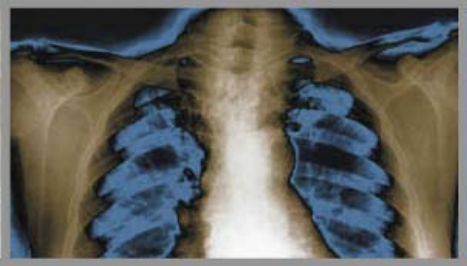
pharmaxis

ABN 75 082 811 630




Committed to the research, development and commercialisation of human therapeutic products for chronic respiratory and autoimmune diseases

February 2004

Overview

- Our Objective
  - to build a valuable business, recognised internationally for its approach to therapeutic discovery, development and commercialisation in the fields of respiratory and autoimmune diseases
- Our Strategy
  - attractive product opportunities
  - engage in the complete product value chain
  - focus on products
  - focus on core therapeutic markets
  - maintain and build a diversified product pipeline

pharmaxis

Company History

1999	GBS Venture Partners invests $2M to develop autoimmune disease research (ANU)
2001	Licence from Royal Prince Alfred Hospital for treatment of respiratory disease
2002	Second round funding of $9.6 – GBS Venture Partners, CM Capital, CIBC Australia, ANU and Mooroolbark Technology
2002	Consolidation of operations at Frenchs Forest
2003	$3 million grant to develop cystic fibrosis treatment - secured R&D grants totalling ≈ $5 million
2003	$25 million raised at IPO

