Media Release

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PHARMAXIS ANNOUNCES POSITIVE COMBINED PHASE 3 CYSTIC FIBROSIS TRIAL RESULTS

Pharmaceutical company Pharmaxis (ASX:PXS) today announced significant results of pooled data from its two large scale six month Phase III trials of Bronchitol (inhaled mannitol) in people with cystic fibrosis.

The combined results have been presented for the first time at the North American Cystic Fibrosis Conference (NACF) currently underway in Baltimore. In addition, more results from the second trial (CF302) have been released to supplement the top line results reported on 22nd June 2010.

The two studies were of similar design and encompass 643 patients from 11 countries. Over the 26 weeks of the two studies, patients treated with Bronchitol had an average 7.3% improvement in lung function (FEV_1) compared to baseline ($p<0.001$) and a highly significant improvement compared to patients in the control group ($p<0.001$). In the sub group of patients who were also on rhDNase, patients taking Bronchitol showed a 5.3% improvement from baseline ($p<0.001$), that was again superior to the control group ($p=0.020$). In the sub group of patients who were not on rhDNase, patients taking Bronchitol showed a 9.44% improvement from baseline ($p<0.001$), that was also superior to the control group ($p=0.009$). The overall rate per annum reduction in exacerbations for patients on Bronchitol versus those on control was 25% (NS) and the number of patients experiencing an exacerbation was 29% lower for those taking Bronchitol (NS). This result was achieved in a well treated patient population who overall had a very low rate of exacerbations in the study.

“This comprehensive analysis of the pooled results provides an important insight into the overall benefits Bronchitol can provide to patients who are receiving current best standard of care” said Pharmaxis Chief Executive Officer Dr Alan Robertson. “The number of exacerbations in the two studies was fairly low, reflecting the aggressive treatment with antibiotics that is now common practice in the clinic. Despite this, Bronchitol produced a clinically relevant reduction in exacerbations in patients completing the study. Together with recent data showing sustained benefit in lung function out beyond 18 months this pooled data suggests that Bronchitol might `slow disease progression.”

Other results from CF302 presented at the NACF conference underlined both the good safety profile of Bronchitol and patient adherence. Overall adverse events on Bronchitol were similar to those experienced on control with 7% of patients taking Bronchitol withdrawing due to adverse events compared to 4% of patients on control. There was no increase in the numbers

of bacteria present in the lungs. The most commonly reported adverse event related to treatment was cough occurring in 6% of the Bronchitol group and 3.3% of the control group.

Moira Aitken, M.D., F.R.C.P. (Edin), Professor of Medicine, Division of Pulmonary and CCM, University of Washington, and lead principal investigator of CF302, stated "We are excited by the results of the Bronchitol Phase III clinical program. Across both trials, inhaled mannitol was well tolerated and demonstrated an early and sustained improvement in lung function. This improvement in FEV1 was achieved on top of aggressive use of concomitant medications such as inhaled antibiotics and rhDNase. These results, coupled with Bronchitol's novel formulation and portable dry powder inhaler administration, suggest that it will have a significant impact on CF patient well-being."

Bronchitol is designed to hydrate the airway surface of the lungs, which can then be cleared more effectively by ciliary clearance and coughing. It has received Orphan Drug Designation and fast track status from the U.S. Food and Drug Administration and Orphan Drug Designation from the European Medicines Agency. A marketing application has been submitted and is under review by the EMA.

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About Pharmaxis
Pharmaxis (ACN 082 811 630) is a specialist pharmaceutical company involved in the research, development and commercialization of therapeutic products for chronic respiratory disorders. Its development pipeline of products includes Aridol for the assessment of asthma, Bronchitol for cystic fibrosis, bronchiectasis and chronic obstructive pulmonary disease (COPD), PXS25 for the treatment of lung fibrosis and ASM8 and PXS4159 for asthma. Pharmaxis is listed on the Australian Securities Exchange (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 contact Investor Relations on phone +61 2 9454 7200.

About Bronchitol
Pharmaxis Ltd is developing Bronchitol for the management of chronic obstructive lung diseases including cystic fibrosis, and bronchiectasis. Bronchitol is a proprietary dry-powder mannitol, precision formulated for delivery to the lungs through an easy-to-use, pocket-size, portable inhaler. Once inhaled its five-way action on mucus helps restore normal lung clearance mechanisms. Bronchitol has received Orphan Drug Designation and fast track status from the US Food and Drug Administration and Orphan Drug Designation from the European Medicines Agency.

About Cystic Fibrosis
In a healthy person, there is a constant flow of mucus over the surfaces of the air passages in the lungs, removing debris and bacteria. In CF, an inherited disease, a defective gene disrupts ion transport across the epithelial membrane within cells. In the lungs, this leads to a depletion of the airway surface liquid that normally bathes the cilia, and a resultant reduction in mucociliary clearance. The result is thick, sticky mucus that clogs the lungs, severely restricting the natural airway-clearing process. It also increases the potential for bacteria to become trapped and for inflammation, thus creating an unhealthy lung environment that leads to life-threatening lung infections.

About the North American Cystic Fibrosis Conference (NACFC)
The NACFC is a scientific conference designed exclusively for medical professionals in the field of CF study and care and is attended by over 3,000 physicians, research scientists, nurses, social workers, nutritionists, dieticians, physical therapists, respiratory therapists, pharmacists, psychologists, psychiatrists and research coordinators. The conference offers more than 70 educational and scientific sessions on the latest CF research and therapies, as well as a showcase of CF-related products and services. Educational topics include the importance of newborn screening, advancements in drug discovery and development, the importance of clinical trials, quality improvement and patient outcomes, comprehensive lung care, and improving nutrition care.

About the Cystic Fibrosis Foundation (CFF)
The Cystic Fibrosis Foundation is the world's leader in the search for a cure for cystic fibrosis. The Foundation funds more CF research than any other organization, and nearly every CF drug available today was made possible because of Foundation support. Based in Bethesda, Md., the Foundation also supports and accredits a national care center network that has been recognized by the National Institutes of Health as a model of care for a chronic disease. For more information, visit www.cff.org.

Forward-Looking Statements
Forward-looking statements in this media release include statements regarding our expectations, beliefs, hopes, goals, intentions, initiatives or strategies, including statements regarding the potential for Aridol and/or Bronchitol. All forward-looking statements included in this media release are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. We cannot guarantee that any product candidate will receive regulatory approval or that we will seek any such approval.