ACRUX Press Release

25.8.05

ACRUX REPORTS JUNE 2005 RESULTS

- **Revenue $4.8 million (up from $3.8 million)**
- **Net loss $6.0 million (up from $4.2 million)**
- **Cash reserves $28 million**
- **Substantial progress across the business during the year**

Melbourne, 25 August 2005: Acrux (ASX: ACR) today reported results for the year to 30 June 2005, showing revenue of $4.8 million (2004: $3.8 million), a net loss of $6.0 million (2004: $4.2 million) and cash reserves of $28 million. Revenue included US$2 million from VIVUS under their licences for Evamist™ and Testosterone MDTS® in the USA.

Acrux CFO Jon Pilcher said: "Our expenditure and loss were a little lower than planned. We remain in a strong position and firmly on track towards our financial goal of reaching sustainable profitability in the 2007/2008 financial year."

CEO & Managing Director Igor Gonda said: "The business made great progress during the financial year. We now have Evamist™ in Phase 3 for the US market, six other products in clinical trials, good commercial partnerships, even broader patent protection and a strong balance sheet. This year we and our partners will continue to move our range of patient-preferred products towards the market."

Acrux Limited
103-113 Stanley Street
West Melbourne
VIC 3003 Australia

Tel: +61 3 8379 0100
Fax: +61 3 8379 0101
E-mail: info@acrux.com.au
www.acrux.com.au

ACRUX
DRUG DELIVERY SOLUTIONS

Financial results highlights

	Year ended 30 June 2005 $m	Year ended 30 June 2004 $m
Licensing and R&D revenues	2.7	3.3
Grant income	0.8	-
Interest and other income	1.3	0.5
Total revenue	**4.8**	**3.8**
Total expenditure	**(10.8)**	**(8.0)**
Net loss	**(6.0)**	**(4.2)**
Net cash outflow before new capital	**(6.4)**	**(4.5)**
New share capital net proceeds	27.9	0.2
Net cash inflow/(outflow)	**21.5**	**(4.3)**
Net cash	**28.1**	**6.6**

The consolidated loss for the year was $6.0 million, compared with $4.2 million in the previous year. Revenues increased from $3.8 million to $4.8 million and expenditure increased from $8.0 million to $10.8 million.

The revenue increase was due to a new grant under the Pharmaceutical Partnerships Program (P3), which contributed $0.7 million, and interest income on higher cash reserves following the IPO. Product revenues of $2.7 million mainly comprised a licence fee of US$1 million from VIVUS under their licence for Evamist™ in the USA and milestone payments totalling US$1 million from VIVUS under their licence for Testosterone MDTS® in the USA.

The higher expenditure reflected increased activity on product development and commercialisation following the IPO, requiring additional staff and more work conducted by external contract organisations to run clinical trials.

The loss was lower than planned, due to cost savings in the clinical trial programmes for Fentanyl UDTS™ and Testosterone MD-Lotion® for men, the postponement of an initial trial with Oxybutynin MDTS® due to unsatisfactory formulation, and the deferral of an initial trial with an undisclosed central nervous system product.

For further details, please refer to the full Financial Report, lodged with ASX today.

Acrux Limited
103-113 Stanley Street
West Melbourne
VIC 3003 Australia

Tel: +61 3 8379 0100
Fax: +61 3 8379 0101
E-mail: info@acrux.com.au
www.acrux.com.au

Substantial progress during the financial year

- July 2004 – signed agreement for CSL Ltd to distribute Testosterone MDTS® for women in Australia and New Zealand
- September 2004 – raised $30 million new capital in IPO, underwritten by Goldman Sachs JBWere and Wilson HTM, and listed on Australian Stock Exchange
- October 2004 – completed first clinical trial with Testosterone MD-Lotion® for men
- November 2004 – new patent granted in USA, further extending the patent protection of Acrux's products
- November 2004 - signed agreement for CSL Ltd to distribute Fentanyl UDTS™ in Australia and New Zealand
- December 2004 – Acrux's partner VIVUS began Phase 3 clinical trial for Evamist™ in USA
- February 2005 – successful completion of Phase 1 trial programme with Fentanyl UDTS™
- February 2005 – positive results in 260 patient Phase 2 trial with Testosterone MDTS® for women, achieving primary endpoint
- May 2005 – signed agreement with Napa Biosciences, who will develop dermatology products using Acrux's technology (agreement subject to completion of capital raising by Napa Biosciences)
- June 2005 – positive results in first clinical trial of contraceptive spray, Nestorone MDTS®, in collaboration with Population Council

Contacts:

Igor Gonda, CEO & Managing Director
Jon Pilcher, CFO
Tel: +61 3 8379 0100

Geoff Harrison
RADAR Investor Relations
Tel: +61 2 8256 3333

About Acrux www.acrux.com.au

- Acrux is a specialty pharmaceutical company, developing and commercialising a range of patented, patient-preferred healthcare products for global markets, using its innovative technology to administer drugs through the skin.
- Acrux's product pipeline includes treatments of hormonal deficiencies, pain and central nervous system disorders, as well as a contraceptive.
- 17 human clinical trials have been completed with 7 different drugs and the lead product, Evamist™ (Estradiol MDTS®), is currently in a phase 3 clinical trial in the USA.
- Acrux has licensed USA rights for Evamist™ (Estradiol MDTS®) and Testosterone MDTS® to **VIVUS** and AUS/NZ distribution rights for Testosterone MDTS® and Fentanyl MDTS® to **CSL Limited**. Acrux has also licensed its technology to **Eli Lilly** for veterinary healthcare products, to **Napa Biosciences** for certain dermatology products and to **Connetics** for anti-psoriatics and local anaesthetics.

Acrux Limited
103-113 Stanley Street
West Melbourne
VIC 3003 Australia

Tel: +61 3 8379 0100
Fax: +61 3 8379 0101
E-mail: info@acrux.com.au
www.acrux.com.au