ACRUX LIMITED
ABN 72 082 001 152
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2012.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2012

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 2012
Previous corresponding period is the financial year ended and half year ended	30 June 2012 31 December 2011

2. Results for announcement to the market

				$'000
Revenues from ordinary activities *(item 2.1)*	Up	9%	to	5,131
Profit from ordinary activities after tax attributable to members (*item 2.2*)	Down	58%	to	2,144
Net profit for the period attributable to members *(item 2.3)*	Down	58%	to	2,144

The consolidated profit before tax for the half-year increased by 48% to $2.5 million (2011: $1.7 million). Income tax expense of $0.4 million was recorded for the reporting period, compared with income tax benefit of $3.4 million for the 6 months to December 2011. The tax benefit recorded in the comparative period was due to tax losses from excess imputation credits on dividends received by the parent entity as well as amendments to prior year tax returns to include additional deductions due under the research and development tax concession.

For further commentary, please refer to the Review of Operations, in the Directors' Report contained within the attached Financial Report for the half-year ended 31 December, 2012.

The director's do not intend to declare an interim dividend *(item 2.4)*.

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

	December 31, 2012	December 31, 2011
Net tangible asset backing per ordinary security	11 cents	16 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
AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2012

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2012.

ACRUX LIMITED
ABN 72 082 001 152
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FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2012

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ACRUX LIMITED
ABN 72 082 001 152
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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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 2012 and independent review report thereon. This financial report has been prepared in accordance with Australian Accounting 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 (Executive Chairman)	Director since 1998
B Parncutt	Director since 30 April 2012
R Barrow	Director since 1 April 2012

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

The consolidated profit before tax for the half-year increased to $2.5 million (2011: $1.7 million). The consolidated profit after tax was $2.1 million (2011: $5.1 million) with a tax charge of $0.4 million (2011: tax benefit of $3.4 million).

Revenue

Total revenue for the half-year increased to $5.1 million (2011: $4.7 million), including revenue from product agreements of $4.4 million (2011: $3.7 million). Revenue from Axiron® increased to $4.4 million (2011: $3.1 million). Interest on cash deposits reduced to $0.6 million (2011: $0.8 million), on lower cash reserves following the payment of the 2012 financial year final dividend of $13.3 million. Foreign exchange gains added $0.1 million to revenue (2011: $0.2 million).

Operating Expenses

Total operating expenditure for the half-year reduced to $2.6 million (2011: $3.0 million). Employee benefits expense and directors' fees reduced to $1.2 million (2011: $1.6 million), due to a smaller executive management team.

Income Tax

Income tax expense of $0.4 million was recorded for the reporting period, compared with income tax benefit of $3.4 million for the 6 months to December 2011. The tax benefit recorded in the comparative period was due to tax losses from excess imputation credits on dividends received by the parent entity as well as amendments to prior year tax returns to include additional deductions due under the research and development tax concession.

Cash flow

Net cash outflow for the half-year was $11.1 million (2011: $5.1 million). Cash reserves at the end of the period were $19.0 million (30 June 2012: $30.0 million). Operating activities provided net cash inflow of $2.3 million, compared with outflow of $4.5 million in the comparative period.

Receipts from licensees and government increased to $5.4 million (2011: $2.1 million) and payments to suppliers and employees reduced to $2.6 million (2011: $3.1 million). Corporate income taxes paid reduced to $1.4 million (2011: $4.4 million).

Cash outflow from financing investing activities was $13.3 million (2011: $0.6 million) representing the payment of 2012 final dividend to shareholders. No dividend was paid in the comparative period. No options were exercised during the 6 months to 31 December 2012.

Contributed Equity

There were no changes to equity during the reporting period.

The number of outstanding employee share options on issue at the end of the reporting period was 25,000 (30 June 2012: 25,000), representing 0.02% of the issued share capital. These options are exercisable at $1.84 per share.

Significant changes in the state of affairs

There have been no significant changes in the consolidated group's state of affairs during and since the end of the reporting period.

ACRUX LIMITED
ABN 72 082 001 152
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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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:

B Parncutt, Director

Dated this 15th day of February, 2013

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Acrux Limited

In relation to the independent review for the half-year ended 31 December 2012, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.

