

ACRUX AND KV PHARMACEUTICAL SIGN EXPANDED AGREEMENT FOR EVAMIST™ AND SIX ADDITIONAL PRODUCTS

Summary:

- **Acrux and KV enter into broad-based licence and product development agreement**
- **Acrux gains access to Evamist™ US data for commercialisation in rest of world**
- **KV licenses Acrux technology for development of additional hormone and non-hormone transdermal products**
- **Evamist™ licence for USA now assigned from Vivus to KV**

Melbourne, 12 August 2008: Acrux (ASX: ACR) today announced a major expansion of its commercial partnership with KV Pharmaceutical Company (NYSE: KVa/KVb), incorporating both Evamist™ and additional new products using Acrux's unique spray technology for delivering drugs through the skin. Evamist™ was recently launched by KV as the first and only estradiol transdermal spray, targeting one of the largest markets in women's health. Evamist™ has been showing increasing prescription trends in the United States since its launch in April 2008 and has already become the second ranked transdermal hormone therapy as measured by NBRx measurements (New to Brand Prescriptions).

Under the new agreement, Acrux gains the right to use the data contained in KV's FDA filing for Evamist™ in regulatory filings in all territories outside the USA.

Acrux will now proceed to file a marketing application in Europe, under the brand name Ellavie™. Acrux has already received strong commercial interest for Ellavie™ from potential marketing partners in the ex-USA pharmaceutical markets.

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Evamist™ was originally licensed by Acrux to Vivus Inc., which subsequently sub-licensed rights to KV. With Acrux's consent, Vivus has assigned the licence to KV and KV is now Acrux's licensee.

Under the new agreement, KV has licensed Acrux's transdermal spray technology for application in six additional products, with the potential to add further products in the future.

Three pre-clinical products, including a combination hormone therapy Duomist™, have been licensed for the US market only. KV will fund all clinical development costs for each product and Acrux will receive royalties on US sales plus milestone payments. Acrux will have access to the data contained in KV's FDA filings for regulatory filings in all other territories. In return, Acrux will pay to KV a share of its licensing revenues from those territories.

The technology has further been licensed to KV to develop three novel products for global markets. KV will fund all clinical development costs for each product and Acrux will receive royalties on global sales plus milestone payments.

Acrux CEO Richard Treagus commented "The collaboration with KV not only allows us to proceed immediately with the commercialisation of our estradiol product in the major markets outside the USA, but just as importantly it aligns us strongly with a very capable and committed marketing partner. I am delighted that, following the launch of Evamist™, KV has seen the value and potential in our unique spray technology."

"Acrux's promising transdermal spray technology creates exciting opportunities for us to further diversify Ther-Rx's therapeutic focus into new categories," stated Marc S. Hermelin, KV's Chairman of the Board and Chief Executive Officer. "Acrux is a great collaborator for KV, one that ably demonstrates our vision of combining great in-house development with top-notch external partners to maximize both our product pipeline and our participation in key pharmaceutical markets around the world."

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About Acrux - www.acrux.com.au

- Acrux is an Australian drug delivery company, developing and commercialising a range of patient-preferred, patented pharmaceutical 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, issued patents.
- Acrux has one product, EvaMist™ (brand name Ellavie™ outside the USA) to treat menopause symptoms, marketed by its licensee in the USA and has the following products in clinical development:
 - Testosterone MD-Lotion® to treat male testosterone deficiency
 - Testosterone MDTS® to treat decreased libido in women
 - Nestorone® MDTS® contraceptive sprays for women
 - An undisclosed companion animal health product
 - Fentanyl MDTS® to treat chronic pain
 - Nicotine MDTS® for smoking cessation
- Acrux has licensed worldwide rights to its technology for selected contraceptives and for an undisclosed proprietary drug to ORGANON, USA rights for Estradiol MDTS® to KV Pharmaceutical and for Testosterone MDTS® to VIVUS, and AUS/NZ distribution rights for Estradiol MDTS® to Aspen Pharmacare and for Testosterone MDTS® and Fentanyl MDTS® to CSL Limited. Acrux has also licensed its technology to Eli Lilly and Company for veterinary healthcare products.

About KV Pharmaceutical Company - www.kvpharmaceutical.com

KV Pharmaceutical Company is a fully integrated specialty pharmaceutical company that develops, manufactures, markets and acquires technology-distinguished branded and generic/non-branded prescription pharmaceutical products. The Company markets its technology-distinguished products through ETHEX Corporation, a national leader in pharmaceuticals that compete with branded products, and Ther-Rx Corporation, its branded prescription pharmaceutical subsidiary.

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