

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:

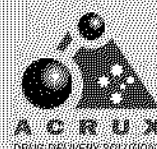
- Revenue up to \$2.6 million (Dec 2005: \$0.9million), including licensing revenue \$1.5 million (Dec 2005: nil)
- Net loss down to \$3.5 million (Dec 2005: \$4.1 million)
- Cash reserves at 31 December 2006 \$17.0 million (30 June 2006: \$19.7 million)
- Substantial reduction in outstanding share options:
 - 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.

Contact:

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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.

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