ACRUX LIMITED
ABN 72 082 001 152
AND CONTROLLED ENTITIES

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013
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 2013.

Rule 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2013

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 2013______________________________

Previous corresponding periods: Financial year ended 30 June 2013
Half- year ended 31 December 2012

2. Results for announcement to the market

				$'000
Revenues from ordinary activities *(item 2.1)*	Up	751%	to	43,657
Profit (loss) from ordinary activities after tax attributable to members (*item 2.2*)	Up	1,257%	to	24,590
Net profit (loss) for the period attributable to members *(item 2.3)*	Up	1,257%	to	24,590

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend – 31 December 2013	0.00¢	0.00¢
Final dividend – 30 June 2013	0.08¢	0.00¢
Previous corresponding period – 31 December 2012	0.00¢	0.00¢
Record date for determining entitlements to the dividend *(item 2.5)*	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:
Please refer to commentary provided in the Directors' Report below.

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

	31 December 2013	31 December 2012
Net tangible asset backing per ordinary security	22 cents	11 cents

4. Details of entities over which control has been gained or lost during the period: *(item 4)*

Control gained over entities

Name of entities *(item 4.1)*	Not Applicable
Date(s) of gain of control *(item 4.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired *(item 4.3)*	$
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$

Loss of control of entities

Name of entities *(item 4.1)*	Not Applicable
Date(s) of loss of control *(item 4.2)*	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost *(item 4.3).*	$
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period *(item 4.3)*	$

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2013	Not Applicable	$0.00
Final dividend year ended 30 June 2013	23 September 2013	$0.08 cents

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend:	Current year	0.00¢	0.00¢	0.00¢
	Previous year	0.08¢	0.00¢	0.00¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities *(each class separately)*	Not Applicable	Not Applicable
Preference securities *(each class separately)*		
Other equity instruments *(each class separately)*		
Total		

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6)*:

Not Applicable

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan	

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	% Securities held
Not Applicable	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2013 $	2012 $
Profit (loss) from ordinary activities before tax Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax Adjustments		
Share of net profit (loss) of associates and joint venture entities		

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).

9. 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.

10. Matters relating to a qualified independent review statement

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 9)*

Not Applicable

ACRUX LIMITED
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FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2013.

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FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 2013 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
T Oldham	Director since 1 October 2013

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 $38.4 million (2012: $2.0 million). The consolidated profit after tax was $24.6 million (2012: $1.8 million) with a tax charge of $13.8 million (2012: $0.2 million).

Revenue

Total revenue for the half-year increased to $43.7 million (2012: $5.1 million), including revenue from product agreements of $43.3 million (2012: $4.5 million). Revenue from Axiron® increased to $42.5 million (2012: $4.4 million), which includes the recognition of $28.2 million (US$25 million) as milestone revenue, as net sales exceeded US$100 million in the 2013 calendar year, plus an increase in royalty revenue to $14.3 million (2012: $4.4 million). Interest on cash deposits reduced to $0.2 million (2012: $0.6 million), due to lower cash reserves coupled with reduced interest rates. Foreign exchange gains added $0.1 million to revenue (2012: $0.1 million).

Operating Expenses

Total operating expenditure for the half-year was $5.3 million (2012: $3.1 million). Royalty payments due to Monash Investment Trust increased to $1.5 million (2012: $0.1 million), in-line with increased product income. A non-cash expense of $0.6 million (2012: Nil) was recorded for employee share options granted during the reporting period, as required by accounting standard AASB 2.

Income Tax

Income tax expense of $13.8 million (2012: $0.2 million) was recorded for the reporting period, in line with the increase in profit before tax. Further details of the income tax expense are provided at Note 2 of the financial report that follows the director's report.

Cash flow

Net cash outflow for the half-year reduced to $5.6 million (2012: $11.1 million). Inflows of cash from operating activities increased to $7.7 million (2012: $2.3 million) with receipts from product agreements and government adding $13.3 million (2012: $5.4 million) to cash, while the payment of income taxes increased to $2.9 million (2012: $1.4 million).

Cash outflow from financing investing activities was $13.3 million (2012: $13.3 million) representing the payment of 2013 final dividend to shareholders. Cash reserves at the end of the period were $17.5 million (30 June 2013: $22.8 million).

Contributed Equity

There were no changes to contributed equity during the reporting period.

