

**ACRUX LIMITED
ABN 72 082 001 152
AND CONTROLLED ENTITIES**

**HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2009.

Appendix 4D

Half Year Report for the six months to 31 December 2009

Name of entity

Acrux Limited

ABN or equivalent company reference: 72 082 001 152

1. Reporting period

Report for the half year ended 31 December 2009

Previous corresponding period is the financial year ended 30 June 2009 and half year ended 31 December 2008

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	down	77%	to	\$'000 561
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	down	47%	to	(2,128)
Net loss for the period attributable to members (<i>item 2.3</i>)	down	47%	to	(2,128)
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
Please see Review of Operations, in the Directors Report contained within the attached Financial Report for the half-year ended 31 December, 2009.				

3. Net tangible assets per security (*item 3*)

	December 31, 2009	December 31, 2008
Net tangible asset backing per ordinary security	6 cents	14 cents

4. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached), which has been prepared in accordance with Australian accounting standards.

5. Independent review of the financial report (*item 9*)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

**ACRUX LIMITED
ABN 72 082 001 152
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**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2009.

**ACRUX LIMITED
ABN 725 082 001 152
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

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ACRUX LIMITED
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DIRECTORS' REPORT

The directors present their report together with the condensed financial report of the consolidated entity consisting of Acrux Limited and the entities it controlled, for the half-year ended 31 December 2009 and independent auditor's review report thereon. This financial report has been prepared in accordance with Australian equivalents of International Financial Reporting Standards.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Name	Period of directorship
R Dobinson (Chairperson)	Director since 1998
H K Windle (Deputy Chairperson)	Director since 2001
B C Finnin	Director since 1999
R Treagus (Managing Director)	Director since 2007

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

During the half-year, positive results from the Phase 3 trial of AXIRON™ were announced and a distributor for Ellavie™ was appointed for 8 European countries. In January 2010 a marketing application for AXIRON was submitted to the US Food and Drug Administration.

The consolidated loss for the half-year was \$2.1 million, reduced from \$4 million in the comparative 6 month period.

Revenue

Total revenue for the half-year was \$0.6 million (2008: \$2.4 million). Revenue from licensees was unchanged at \$0.4 million. Interest on cash deposits reduced to \$0.2 million (2008: \$1.1 million) due to reduced cash reserves as planned AXIRON development activities continued and a lower average interest rate. Revenue in the comparative period also included foreign currency gains of \$0.7 million and \$0.3 million from the Pharmaceutical Partnership Program, an Australian government grant program that concluded at the end of the 2008/09 financial year.

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DIRECTORS' REPORT

Operating Expenses

Operating expenditure after capitalisation of product development expenditure, as required by AASB 138, was \$2.7 million (2008: \$6.5 million). Total expenditure before capitalisation decreased to \$5.6 million (2008:\$12.7 million), as expenditure relating to the AXIRON phase 3 clinical trial reduced. Expenditure of \$2.8 million (2008: \$6.1 million) for AXIRON and \$0.1 million (2008: \$0.1 million) for Ellavie (Estradiol MDTS[®]) were capitalised as an asset, as required by AASB138 Intangible Assets. Further details of capitalised expenditure are provided in note 2 of the notes to the financial statements.

Total external research and development expenses before capitalisation decreased to \$2.3 million (2008: \$6.8 million), of which \$1.9 million (2008:\$5.4 million) related to the phase 3 development of AXIRON. Licensing expenses for the half-year decreased to \$0.2 million (2008: \$1.9 million), with the comparative period including expenses associated with the arbitration hearing under the Testosterone MDTS[®] Development and Commercialisation Agreement with Vivus Inc.

Cash flow

Net cash outflow for the half-year reduced to \$5.1 million (2008: \$8.9 million). Cash outflow associated with capitalised development expenses for AXIRON and Ellavie reduced to \$2.0 million (2008: \$4.9 million) as payments relating to the phase 3 clinical trial of AXIRON reduced. Interest income receipts reduced to \$0.2 million (2008: \$0.9 million) due to lower cash balances and a lower average interest rate. Cash received on exercise of employee share options increased to \$1.2 million (2008:\$0.1 million). Cash reserves at 31 December 2009 were \$9.6 million (30 June 2009: 14.7 million).

Contributed Equity

The exercise of employee share options during the half-year added \$1.2 million (2008: \$0.1 million) to Contributed Equity.

The number of outstanding employee share options on issue at the end of the reporting period was 6.1 million (2008: 7.3 million), representing 3.8% of the issued share capital. These options have exercise prices between 51 cents and \$1.84 per share.