pharmaxis

TGA approved facilities

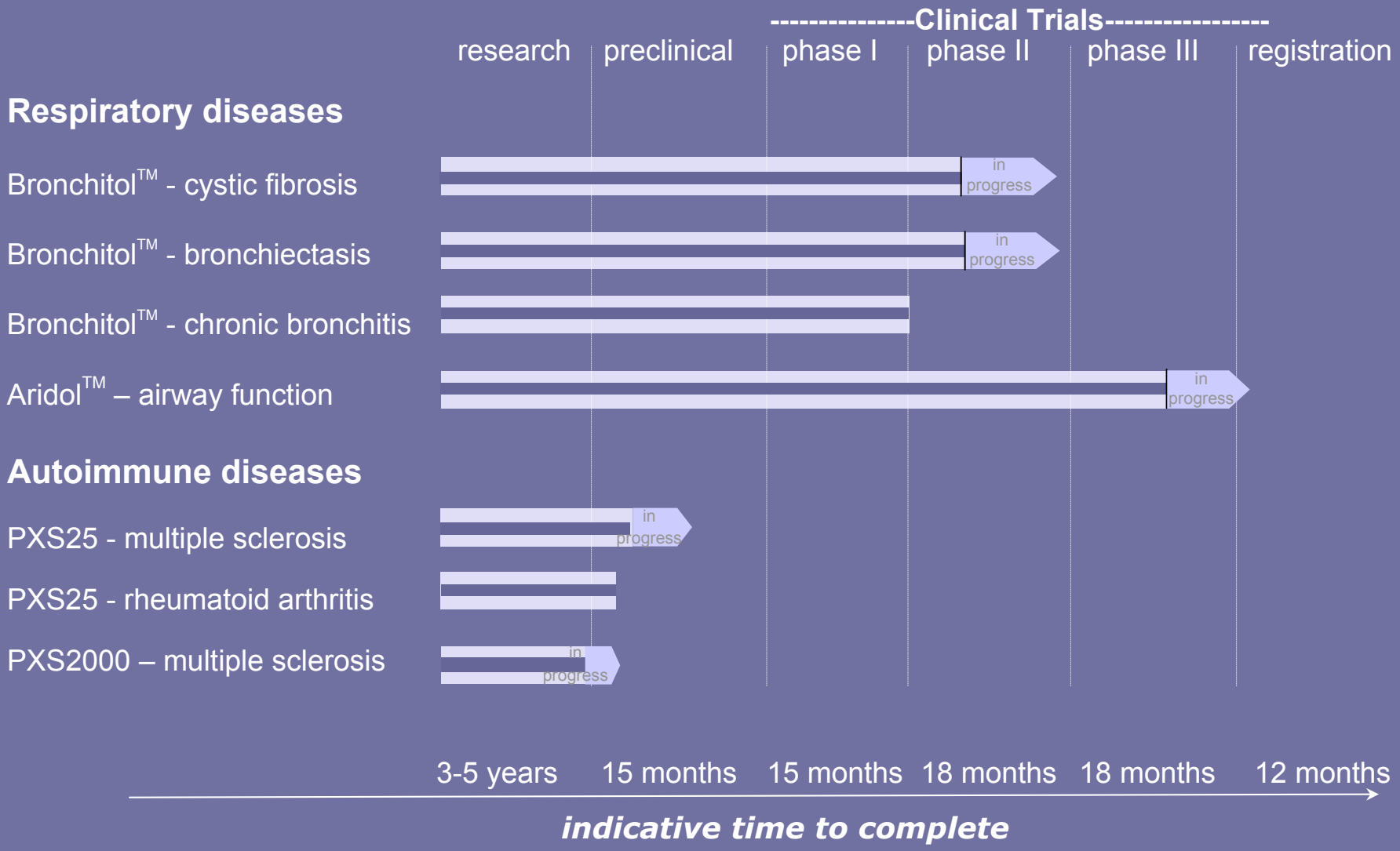
Frenchs Forest NSW

Products

Name	Category	Indication
Aridol™	lung function test	asthma/COPD
Bronchitol™	therapeutic	chronic bronchitis bronchiectasis cystic fibrosis
PXS25	therapeutic	multiple sclerosis rheumatoid arthritis
PXS2000	therapeutic	rheumatoid arthritis other

pharmaxis

Diversified Product Portfolio



Clinical Trials in Progress

Aridol™ (Phase III)

CTM manufacture	approvals	Nov 03 — dosing/recruitment (600 patients) — Jun 04	Q3 2004 Report
		125	

Bronchitol™ for cystic fibrosis (Phase IIa)

CTM manufacture	approvals	Nov 03 — dosing/recruitment (60 patients) — Jun 04	Q3 2004 Report
		1	

Bronchitol for bronchiectasis (Phase IIb)

CTM manufacture	approvals	Sep 03 — dosing/recruitment (60 patients) — June 04	Q3 2004 Report
		19	

pharmaxis

Bronchitol™ - bronchiectasis

- Phase IIb, pilot chronic study
  - 4 sites — 60 subjects
  - Start: — Oct 2003
  - Finish: — June 2004
  - Primary end point: — quality of life
  - Secondary end point: — lung function, sputum properties
  - Outcome: — proof of principle for long term efficacy of Bronchitol™
  - Status: — Interim analysis (19 subjects) completed

pharmaxis

Trial Design

- Design
  - Randomised
  - Placebo controlled
  - Blinded
  - Crossover
- Objective
  - Effect of twice daily Bronchitol™ on disability (symptoms) and handicap (sleep quality, fatigue, and QOL)

pharmaxis

Positive Interim Results

- Quality of Life (St George Questionnaire)
  - Trend versus placebo
  - significant versus control
- Symptoms
  - Trend versus placebo
  - Trend versus control
- Activity (disturbances to patients physical activity)
  - Trend versus placebo
  - Trend versus control
- Impact (disturbances of psycho-social function)
  - Significant versus placebo
  - Highly significant versus control

pharmaxis

Next Steps……

- Complete remainder of study
- Complete preclinical safety program
- Prepare for Phase III study

pharmaxis

Trial Participants

- “It has been some weeks since my part of the trial finished and to be honest I have not felt as well as when I was on the Bronchitol.”

Trial participant 1

- “Thank you for any help that you can give and I wish you well with the Bronchitol project as it has made such a difference to my health.”

