Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Acrux Limited

ABN	Quarter ended ("current quarter")
72 082 001 152	31 December 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter $A'000	6 Months Year to Date $A'000
1.1	Receipts from licensees and government	88,925	89,030
1.2	Payments for (a) staff costs	(920)	(2,429)
	(b) research and development	(886)	(1,716)
	less development capitalised	715	1,291
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	188	791
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	- Licensing expenses	(11)	(300)
	- Intellectual property expenses	(159)	(416)
	- Other expenses	(95)	(328)
	Net operating cash flows	87,757	85,923

+ See chapter 19 for defined terms.

		Current Quarter $A'000	6 Months Year to date $A'000
1.8	Net operating cash flows (carried forward)	87,757	85,923
	Cash flows related to investing activities		
1.9	Payment for acquisition of(a)businesses (item5)		
	(a) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(291)	(755)
	(e) other non-current assets		
1.10	Proceeds from disposal of(a)businesses (item5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	500	500
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Capitalised development payments	(715)	(1,291)
	Net investing cash flows	(506)	(1,546)
1.14	**Total operating and investing cash flows**	87,251	84,377
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	4,976	7,397
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other		
	Net financing cash flows	4,976	7,397
	Net increase (decrease) in cash held	92,227	91,774
1.21	Cash at beginning of quarter/year to date	58,068	58,609
1.22	Exchange rate adjustments	(3,200)	(3,288)
1.23	**Cash at end of quarter**	147,095	147,095

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	161
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Executive Director's Salary and Non Executive Directors' Fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements	141	3

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	94,319	5,340
4.2 Deposits at call	52,776	52,728
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	147,095	58,068

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: .....31/01/2011................
Company Secretary & Chief Financial Officer

Print name: ....Jon Pilcher..

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.