The number of outstanding employee share options on issue at the end of the reporting period was 1,870,000 (30 June 2013: Nil), representing 1.1% of the issued share capital. These options are exercisable at $4.30 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.

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DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

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 19th day of February, 2014

PITCHER PARTNERS

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of ACRUX LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2013, 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 SCHONBERG	**PITCHER PARTNERS**
Partner	**Melbourne**

19 February 2014

ACRUX LIMITED
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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Notes	Half-Year 2013 $'000	Half-Year 2012 $'000
Revenue from product agreements		43,315	4,454
Interest income		248	568
Other income		94	109
Total revenue		43,657	5,131
Employee benefits expense		(1,238)	(1,056)
Directors' fees		(314)	(204)
Employee share options expense		(638)	-
Depreciation and amortisation expenses		(706)	(715)
Occupancy and lease expenses		(201)	(192)
External research and development expenses		(292)	(367)
Professional fees		(151)	(213)
Royalty expenses		(1,506)	(148)
Other expenses		(248)	(243)
		(5,294)	(3,138)
Profit before income tax expense		**38,363**	**1,993**
Income tax expense	2	(13,773)	(181)
Profit from continuing operations		**24,590**	**1,812**
Total comprehensive income for the half-year		**24,590**	**1,812**
Total comprehensive income attributable to:			
Members of the parent		24,590	1,812
Non -controlling interest		-	-
		24,590	**1,812**
Basic earnings per share (cents per share)		0.15	0.01
Diluted earnings per share (cents per share)		0.15	0.01

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 2013

	Notes	31 Dec 2013 $'000	30 June 2013 $'000
CURRENT ASSETS			
Cash and cash equivalents		17,484	22,840
Receivables		36,678	6,825
TOTAL CURRENT ASSETS		54,162	29,665
NON-CURRENT ASSETS			
Plant and equipment		85	93
Intangible assets	3	22,450	23,137
TOTAL NON-CURRENT ASSETS		22,535	23,230
TOTAL ASSETS		76,697	52,895
CURRENT LIABILITIES			
Trade and other payables		2,148	1,256
Current tax payable		10,617	1,675
Short-term provisions		395	331
TOTAL CURRENT LIABILITIES		13,160	3,262
NON-CURRENT LIABILITIES			
Deferred tax liabilities		4,868	2,860
Long-term provisions		10	20
TOTAL NON-CURRENT LIABILITIES		4,878	2,880
TOTAL LIABILITIES		18,038	6,142
NET ASSETS		**58,659**	**46,753**
EQUITY			
Contributed Equity	4	95,873	95,873
Reserves		638	-
Retained earnings		(37,852)	(49,120)
Parent entity interest		58,659	46,753
Non controlling interest		-	-
TOTAL EQUITY		**58,659**	**46,753**

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 2013

	Notes	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2012		95,825	4	(42,726)	53,103
Profit for the period		-	-	1,812	1,812
Total comprehensive income for the half-year		-	-	1,812	1,812
Transactions with owners in their capacity as owners:					
Contributions		-	-	-	-
Dividends paid	5	-	-	(13,319)	(13,319)
Total transactions with owners in their capacity as owners		-	-	(13,319)	(13,319)
Balance as at 31 December 2012		**95,825**	**4**	**(54,233)**	**41,596**
Balance as at 1 July 2013		95,873	-	(49,120)	46,753
Profit for the period		-	-	24,590	24,590
Total comprehensive income for the half-year		-	-	24,590	24,590
Transactions with owners in their capacity as owners:					
Contributions		-	-	-	-
Employee share scheme		-	638	-	638
Dividends paid	5	-	-	(13,322)	(13,322)
Total transactions with owners in their capacity as owners		-	638	(13,322)	(12,684)
Balance as at 31 December 2013		**95,873**	**638**	**(37,852)**	**58,659**

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 2013

	Half-year	
	2013	**2012**
	$'000	**$'000**
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from product agreements and government	13,302	5,440
Payments to suppliers and employees	(3,048)	(2,640)
Interest received	293	866
Taxes paid	(2,855)	(1,415)
Net cash provided by operating activities	**7,692**	**2,251**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(24)	(28)
Net cash used in investing activities	**(24)**	**(28)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(13,310)	(13,308)
Net cash used in financing activities	**(13,310)**	**(13,308)**
Net decrease in cash and cash equivalents	(5,642)	(11,085)
Foreign exchange differences on cash holdings	286	109
Cash and cash equivalents at beginning of half-year	22,840	30,017
Cash and cash equivalents at end of the half-year	**17,484**	**19,041**

The accompany notes form part of these financial statements.