Trial participant 2

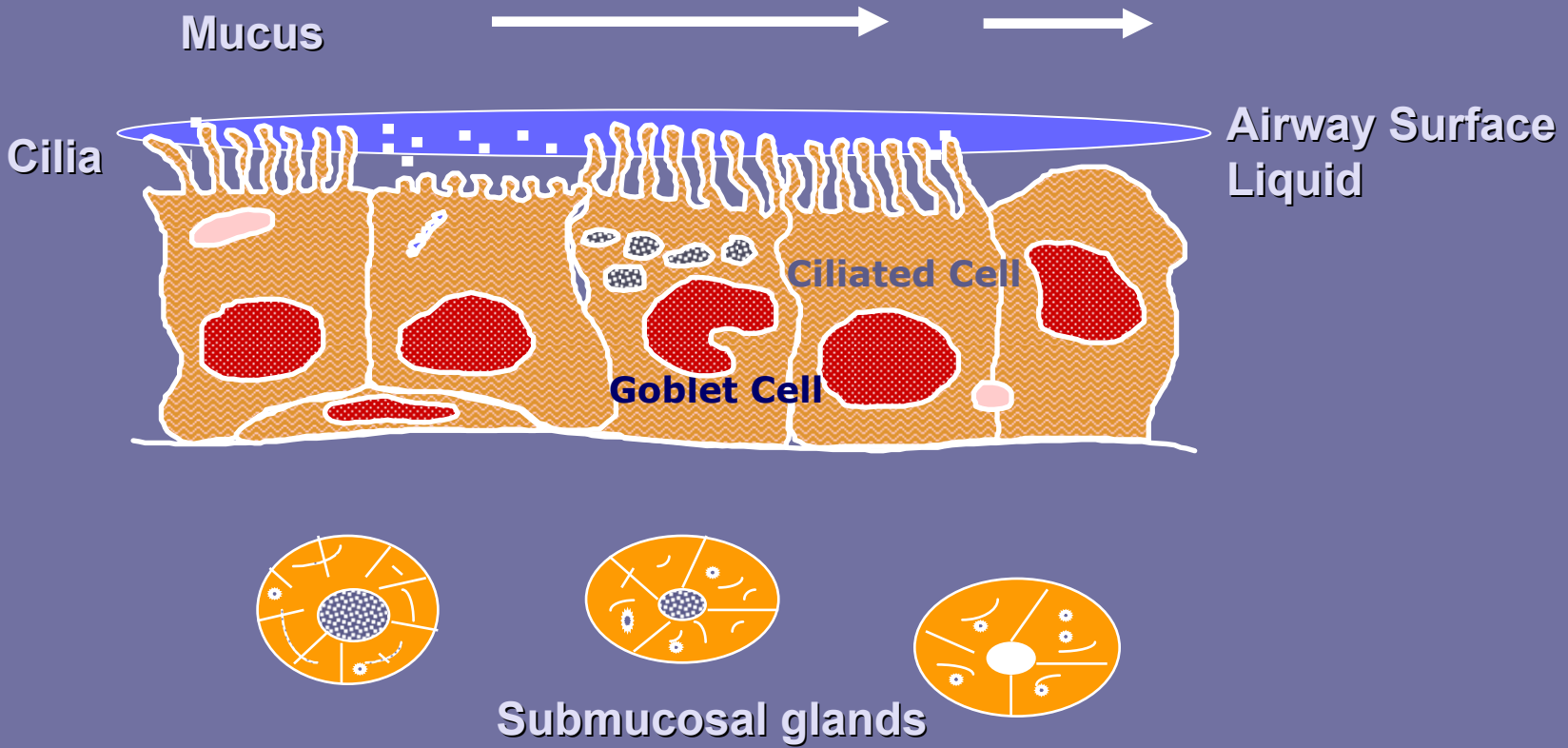
- “This patient has been on the Phase II clinical trial of Bronchitol for bronchiectasis. This has revolutionised her life, she would benefit and would be greatly relieved of her daily symptoms if she could continue this treatment.”