(ii) No contraventions of any applicable code of professional conduct.

S D WHITCHURCH
Partner
15 February 2013

PITCHER PARTNERS
Melbourne

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	Half-Year 2012 $'000	Half-Year 2011 $'000
Revenue from product agreements		4,454	3,674
Interest income		568	837
Other income		109	206
Total revenue		5,131	4,717
Employee benefits expense		(1,020)	(1,477)
Directors' fees		(204)	(103)
Depreciation and amortisation expenses		(191)	(143)
Occupancy and lease expenses		(192)	(185)
External research and development expenses		(367)	(459)
Professional fees		(213)	(184)
Royalty expenses		(148)	(80)
Insurance expenses		(37)	(37)
Payroll tax		(36)	(59)
Other expenses		(206)	(288)
		(2,614)	(3,015)
Profit before income tax expense		**2,517**	**1,702**
Income tax (expense)/benefit	2	(373)	3,394
Profit from continuing operations		**2,144**	**5,096**
Total comprehensive income for the half-year		**2,144**	**5,096**
Total comprehensive income attributable to:			
Members of the parent		2,144	5,096
Non -controlling interest		-	-
		2,144	**5,096**
Basic earnings per share (cents per share)		0.01	0.03
Diluted earnings 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 2012

	Notes	31 Dec 2012 $'000	30 June 2012 $'000
CURRENT ASSETS			
Cash and cash equivalents		19,041	30,017
Receivables		2,720	3,863
Current tax asset	2	158	-
TOTAL CURRENT ASSETS		21,919	33,880
NON-CURRENT ASSETS			
Plant and equipment	3	103	110
Intangible assets	4	24,347	24,509
TOTAL NON-CURRENT ASSETS		24,450	24,619
TOTAL ASSETS		46,369	58,499
CURRENT LIABILITIES			
Trade and other payables		897	996
Current tax payable	2	-	560
Short-term provisions		345	322
TOTAL CURRENT LIABILITIES		1,242	1,878
NON-CURRENT LIABILITIES			
Deferred tax liabilities	2	3,179	3,504
Long-term provisions		20	14
TOTAL NON-CURRENT LIABILITIES		3,199	3,518
TOTAL LIABILITIES		4,441	5,396
NET ASSETS		**41,928**	**53,103**
EQUITY			
Contributed Equity	5	95,825	95,825
Reserves		4	4
Retained earnings		(53,901)	(42,726)
Parent entity interest		41,928	53,103
Non controlling interest		-	-
TOTAL EQUITY		**41,928**	**53,103**

The accompany notes form part of these financial statements.

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Notes	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2011		95,825	4	(50,117)	45,712
Profit for the period		-	-	5,096	5,096
Total comprehensive income for the half-year		-	-	5,096	5,096
Transactions with owners in their capacity as owners:					
Contributions		-	-	-	-
Dividends paid		-	-	-	-
Total transactions with owners in their capacity as owners		-	-	-	-
Balance as at 31 December 2011		**95,825**	**4**	**(45,021)**	**50,808**
Balance as at 1 July 2012		95,825	4	(42,726)	53,103
Profit for the period		-	-	2,144	2,144
Total comprehensive income for the half-year		-	-	2,144	2,144
Transactions with owners in their capacity as owners:					
Contributions		-	-	-	-
Dividends paid		-	-	(13,319)	(13,319)
Total transactions with owners in their capacity as owners	6	-	-	(13,319)	(13,319)
Balance as at 31 December 2012		**95,825**	**4**	**(53,901)**	**41,928**

The accompany notes form part of these financial statements.

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Half-year	
	2012	**2011**
	$'000	**$'000**
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from product agreements and government	5,440	2,135
Payments to suppliers and employees	(2,640)	(3,088)
Interest received	866	843
Taxes paid	(1,415)	(4,398)
Net cash provided by/(used in) operating activities	**2,251**	**(4,508)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(28)	(3)
Net cash used in investing activities	**(28)**	**(3)**
CASH FLOW FROM FINANCING ACTIVITIES		
ASX listing fees paid on issue of ordinary shares	-	(3)
Dividends paid	(13,308)	(614)
Net cash used in financing activities	**(13,308)**	**(617)**
Net decrease in cash and cash equivalents	(11,085)	(5,128)
Foreign exchange differences on cash holdings	109	186
Cash and cash equivalents at beginning of half-year	30,017	33,159
Cash and cash equivalents at end of the half-year	**19,041**	**28,217**

The accompany notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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 annual financial report for the year ended 30 June 2012 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*.