**ACRUX LIMITED
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DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, in relation to the review for the half-year is provided with this report.

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:



H K Windle, Director

Dated this 23rd day of February, 2010



AUDITOR'S INDEPENDENCE DECLARATION
To the Directors of Acrux Limited

In relation to the half-year independent auditor's review for the six months to 31 December 2009, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct

S D WHITCHURCH
23 February 2010

PITCHER PARTNERS
Melbourne

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Notes	Half-Year	
		2009	2008
		\$'000	\$'000
Revenue from licensees		334	353
Revenue from government		-	298
Interest income		227	1,083
Foreign exchange gains		-	680
Total revenue		<u>561</u>	<u>2,414</u>
Employee benefits expense	2	(1,238)	(1,682)
Non-executive directors' fees		(118)	(114)
Share options expense		(102)	(466)
Depreciation and amortisation expenses		(240)	(230)
Occupancy and lease expenses		(176)	(177)
External research and development expenses	2	(374)	(1,320)
Foreign exchange losses		(9)	-
Professional fees		(118)	(129)
Licensing expenses		(157)	(1,893)
Insurance expenses		(68)	(83)
Other expenses	2	(85)	(364)
		<u>(2,685)</u>	<u>(6,458)</u>
Loss before income tax		(2,124)	(4,044)
Income tax expense		(4)	(1)
Loss for the half-year		(2,128)	(4,045)
Total comprehensive income		<u>(2,128)</u>	<u>(4,045)</u>
Total comprehensive income attributable to:			
Members of the parent		(2,128)	(4,045)
Non -controlling interest		-	-
		<u>(2,128)</u>	<u>(4,045)</u>
Basic and Diluted loss per share (cents per share)		(0.01)	(0.03)

The accompanying notes form part of these financial statements.

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Notes	31 Dec 2009 \$'000	30 June 2009 \$'000
CURRENT ASSETS			
Cash and cash equivalents		9,608	14,736
Receivables		174	611
TOTAL CURRENT ASSETS		9,782	15,347
NON-CURRENT ASSETS			
Deferred tax assets		253	253
Plant and equipment	3	1,810	1,772
Intangible assets	4	20,465	17,578
TOTAL NON-CURRENT ASSETS		22,528	19,603
TOTAL ASSETS		32,310	34,950
CURRENT LIABILITIES			
Trade and other payables		1,591	3,367
Short-term provisions		287	314
TOTAL CURRENT LIABILITIES		1,878	3,681
NON-CURRENT LIABILITIES			
Long-term provisions		68	46
TOTAL NON-CURRENT LIABILITIES		68	46
TOTAL LIABILITIES		1,946	3,727
NET ASSETS		30,364	31,223
EQUITY			
Contributed Equity	5	84,378	83,211
Reserves	6	2,046	1,953
Accumulated losses	6	(56,060)	(53,941)
Parent entity interest		30,364	31,223
Non controlling interest		-	-
TOTAL EQUITY		30,364	31,223

The accompany notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 July 2008		83,135	1,570	(46,596)	38,109
Loss for the period		-	-	(4,045)	(4,045)
Total comprehensive income for the half-year		-	-	(4,045)	(4,045)
Transactions with owners in their capacity as owners:					
Contributions		77	-	-	77
Employee Share Options Expense		-	466	-	466
Lapsed Employee Share Options		-	(15)	15	-
Total transactions with owners in their capacity as owners		77	451	15	543
Balance as at 31 December 2008		83,212	2,021	(50,626)	34,607
Balance as at 1 July 2009		83,211	1,953	(53,941)	31,223
Loss for the period		-	-	(2,128)	(2,128)
Total comprehensive income for the half-year		-	-	(2,128)	(2,128)
Transactions with owners in their capacity as owners:					
Contributions	5	1,167	-	-	1,167
Employee Share Options Expense	6	-	102	-	102
Lapsed Employee Share Options	6	-	(9)	9	-
Total transactions with owners in their capacity as owners		1,167	93	9	1,269
Balance as at 31 December 2009		84,378	2,046	(56,060)	30,364

The accompany notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

	Half-year	
	2009	2008
	\$'000	\$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from licensees and government	865	590
Payments to suppliers and employees	(5,215)	(5,611)
Interest received	244	949
Withholding tax paid	(4)	(1)
Net cash used in operating activities	(4,110)	(4,073)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(226)	(146)
Payment for capitalised development costs	(1,959)	(4,806)
Net cash used in investing activities	(2,185)	(4,952)
CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from issues of ordinary shares	1,167	77
Net cash provided by financing activities	1,167	77
Net decrease in cash and cash equivalents	(5,128)	(8,948)
Cash and cash equivalents at beginning of half-year	14,736	34,366
Cash and cash equivalents at end of the half-year	9,608	25,418

The accompany notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the financial report for the year ended 30 June 2009 and any public announcements made by Acrux Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of preparation of the half-year financial report

This general purpose half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Summary of the significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009.

