

ACRUX GRANTED FIRST PATENT IN EUROPE, TRIGGERING PAYMENT FROM LILLY

- **Key core patent lasting until 2017; others patent applications pending**
- **Major milestone for business development in Europe**
- **AUS\$0.5 million received under global license for animal health**

Melbourne and New York, 18 April 2006: Acrux (ASX: ACR), the Australia-based pharmaceutical company with unique technology for delivering drugs through the skin, today announced that the European Patent Office has granted the key core patent protecting Acrux's drug delivery technology. Highlighting the significance of this patent, the decision triggers a payment of AUS\$0.5 million from Elanco, the animal health division of the major US pharmaceutical company Eli Lilly and Company, which has licensed Acrux's technology for the development and commercialisation of multiple animal health products worldwide.

Acrux CEO Igor Gonda commented "This is a major milestone for our entire product portfolio, giving potential commercial partners for Europe comfort that our innovative products are protected in that market until at least 2017. It is also another commercial step forward for Elanco as they develop products using our technology for animals worldwide."

Acrux retains rights in Europe for all its human pharmaceutical products and is currently seeking European partners for its daily skin spray therapies for women, addressing menopause symptoms, decreased libido and contraception.

About Acrux's collaboration with Elanco

Elanco has licensed Acrux's technology for the development and commercialisation of multiple animal health products worldwide, and will fund all development and commercialisation costs. Elanco is a "top 10" veterinary company by sales, in a worldwide animal health business worth

18.04.06

Acrux Limited
103-113 Stanley Street
West Melbourne
VIC 3003 Australia

Tel: +61 3 8379 0100
Fax: +61 3 8379 0101
E-mail: info@acrux.com.au
www.acrux.com.au



more than US\$14 billion per annum. Acrux has now earned AUS\$1.5 million from this alliance and may earn further amounts on achievement of various milestones. Additionally, royalties will be paid by Elanco on sales of any products that might result from this alliance.

About the patent

The grant under patent number 0901368 will take effect on 3 May 2006. The patent has a priority date of 19 February 1996 and will expire on 19 February 2017. It provides protection for a drug delivery system that consists of an effective amount of a therapeutic drug, a dermal penetration enhancer (one of certain safe skin-tolerant ester sunscreens), and a volatile liquid, which is applied to a biological membrane. Acrux has a number of other patent applications pending in Europe and other major markets. Acrux has also already had nine patents granted in the USA.

About Acrux

www.acrux.com.au

- Acrux is a specialty pharmaceutical company, developing and commercialising a range of patented, patient-preferred healthcare 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 patents issued and pending in major markets.
- Acrux has 7 products in clinical development, including:
 - **Evamist™** to treat menopause symptoms - Phase 3 results in the USA expected in the second quarter of 2006
 - **Testosterone MDTs®** to treat decreased libido in women – ready to start Phase 3 in the USA
 - **Nestorone® MDTs®** contraceptive spray for women – to start Phase 2 in 2006
 - **Fentanyl UDTS™** to treat chronic pain – completed Phase 1
 - **Testosterone MD-Lotion®** to treat testosterone deficiency in men – In Phase 2

- Acrux has licensed USA rights for Evamist™ (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 Lilly for veterinary healthcare products.

About Elanco Animal Health

www.elanco.com

Elanco is a global research-based animal health company that develops and markets products to improve the health and production of animals in more than 100 countries. Elanco is a division of Eli Lilly and Company, a leading innovation-driven pharmaceutical corporation. Elanco products enhance animal health, wellness, welfare and performance.

Contacts:

Melbourne: - Igor Gonda, CEO & Managing Director +61 3 8379 0100

New York: - Christina Pagano, Pagano & Company Public Relations

+1 212-213-2851; +1 646-382-3871 (mobile); PaganoPR@aol.com