Physician

pharmaxis

Respiratory diseases
(Chronic obstructive lung diseases)

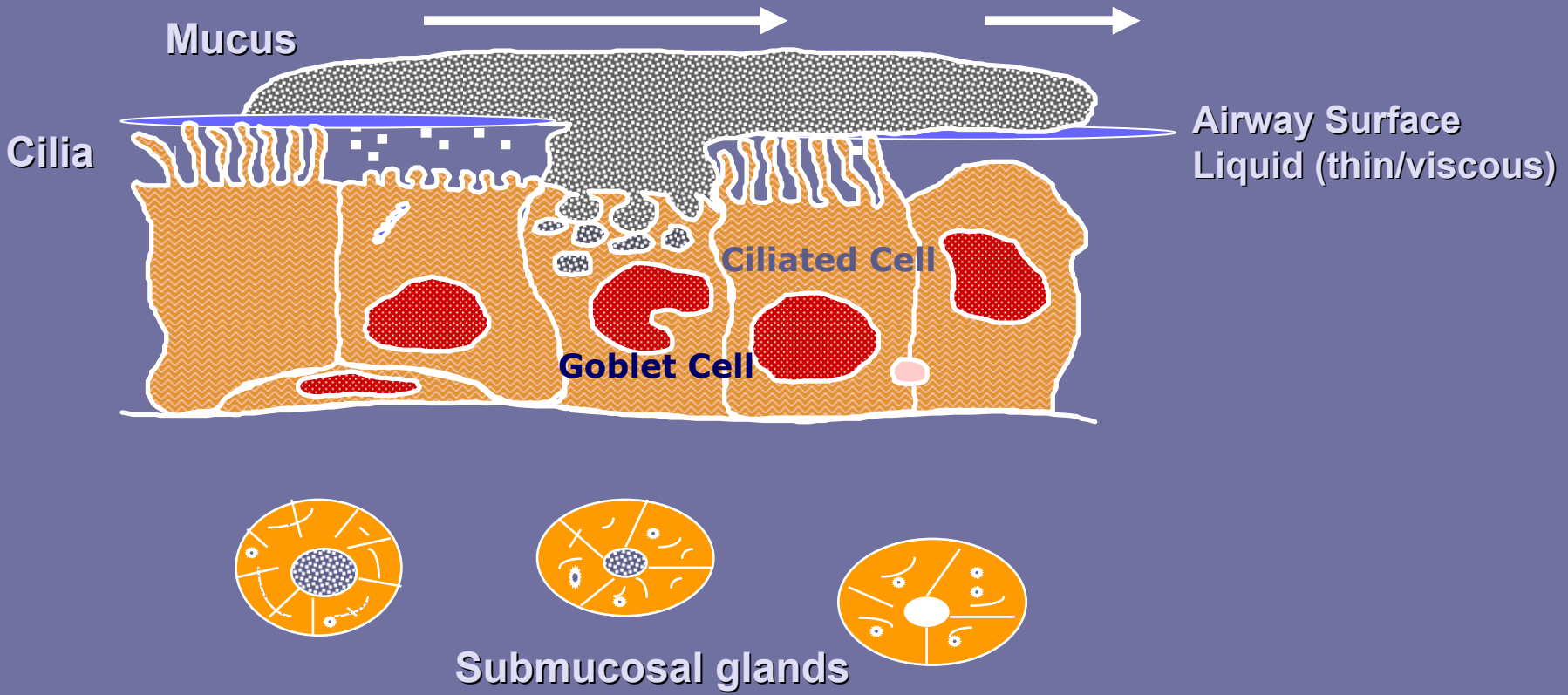
Lung defence (normal)



pharmaxis

Respiratory diseases
(Chronic obstructive lung diseases)

