17,597
Segment liabilities	2,658	615	(566)	2,707
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	17	-	-	17
Depreciation and amortisation expense	481	186	-	667

7. Subsequent events

Subsequent to 30 June 2009, the Company undertook a Share Purchase Plan offer to shareholders and in August 2009 allotted 27,176,665 ordinary shares for proceeds of NZ$1,003,000.

8. Going concern assumption

In the period ended 30 June 2009 the Group reported a net loss for the year of $2,392,000, and at year end had net current liabilities of $3.2m including cash balances of $701,000. Whilst the Directors are continuing to monitor the Group's cash position and initiatives to ensure that adequate funding continues to be available for the Group to meet its business objectives, the Directors' consider that the current global economic circumstances continue to present significant challenges in terms of the Group's ability to raise additional financing.

Since presentation of the 2008 Annual Report in March 2009, the Group has entered into a second round of discussions with private investors concerning financing of entities owned and controlled by Neuren to enable the ongoing development of the Group's drug portfolio. These discussions are at an advanced stage but there can be no certainty that these initiatives will proceed. Based on discussions conducted to date the Directors have a reasonable expectation that they will proceed successfully, but if not the Group will need to secure additional funding from alternative sources.

In June 2009 the Group also executed the agreement with the US Army for up to US$14.2 million of new funding specifically for reimbursement of some current creditors and costs directly related to the planned Phase 2 clinical trial of NNZ-2566, and this funding has commenced subsequent to the interim balance date.

The Directors' have concluded that the combination of these factors represent a material uncertainty that casts doubt upon the Group's ability to continue as a going concern. If no funds are raised before the cash balances have been exhausted, the Group may cease to be a going concern and the Group may be unable to continue in operational existence. Nevertheless, 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 interim financial statements. These interim 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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Accountants' Report
To the shareholders of Neuren Pharmaceuticals Limited

We have reviewed the interim financial statements on pages 4 to 10. The interim financial statements provide information about the past financial performance and cash flows of the Group, comprising Neuren Pharmaceuticals Limited and its subsidiaries, for the half year ended 30 June 2009 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 8.

Directors' responsibilities

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 2009 and its financial performance and cash flows for the half year ended on that date.

Accountants' responsibilities

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.

Basis of opinion

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 interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim financial statements of the Group for the half year ended 30 June 2009 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacitys as accountants conducting this review.

Accountants' Report
Neuren Pharmaceuticals Limited

Fundamental uncertainty

In forming our unqualified opinion, we have considered the adequacy of the disclosures made concerning the carrying values of intellectual property, and the ongoing need to fund the operating losses and future development of the Company's products. The ultimate realisation of the carrying values of intellectual property totalling $7,165,000 (after amortisation) is dependent on the Company successfully developing its products so that it generates future economic benefits to the Company. Details of the circumstances relating to this fundamental uncertainty are detailed in note 8.

The interim financial statements have been prepared on a going concern basis, the validity of which depends on future capital and or debt being available to fund the development of products and other working capital requirements of the Company. Details of the circumstances relating to this fundamental uncertainty are detailed in note 8.

If the Company was unable to continue in operational existence for the foreseeable future or if the future economic benefits to be generated from intellectual property were less than their carrying amounts, adjustments would have to be made to reflect the situation that the assets may need to be realised at other than amounts at which they are currently recorded in the Interim Statement of Financial Position.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements do not present fairly the financial position of the Group as at 30 June 2009 and its financial performance and cash flows for the half year ended on that date in accordance with both International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34.

Our review was completed on 28 August 2009 and our review opinion is expressed as at that date.

PricewaterhouseCoopers

Chartered Accountants
Auckland

Company
Neuren Pharmaceuticals Limited
ARBN 111 496 130

Corporate Head Office
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Stock Exchange Listing
Australian Securities Exchange Limited
ASX Code: NEU

INTERIM REPORT 2009

neuren pharmaceuticals

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