Acrux Limited is a for-profit entity for the purpose of preparing the financial statements.

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 accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2012 and the corresponding half-year.

(i) 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.

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.

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

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

(i) Intangible Assets (continued)

Capitalised development costs have a finite life and are amortised on a systematic basis over the period from first commercial sale of the product and cease at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with AASB5 and the date that the asset is derecognised.

The useful life of each asset and the total economic benefits that will be generated by the asset over its useful life are estimated and the asset cost is divided by the total economic benefits resulting in an amount of cost to be amortised per dollar of economic benefit. The estimated useful life and total economic benefit for each asset are reviewed at least annually. The useful life of one asset for which amortisation has commenced is approximately 15 years. Amortisation expense is included in 'Depreciation and amortisation expenses' of the Statement of Comprehensive Income.

(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.

ACRUX LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 2: INCOME TAX

	Half-year	
	31-Dec 2012 $'000	31-Dec 2011 $'000
(a) Income tax recognised in profit or loss:		
Current tax	1,403	727
Deferred tax	(200)	(125)
(Over)/under provision in prior years	(830)	(3,996)
Income tax expense/(credit) attributable to profit	373	(3,394)
(b) Reconciliation of income tax expense		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Profit before tax from continuing operations	2,517	1,702
Prima facie income tax payable on profit before income tax at 30% (2011: 30%)	755	511
Add/(subtract) tax effect:		
Parent entity 15% tax rate[1]	59	92
Parent entity tax on unfranked dividend income	1,350	-
Parent entity tax credit on franked dividend income	(964)	-
Non deductible expenses	3	12
Foreign tax credits written off	3	4
(Over)/under provision in prior years	(830)	(3,996)
Tax losses and temporary differences not brought to account	(3)	(17)
	(382)	(3,905)
Income tax expense/(benefit) attributable to profit	373	(3,394)

	31 Dec 2012 $'000	30 June 2012 $'000
(c) Current tax		
Opening balance	560	5,669
(Over)/under provision in prior years	(376)	(1,623)
Provision for current year	1,401	1,596
Tax losses transferred from deferred tax	(328)	(463)
Tax payments	(1,415)	(4,619)
Current tax (asset)/liability	(158)	560

NOTE 2: INCOME TAX (Continued)

(d) Deferred tax balances

31 December 2012	**Opening balance**	**Over-provision prior years**	**Transferred to current tax**	**Recognised in profit or loss**	**Closing balance**
Temporary differences	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Intangible assets	(6,899)	-	-	34	(6,865)
Accruals and provisions	120	-	-	42	162
Leasehold improvements	216	-	-	(5)	211
Patent expenses	693	-	-	30	723
Exchange differences	1	-	-	(35)	(34)
Accrued interest	(113)	-	-	89	(24)
Share issue expenses	2	-	-	(1)	1
	(5,980)	-	-	154	(5,826)
Unused tax losses and credits					
Tax losses	2,476	454	(283)	-	2,647
	(3,504)	454	(283)	154	(3,179)

30 June 2012	**Opening balance**	**Over-provision prior years**	**Transferred to current tax**	**Recognised in profit or loss**	**Closing balance**
Temporary differences	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Intangible assets	(6,948)	-	-	49	(6,899)
Accruals and provisions	179	(12)	-	(47)	120
Leasehold improvements	228	-	-	(12)	216
Patent expenses	606	-	-	87	693
Exchange differences	55	-	-	(54)	1
Accrued interest	(43)	1	-	(71)	(113)
Share issue expenses	33	(11)	-	(20)	2
	(5,890)	(22)	-	(68)	(5,980)
Unused tax losses and credits					
Tax losses	395	2,399	(463)	145	2,476
	(5,495)	2,377	(463)	77	(3,504)

(e) Deferred tax assets not brought to account	**31 Dec 2012 $'000**	**30 June 2012 $'000**
Temporary differences	(321)	(322)
Tax losses	6,103	6,405
	5,782	6,083

[1] The parent entity, Acrux Limited is a Pooled Development Fund (PDF):

- PDF's are taxed at 15% on income and gains from investments in small to medium enterprises;
- PDF's are taxed at 25% on other income; and
- Groups containing a PDF are not permitted to consolidate for tax purposes.