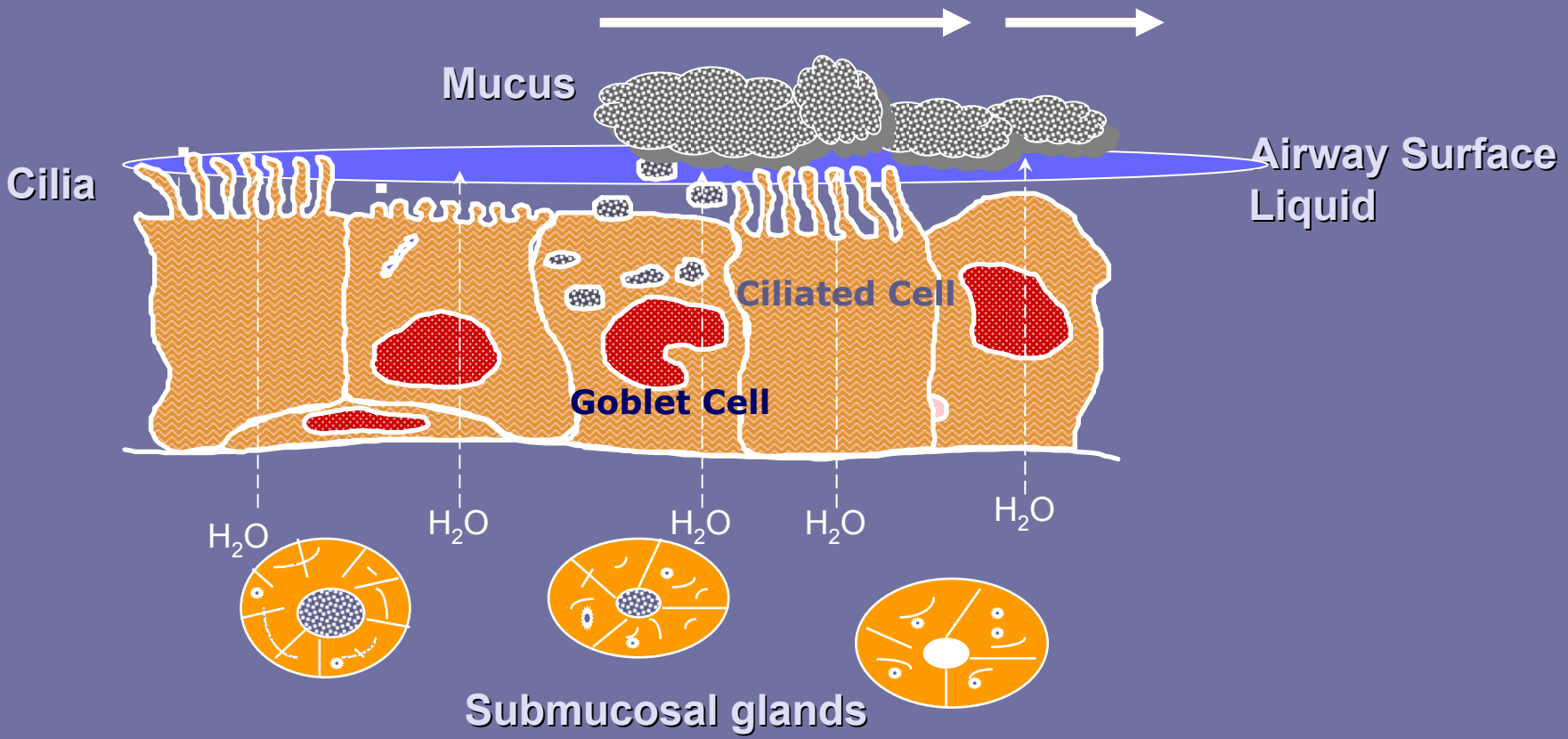
Lung defence (compromised)



pharmaxis

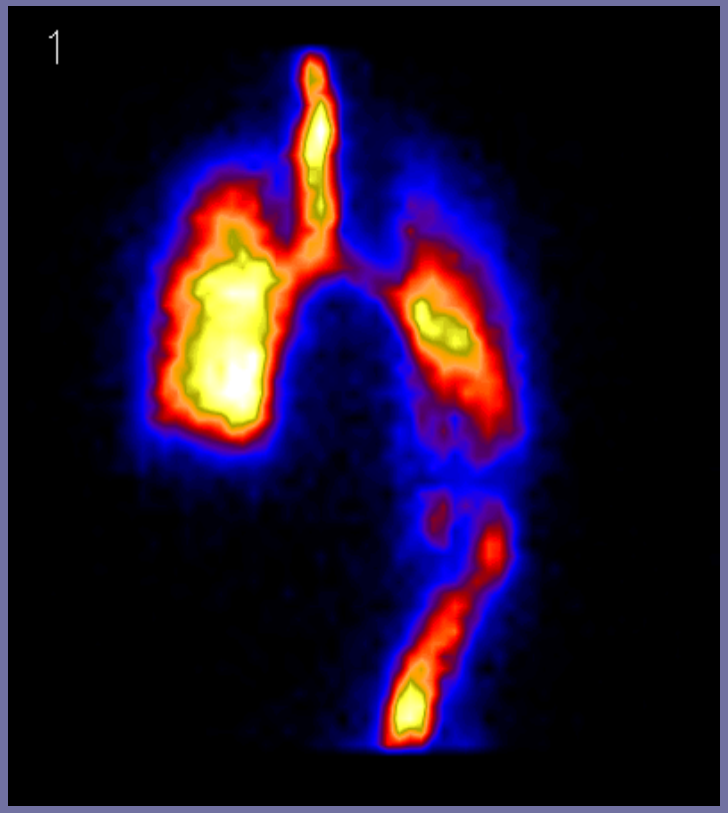
Respiratory diseases
(Chronic obstructive lung diseases)