(i) Segment Reporting

The revised accounting standard for Operating Segments, AASB 8, became mandatory on 1 July 2009. The consolidated entity has early adopted the requirements of the revised standard from 1 July 2008. Operating segments are now reported based on internal reporting provided to the CEO, who is the consolidated entity's chief operating decision maker. The consolidated entity operates as a single operating entity. Internal management reporting systems present financial information as a single reporting entity. Segment reporting on the basis required under AASB 8 is consistent with the consolidated entity's previous reporting of primary segments.

(ii) Intangible Assets

The intangible assets accounting policy is significant to the preparation of the financial statements. Intangible assets are valued in the accounts at cost of acquisition. The balances are reviewed annually and any balances representing probable future benefits that are no longer anticipated are written off.

Intellectual Property

Purchased intellectual property is initially recorded at cost. Intellectual property with a finite life is carried at cost less any accumulated amortisation and any impairment losses. The intellectual property is amortised over the useful life of the relevant patents.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT
(continued)

(b) Summary of the significant accounting policies (continued)

(ii) Intangible Assets (continued)

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when each of the following specific criteria has been satisfied;

1. Technical feasibility of completing development of the product and obtaining approval by regulatory authorities.
2. Ability to secure a commercial licensee for the product.
3. Availability of adequate technical, financial and other resources to complete development of the product, obtain regulatory approval and secure a commercial licensee.
4. Reliable measurement of expenditure attributable to the product during its development.
5. High probability of the product entering a major pharmaceutical market.

Capitalised development costs have a finite life and are amortised over the period from first commercial sale of the product to the date on which economic benefits to Acrux under a commercial licence agreement cease.

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which Acrux Limited controlled from time to time during the half-year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses, have been eliminated on consolidation.

(d) Rounding Amounts

The company is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 2: RECONCILIATION OF OPERATING EXPENSES IMPACTED BY THE
CAPITALISATION OF DEVELOPMENT EXPENDITURE

	Half-year	
	31 Dec	31-Dec
	2009	2008
	\$'000	\$'000
Total employee benefits expense	1,960	2,219
Capitalised - AXIRON™	(665)	(537)
Capitalised - Ellavie™	(57)	-
Per income statement	<u>1,238</u>	<u>1,682</u>
External research and development expenses	2,333	6,823
Capitalised - AXIRON™	(1,916)	(5,399)
Capitalised - Ellavie™	(43)	(104)
Per income statement	<u>374</u>	<u>1,320</u>
Other expenses	338	552
Capitalised - AXIRON™	(233)	(188)
Capitalised - Ellavie™	(20)	-
Per income statement	<u>85</u>	<u>364</u>
Total capitalised expenses		
AXIRON™	2,814	6,124
Ellavie™	120	104
	<u>2,934</u>	<u>6,228</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 3: PLANT AND EQUIPMENT

	Notes	31 Dec 2009 \$'000	30 June 2009 \$'000
<i>Leasehold Improvements</i>			
At cost		1,114	1,113
Accumulated amortisation		(1,023)	(932)
Total leasehold improvements	(a)	91	181
 <i>Plant and equipment</i>			
At cost		2,291	2,119
Accumulated depreciation		(572)	(528)
Total plant and equipment	(a)	1,719	1,591
Total plant and equipment		1,810	1,772

(a) Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the period.

