MEDIA RELEASE
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PHARMAXIS COMPLETES INTERIM ANALYSIS ON BRONCHITOL™ STUDY

Quality of life assessment positive, no adverse events.

Sydney-based pharmaceutical company Pharmaxis Ltd (ASX code: PXS) has conducted an interim analysis on the Phase IIb clinical trial evaluating Bronchitol™ in patients with the respiratory condition bronchiectasis.

The study is a Phase II blinded, controlled crossover study with a projected total enrolment of 60 patients to determine 'quality of life' changes as a result of treatment with Bronchitol™. Secondary measures include exercise tolerance and sputum microbiology (a measure of lung infections).

Based on the interim analysis of a group of 19 patients, the trend for all components of the quality of life assessment was positive. Compared to the inactive placebo, Bronchitol™ produced an improvement in the major component of quality of life of nine units (an improvement of four units is considered clinically relevant). The quality of life measurements used give a good indication of the benefits that patients would expect to achieve in everyday activities such as walking.

No serious adverse events were reported.

This interim analysis provides the basis to complete enrolment of the remaining 41 patients and to prepare for the longer term Phase III studies.

Pharmaxis Chief Executive Officer, Alan Robertson, said the results of the interim analysis are extremely encouraging, and exceeded expectations, having found statistical significance in relatively small patient numbers.

"This is an important step in the development of Bronchitol™ and brings us closer to providing this important new medicine to patients whose lives are affected by bronchiectasis.

"The successful completion of this leg of the study means we are now well positioned to progress with confidence the development and commercialisation of our clinical projects, as well as the scale up of our manufacturing capability," Robertson said.

-ENDS-

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About Bronchiectasis

Bronchiectasis is a disorder of the airways within the lungs. Inflammation and infections cause damage to the airways with alteration in the lining layer of the airways. The airways become distorted and enlarged. Enlargement can be uniform or irregular. Mucus can collect in the airways and is difficult to clear because of the damage to the normal ways the airways clear mucus. This can lead to episodes of infection. Early diagnosis and treatment of bronchiectasis and the infections that occur are very important in managing the disease.

Over 580,000 people worldwide suffer from this condition.

About Pharmaxis:

Pharmaxis is a specialist pharmaceutical company committed to the research, development and commercialisation of human therapeutic products for chronic respiratory and autoimmune diseases.

Pharmaxis is focused on the development of its two leading technologies. The first technology includes Bronchitol™ and Aridol™, which are inhaled non-ionic osmolytes. Bronchitol™ is being developed for the treatment of respiratory diseases - in particular, cystic fibrosis, bronchiectasis and chronic bronchitis. Aridol™ is an improved lung function test and is currently in a 600 subject multicentre Phase III study and over 125 subjects have been enrolled to date. The second technology focuses on new immune response modifiers - PXS25 and PXS2000 – for the treatment of multiple sclerosis and rheumatoid arthritis.

The company has a pipeline of products in different stages of development, including four projects at clinical study stage (in patients), two projects in pre-clinical evaluation and one research project to identify a compound for development.

Pharmaxis operates a first class, TGA-licensed manufacturing facility at Frenchs Forest, near Sydney, Australia.

Pharmaxis was founded in 1998 and is chaired by Denis Hanley, former Chairman and CEO of Memtec Limited. He has extensive experience in growing Australian technology corporations to become successful global entities.