Lung defence (after Bronchitol)



pharmaxis

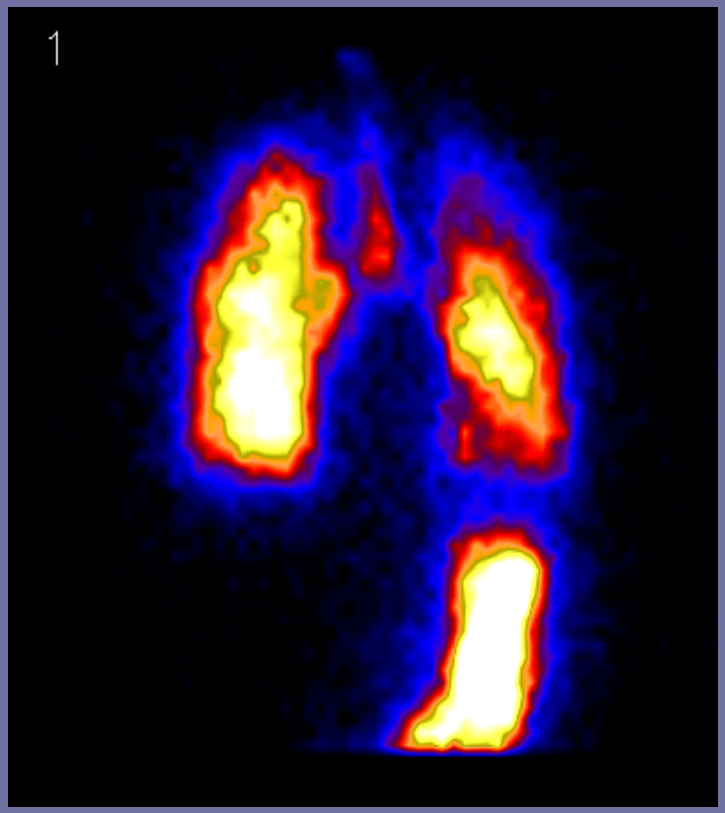
Chronic bronchitis
without Bronchitol™



pharmaxis

Chronic bronchitis

with Bronchitol™ (400mg)