NOTE 3: PLANT AND EQUIPMENT

	Notes	31 Dec 2012 $'000	30 June 2012 $'000
Leasehold Improvements			
At cost		1,115	1,115
Accumulated amortisation		(1,115)	(1,115)
Total leasehold improvements	(a)	-	-
Plant and equipment			
At cost		212	439
Accumulated depreciation		(109)	(329)
Total plant and equipment	(a)	103	110
Total plant and equipment		103	110

(a) Reconciliations

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

	31 Dec 2012 $'000	30 June 2012 $'000
Leasehold improvements		
Carrying amount at beginning	-	-
Additions	-	-
Amortisation expense	-	-
	-	-
Plant and equipment		
Carrying amount at beginning	110	126
Additions	25	75
Disposals	(4)	-
Depreciation expense	(28)	(91)
	103	110

NOTE 4: INTANGIBLE ASSETS

	31 Dec 2012 $'000	30 June 2012 $'000
Intellectual Property		
At cost	1,200	1,200
Accumulated amortisation	(806)	(759)
Net carrying amount	394	441
Capitalised Development Expenses		
Estradiol MDTS®		
External research and development expenses	766	766
Employee benefits expense	169	169
Other capitalised expenses	136	136
	1,071	1,071
Axiron®		
External research and development expenses	17,415	17,415
Employee benefits expense	3,353	3,353
Other capitalised expenses	2,403	2,403
Accumulated amortisation	(289)	(174)
	22,882	22,997
Net carrying amount	23,953	24,068
Total Intangible Assets	24,347	24,509

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® and Axiron®.

NOTE 5: ISSUANCES OF EQUITY SECURITIES

Movements in shares on issue	**31 Dec 2012 No.**	**30 June 2012 No.**	**31 Dec 2012 $'000**	**30 June 2012 $'000**
Beginning of the financial year	166,496,711	166,496,711	95,825	95,825
Issued during the year:				
Employee share scheme	-	-	-	-
Less capital raising expenses	-	-	-	-
Fair value of shares issued on exercise of employee share options	-	-	-	-
Net contributions from share issues	-	-	-	-
At reporting date	**166,496,711**	**166,496,711**	**95,825**	**95,825**

NOTE 6: DIVIDENDS

(a) Dividends paid	**Half-year**	
	31 Dec 2012 $'000	**31 Dec 2011 $'000**
Dividends paid at 8 cents per share unfranked (2011: no dividend)	13,319	-

NOTE 7: SEGMENT INFORMATION

The consolidated entity operates as a single operating segment. Internal management reporting systems present financial information as a single segment. The segment derives its revenue from developing and commercialising products using unique technology to administer drugs through the skin.

Additional information on revenue:	Half-year 31 Dec 2012 $'000	Half-year 31 Dec 2011 $'000
Product/Service		
Axiron®	4,407	3,096
Other	724	1,621
Total revenue	5,131	4,717
Country of Origin		
Australia	568	858
Switzerland[1]	4,407	3,096
Other	156	763
	5,131	4,717

All assets are located in Australia.
[1]Axiron revenue is receivable from a Swiss subsidiary of Eli Lilly.

NOTE 8: CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2012.

NOTE 9: SUBSEQUENT EVENTS

There has been no other matter or circumstance, which has arisen since 31 December 2012 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 December 2012, of the consolidated entity, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 31 December 2012, of the consolidated entity.

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*:

(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 2012 and of its performance 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.

B Parncutt
Director

Dated this 15th day of February, 2013
Melbourne

ACRUX LIMITED
ABN 72 082 001 152

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ACRUX LIMITED AND CONTROLLED ENTITIES

We have reviewed the accompanying half-year financial report of Acrux Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2012, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 2012 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
ABN 72 082 001 152

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ACRUX LIMITED AND CONTROLLED ENTITIES

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 2012 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

15 February 2013

PITCHER PARTNERS
Melbourne