

Successful Share Purchase Plan lifts total proceeds from recent capital raisings to \$19.7 million

Pharmaxis (ASX: PXS) today announced approval by a shareholder general meeting of the \$16.5 million share placement, and closure of its Share Purchase Plan (SPP). The placement and SPP were originally announced on 3 November 2004.

The \$16.5 million placement of 22 million shares was made to institutions and sophisticated investors at 75 cents per share. Shareholders approved the placement at a meeting yesterday.

Shareholders demonstrated strong support for the Share Purchase Plan, which closed on 3 December 2004 and resulted in Pharmaxis raising over \$3 million. Under the SPP, shareholders were given the opportunity to purchase up to \$4,998 worth of shares each at the same price (\$0.75) paid by institutional investors.

A total of 738 shareholders participated in the SPP, under which the company will issue 4,362,092 new shares and receive approximately \$3.27 million.

Dr Alan Robertson, Chief Executive Officer of Pharmaxis said: "We are very pleased with the level of support demonstrated by shareholder participation in the SPP. Approximately fifty per cent of Pharmaxis shareholders took part in the plan, and the average investment was over \$4,400."

The company raised \$19.77 million in total through the placement and SPP, replenishing the funds outlaid during 2004 on its successful clinical trials and enabling Pharmaxis to proceed with a new international Phase III clinical trial for Bronchitol™ in 2005.

To find out more about Pharmaxis, go to <http://www.pharmaxis.com.au>

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About Pharmaxis (ACN 082 811 630)

Pharmaxis develops innovative pharmaceutical products to treat human respiratory and autoimmune diseases. Its pipeline of products include AridoI™ for the management of asthma, Bronchitol™ for cystic fibrosis and chronic obstructive pulmonary disease (COPD) and PXS25 for the treatment of multiple sclerosis.

Founded in 1998, Pharmaxis was listed on the Australian Stock Exchange in November 2003 and is traded under the symbol PXS. The company is headquartered in Sydney at its TGA-approved manufacturing facilities.

For more information about Pharmaxis, go to www.pharmaxis.com.au or call +61 2 9451 5961.