	31 Dec 2009 \$'000	30 June 2009 \$'000
<i>Leasehold improvements</i>		
Carrying amount at beginning	181	353
Additions	1	7
Amortisation expense	(91)	(179)
	91	181
 <i>Plant and equipment</i>		
Carrying amount at beginning	1,591	559
Additions	230	1,260
Depreciation expense	(102)	(228)
	1,719	1,591

ACRUX LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 4: INTANGIBLE ASSETS

	31 Dec	30 June
	2009	2009
	\$'000	\$'000
INTELLECTUAL PROPERTY		
At cost	1,200	1,200
Accumulated amortisation	(521)	(474)
Net carrying amount	679	726
CAPITALISED DEVELOPMENT EXPENSES		
Ellavie™		
External research and development expenses	647	604
Employee benefits expense	57	-
Other capitalised expenses	20	-
	724	604
AXIRON™		
External research and development expenses	15,919	14,003
Employee benefits expense	2,261	1,596
Other capitalised expenses	882	649
	19,062	16,248
Net carrying amount	19,786	16,852
TOTAL INTANGIBLE ASSETS	20,465	17,578

AASB 138 'Intangible Assets' requires that development expenses are capitalised as an asset generating probable future economic benefits if a number of criteria are met. The Directors believe that these criteria have been met for Estradiol MDTs® (branded Evamist™ in the USA and Ellavie™ outside the USA) and AXIRON™. Acrux has the technical and financial capability to complete development of these two products, the expenditure can be reliably measured and the means of generating probable future revenue has been clearly demonstrated.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 5: ISSUANCES OF EQUITY SECURITIES

	31 Dec 2009 No.	30 June 2009 No.	31 Dec 2009 \$'000	30 June 2009 \$'000
Movements in shares on issue				
Beginning of the financial year	159,400,216	159,309,216	83,211	83,135
Issued during the year:				
Employee share scheme	981,000	91,000	1,172	77
Less capital raising expenses			(5)	(1)
Net contributions from share issues			1,167	76
At reporting date	160,381,216	159,400,216	84,378	83,211

NOTE 6: RESERVES AND ACCUMULATED LOSSES

	Notes	31 Dec 2009 \$'000	30 June 2009 \$'000
Share based payment reserve	(a)	2,046	1,953
Accumulated losses	(b)	(56,060)	(53,941)

(a) Share based payment reserve

(i) Nature and purpose of reserve

This reserve is used to record the value of equity benefit provided to employees and directors as part of their remuneration.

(ii) Movement in reserve

Balance at the beginning of period	1,953	1,570
Employee share option expense for the period	102	754
Employee share options previously expensed, that lapsed during the period: - vested	(9)	(371)
- unvested	-	-
Balance at end of period	2,046	1,953

(b) Accumulated losses

Balance at the beginning of period	(53,941)	(46,596)
Employee share options that lapsed during the period	9	371
Net loss attributable to members of Acrux Limited	(2,128)	(7,716)
Accumulated losses at reporting date	(56,060)	(53,941)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009

NOTE 7: SEGMENT INFORMATION

The consolidated entity operates as a single reportable segment. The entity operates in Australia and overseas markets.

Additional information on revenue and non-current assets:

	Half-year	
	31 Dec	31-Dec
	2009	2008
	\$'000	\$'000
Revenue		
Product/Service		
Revenue from Women's health products and Animal health products	334	353
Interest	227	1,083
Government grants	-	298
Foreign Exchange Gains	-	680
Total revenue	561	2,414
Country of Origin		
Australia	227	2,061
Overseas	334	353
	561	2,414
	31 Dec	30 June
	2009	2009
	\$'000	\$'000
Assets		
Australia		
Property, Plant and Equipment	397	648
Intangible Assets	20,465	17,578
	20,862	18,226
Overseas		
Deferred Tax Assets	253	253
Property, Plant and Equipment	1,413	1,124
Intangible Assets	-	-
	1,666	1,377
Total non-current assets	22,528	19,603

Overseas Property, Plant and Equipment represents purchased manufacturing equipment installed at the manufacturing facility of Orion Corporation in Finland.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED
31 DECEMBER 2009**

NOTE 8: CONTINGENCIES

At 30 June 2009, Fempharm Pty Ltd, a controlled entity, had \$100,000 included in trade debtors relating to its Ellavie™ distribution agreement with Aspen Pharmacare Limited (“Aspen”) for South Africa. The payment was subject to Aspen receiving exchange control approval from the South African Reserve Bank. Approval and payment were received during the reporting period.

There have been no other changes to contingencies since 30 June 2009.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 7 to 18 are in accordance with the *Corporations Act 2001* and:

- (a) Comply with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and other mandatory professional requirements; and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Acrux Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



H K Windle
Director

Dated this 23rd day of February, 2010
Melbourne



**ACRUX LIMITED
ABN 72 082 001 152
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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ACRUX LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Acrux Limited and controlled entities, which comprises the condensed consolidated balance sheet as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Acrux Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Acrux Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**ACRUX LIMITED
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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ACRUX LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Acrux Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

S D WHITCHURCH
Partner

PITCHER PARTNERS
Melbourne

23 February 2010