pharmaxis

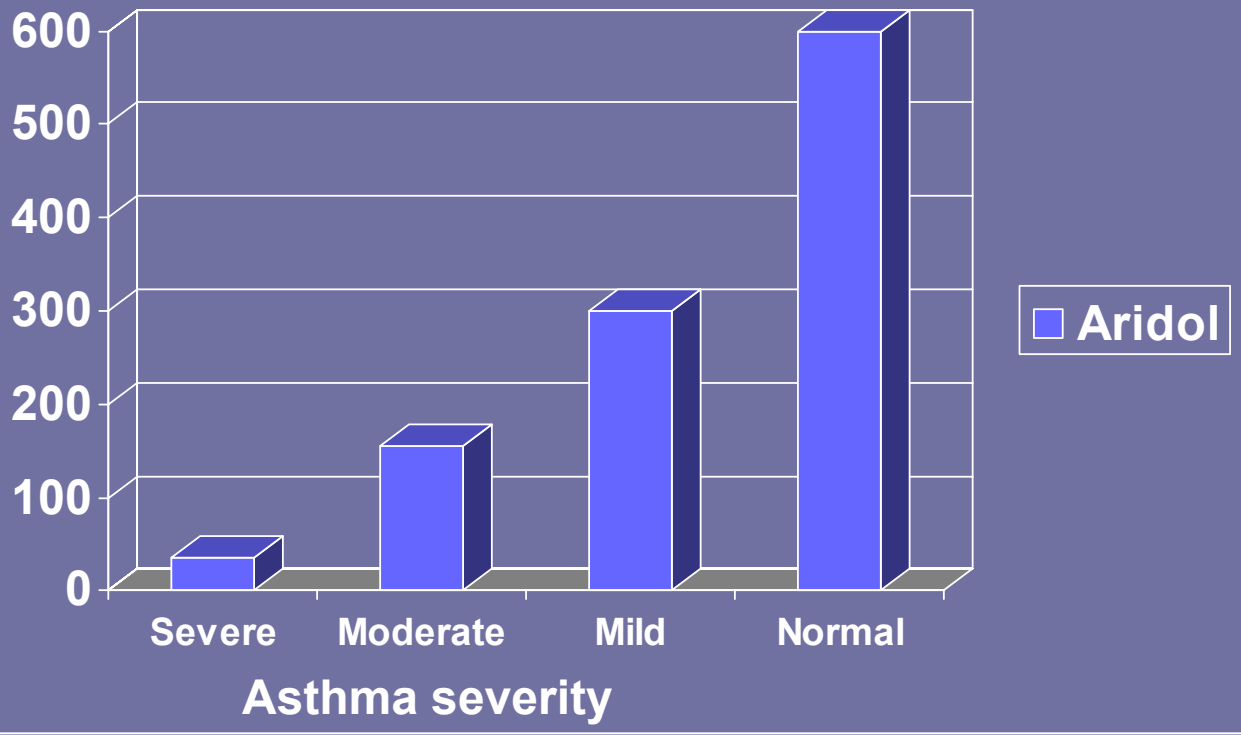
Bronchitol™

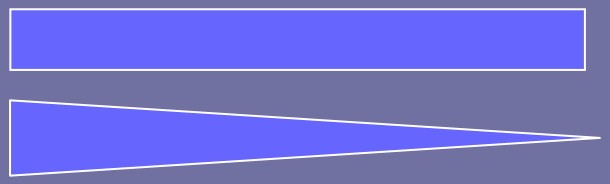
for Chronic Obstructive Lung Diseases

pharmaxis

Aridol™

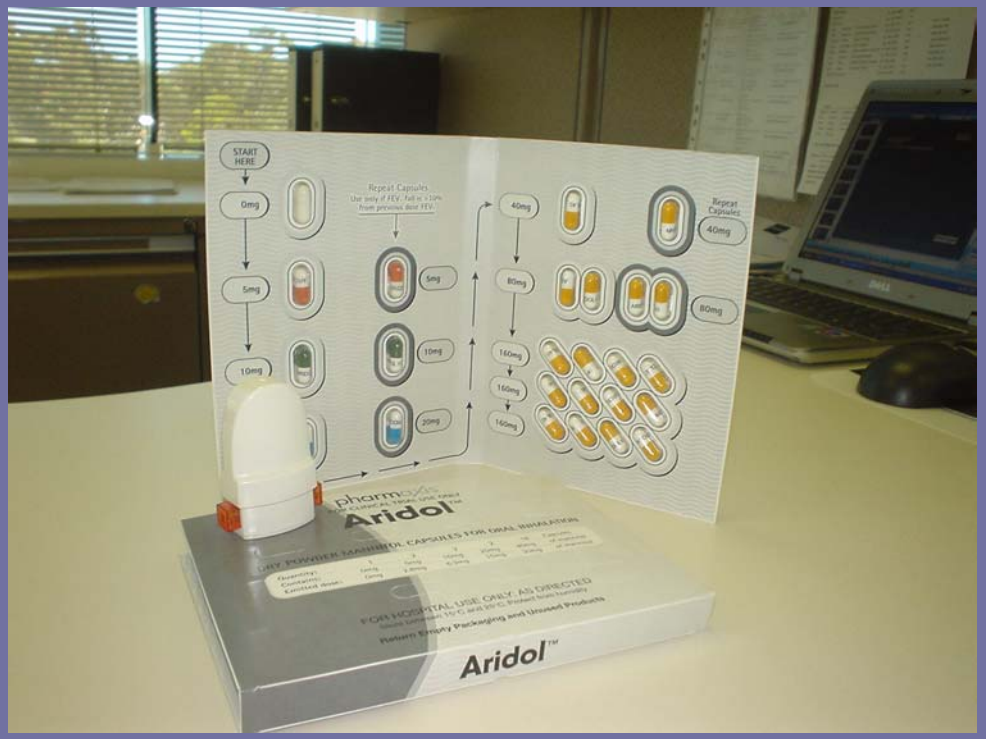
Dose required to cause 15% fall in lung function