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 2013 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 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.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ending 30 June 2013 and the corresponding half-year except as described below in note 1 (b).

(b) Summary of the significant accounting policies

Due to new or revised accounting standards which became operative for the annual reporting period commencing 1 January 2013, Acrux Limited has changed some of its accounting policies as described below.

(i) AASB 10 Consolidated Financial Statements

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and of all entities the parent control.

Under AASB 10, the group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The group has applied AASB 10 retrospectively in accordance with the transition provisions. The group has determined that AASB 10 has no impact on the composition of the consolidated group. Therefore, no adjustments to any of the carrying amounts are required.

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

(ii) AASB 138 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.

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 estimated useful life and total economic benefit for each asset are reviewed at least annually. During the 2013 financial year the expected pattern of consumption of future economic benefits of capitalised development costs for Axiron was reassessed. The carrying amount of the asset is amortised based on a straight line basis over a period of 18 years from 1 July 2012. This change has been reflected in the 31 December 2012 comparative information in the condensed consolidated statement of comprehensive income. 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.

NOTE 2: SIGNIFICANT ITEMS

(a) Income Tax

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.

The subsidiary companies of Acrux Limited are subject to the general corporate company tax rate of 30%. At 31 December 2013 Acrux Limited subsidiary companies had utilised all accumulated tax losses. The majority of the consolidated entity's taxable income is earned by these subsidiary companies. As a result, for the current reporting period, and for future reporting periods, the consolidated entity's income tax expense is likely to represent approximately 30% of profit before income tax.

Income tax expense for the half-year was $13.8 million (2012: $0.2 million) representing approximately 36% of profit before income tax. The parent entity, Acrux Limited, received an unfranked dividend of $13.5 million from subsidiary Acrux DDS Pty Limited during the reporting period. The dividend is taxable income for Acrux Limited but is not an allowable tax deduction for Acrux DDS Pty Limited. If not for this transaction income tax expense would represent approximately 30% of profit before income tax. It should be noted that income tax expense recognised by Acrux Limited for the unfranked dividend received does not translate to a liability to pay income tax as the parent entity utilised carried forward tax losses.

NOTE 3: INTANGIBLE ASSETS

	Half-year 31 Dec 2013 $'000	Full-year 30 June 2013 $'000
Intellectual Property		
At cost	1,200	1,200
Accumulated amortisation	(901)	(854)
Net carrying amount	299	346
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	(2,091)	(1,451)
	21,080	21,720
Net carrying amount	22,151	22,791
Total Intangible Assets	22,450	23,137

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 4: ISSUANCES OF EQUITY SECURITIES

Movements in shares on issue	**Half-year 31 Dec 2013 No.**	**Full-year 30 June 2013 No.**	**Half-year 31 Dec 2013 $'000**	**Full-year 30 June 2013 $'000**
Beginning of the financial period	166,521,711	166,496,711	95,873	95,825
Issued during the financial period:				
Employee share scheme	-	25,000	-	46
Less capital raising expenses	-	-	-	(2)
Fair value of shares issued on exercise of employee share options	-	-	-	4
Net contributions from share issues	-	-	-	48
At reporting date	**166,521,711**	**166,521,711**	**95,873**	**95,873**

NOTE 5: DIVIDENDS

(a) Dividends paid	Half-year 31 Dec 2013 $'000	Half-year 31 Dec 2012 $'000
Dividends paid at 8 cents per share unfranked (2013: 8 cents)	13,322	13,319

NOTE 6: 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 2013 $'000	Half-year 31 Dec 2012 $'000
Product/Service		
Axiron®	42,534	4,407
Other	1,123	724
Total revenue	43,657	5,131
Country of Origin		
Australia	248	568
Switzerland[1]	42,534	4,407
Other	875	156
	43,657	5,131

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

NOTE 7: CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2013.

NOTE 8: SUBSEQUENT EVENTS

There has been no other matter or circumstance, which has arisen since 31 December 2013 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 December 2013, of the consolidated entity, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 31 December 2013, of the consolidated entity.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 11 to 15 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 2013 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 19th day of February, 2014
Melbourne

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

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 2013, 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.

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 gives a true and fair view and 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 half-year 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 2013 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 2013 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 SCHONBERG
Partner

PITCHER PARTNERS
Melbourne

19 February 2014