

ACRUX ANNOUNCES 2015/16 FINANCIAL RESULTS

Acrux (ASX: ACR) today announced its financial result for the year ended 30 June 2016.

The Board has considered the 22 August 2016 United States District Court's ruling on Axiron patents. The Company's financial position as at 30 June 2016 is strong with \$29.4 million in cash reserves, which will be invested in the Company's attractive product development pipeline to create future return for shareholders. As a result, the Board has not declared a dividend for the year ended 2015/16.

Financial highlights:

- Cash reserves at 30 June 2016, \$29.4 million (2015: \$23.1 million)
- Net profit after tax, \$13.0 million (2015: \$11.1 million)
- Earnings per share: 7.6 cents per share (2015: 6.7 cents per share)

Strategic milestones:

- Formulation development of our first three generic projects completed (ACR068, ACR071 and ACR072)
- Scale up activities commenced for these generic projects
- Continued product development for onychomycosis (fungal infection of the nail)
- Lenzetto® approved in the European Union and launched in multiple countries during 2015/16

Material events subsequent to 30 June 2016:

On 22 August 2016, the United States District Court for the Southern District of Indiana ruled the formulation and axilla application patents granted by the US Patent Office for Axiron® have been invalidated and therefore would not be infringed by the commercialisation of generic versions of Axiron® by the generic companies that have challenged these patents. The applicator patent is valid but not infringed by the majority of parties. The decision allows FDA-approved generic versions of Axiron® to enter the U.S. marketplace, pending an appeal. On 23 August 2016, in the United States, Eli Lilly and Company and Acrux announced that they will appeal the Court's decision. In the event that the decision is overturned during the appeal, and the courts determine that the patents are valid and infringed, the generics can be withdrawn from the market and the brand company can seek monetary damages. Appeal proceedings have commenced.

The Board has considered the carrying value of Axiron on its balance sheet in accordance with Australian Accounting Standards and considers the value to be appropriate. In the event the appeal is not upheld then the value of the asset will be reassessed.



Investor conference call:

Shareholders and analysts are encouraged to join the Investor Conference Call, to be held at 2.00pm on Thursday 25 August 2016. Investors will need to access the call via phone. Details are provided below:

Dial-in Details:

Toll Free Dial-in Details: 1800 558 698

Australia: +61 2 9007 3187

New Zealand 0800 453 055

Singapore 800 101 2785

United States 1855 8811 339

United Kingdom 0800 051 8245

Conference ID: 548 892

A Q&A session will be held following the Company presentation. Shareholders are encouraged to participate by forwarding questions to investor@acrux.com.au in advance of the Conference Call.

Acrux recommends participants dial in at least 5 to 10 minutes prior to commencement of the call. A recording of the call will be made available in the 'Investor Centre' section of the Company website at: <http://www.acrux.com.au/>

For further information, contact

Michael Kotsanis, CEO and Managing Director: 03 8379 0100

Sharon Papworth, CFO & Company Secretary: 03 8379 0100

About Acrux

Acrux (ASX: ACR) is a pharmaceutical company dedicated to developing and commercialising branded and generic topical pharmaceuticals. Incorporated in 1998 and using in house facilities and capabilities, Acrux has successfully developed and licensed a number of pharmaceutical products in the US and Europe using the Patchless Patch™, a fast-drying and invisible topical application technology. Marketed products include Axiron®, Evamist® and Lenzetto®. More recently, in addition to specialty products, Acrux has identified and initiated development of a range of generic products. Acrux is leveraging its on-site laboratories, GMP manufacturing suite, clinical and commercial experience to bring more products to market. Acrux encourages collaboration and is well positioned to discuss partnering and product development.

For further information on Acrux, visit www.acrux.com.au