pharmaxis

Aridol™
for asthma management



pharmaxis

Respiratory disease markets

Product	Target Application	Patient Population[1]	Existing Market Size[1] (A$)
Bronchitol	Cystic Fibrosis	75,000	575m
Bronchitol	COPD - Bronchiectasis	580,000	Included in CB
Bronchitol	COPD - Chronic Bronchitis	30,000,000	3,840m
Aridol ™	Lung function test	30,000,000 [2]	Data not available [2]

[1] Worldwide

[2] Estimate - there are currently no reliable figures available as to the potential patient size and existing market size for a lung function test [estimate of 106,000 tests in Australia for fiscal 2003 (cost to govt - $10.5 million). Cost to PBS of ICS = $210 million]

pharmaxis

PXS25

- Treatment of autoimmune disease
  - multiple sclerosis
  - rheumatoid arthritis
- Selective inhibitor of T cell migration
- Effective in models of multiple sclerosis and rheumatoid arthritis
- Early preclinical safety testing

pharmaxis

PXS2000

- Treatment of autoimmune disease
  - multiple sclerosis
  - rheumatoid arthritis
- Selective activator of peripheral cannabinoid receptors
- Effective in models of multiple sclerosis
- Late stage research

pharmaxis

Autoimmune disease markets

Product	Target Application	Patient Population[1]	Existing Market Size[1] (A$)
PXS25	Multiple Sclerosis	1,100,000	3,533m
PXS2000	Multiple Sclerosis	1,100,000	3,533m
PXS25	Rheumatoid Arthritis	5,500,000	4,174m

[1] Worldwide

pharmaxis

Senior Management

Internationally experienced and capable team with track record

Alan Robertson BSc, PhD	Chief Executive	Wellcome/Faulding/amrad
Brett Charlton MBBS, PhD	Medical Director	Baxter/Stanford/ANU
William Cowden BSc, PhD	Chief Scientist	Progen/Peptech/ANU
David McGarvey BA, CA	Finance	PWC/Memtec/US Filter
John Crapper BAS, MBA	Operations	Syntex/Memtec/US Filter
Gary Phillips BPharm, MBA	Commercial	Novartis

- Staff 25

pharmaxis

Financial Highlights

	Half Year Ended 31 December 2003 $	2002 $
Financial Performance		
Revenue – other	975,219	344,562
Expenses		
Research and Development	(2,186,062)	(753,706)
Administration	(851,743)	(312,069)
Net loss before and after tax	(2,062,586)	(721,213)

	31 Dec 03 $	30 Jun 03 $
Key Balance Sheet Items		
Cash and bank accepted commercial bills	27,726,394	7,383,923
Plant and equipment	1,479,577	1,515,016
Intangible assets	1,191,613	1,205,000
Total assets	31,188,195	10,494,556
Total liabilities	466,437	604,495
Total shareholders' equity	30,721,758	9,890,061

pharmaxis

Summary

- Near term value enhancing corporate milestones
- Fully integrated business model
- Effective board & experienced management
- TGA approved facilities
- Products from leading Australian science
- Clinical validation for inhalation products
- Attractive markets
- Product focused

pharmaxis