ACRUX FINANCIAL REPORT FOR HALF-YEAR TO DECEMBER 2006

Melbourne, 14 February 2007: Drug delivery company Acrux (ASX: ACR) today filed its Financial Report for the half-year ended 31 December 2006. Highlights were:

- Revenue up to \$2.6 million (Dec 2005: \$0.9million), including licensing revenue \$1.5 million (Dec 2005: nil)
- Net loss down to \$3.5 million (Dec 2005: \$4.1 million)
- Cash reserves at 31 December 2006 \$17.0 million (30 June 2006: \$19.7 million)
- Substantial reduction in outstanding share options:
    - 6.1 million options lapsed
    - 8.0 million options exercised November 2006 to February 2007
    - Cash reserves boosted by \$5.3 million from exercise of options, with \$1.5 million received before 31 December 2006

Achievements since 30 June 2006:

- **EvaMist™** - US\$1m received from VIVUS on submission of EvaMist™ marketing application to US Food and Drug Administration (FDA)
- **Contraceptive sprays** – completed formulation of Nestorone®/estrogen combination sprays; Nestorone® licence from Population Council varied to also enable development of sprays using other contraceptives
- **Testosterone MD-Lotion®** - started Phase 2 trial in USA under guidance of FDA
- **Animal Health** – \$150k received from Elanco on expansion of licence to add additional therapeutic field
- **Share register quality** – institution holdings increased to 40%; outstanding share options reduced to 4.5% of issued capital

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Summary of financial results

$ million	6 months ended 31 December		Year ended 30 June
	2006	**2005**	**2005**
Licensing revenue	1.5	-	0.5
Grant income	0.6	0.2	1.0
Interest and other income	0.5	0.7	1.4
Total revenue	**2.6**	**0.9**	**2.9**
Operating expenditure excluding share options	**(6.3)**	**(4.6)**	**(12.2)**
Loss excluding share options amortisation	**(3.7)**	**(3.7)**	**(9.3)**
Share options amortisation expense	0.2	(0.4)	(0.6)
Net loss	**(3.5)**	**(4.1)**	**(9.9)**
Net cash outflow before new capital	**(4.2)**	**(3.8)**	**(8.8)**
New share capital proceeds	1.5	0.5	0.5
Net cash outflow	**(2.7)**	**(3.3)**	**(8.3)**

For full financial results, please refer to the Financial Report for the half-year ended 31 December 2006, filed with ASX today.

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About Acrux - www.acrux.com.au

- Acrux is an Australian drug delivery company, developing and commercialising a range of patient-preferred, patented pharmaceutical products for global markets, using its innovative technology to administer drugs through the skin.
- Fast-drying, invisible sprays or liquids provide a delivery platform with low or no skin irritation, superior cosmetic acceptability and simple, accurate and flexible dosing. The technology platform is covered by broad and well-differentiated, issued patents.
- Acrux's products in clinical development include:
    - Estradiol MDTS® (EvaMist™ in the USA) to treat menopause symptoms
    - Testosterone MDTS® to treat decreased libido in women
    - Nestorone® MDTS® contraceptive spray for women
    - Fentanyl UDTS™ to treat chronic pain
    - Testosterone MD-Lotion® to treat testosterone deficiency in men
- Acrux has licensed USA rights for Estradiol MDTS® and Testosterone MDTS® to VIVUS and AUS/NZ distribution rights for Testosterone MDTS® and Fentanyl UDTS™ to CSL Limited. Acrux has also licensed its technology to Eli Lilly and Company for veterinary healthcare products.