ASX / NASDAQ Media release **19 October 2006**

PHARMAXIS APPOINTS ARIDOL DISTRIBUTOR FOR ITALY

Pharmaxis (ASX:PXS, NASDAQ: PXSL) today announced that it had contracted Italchimici SpA to market and distribute its asthma diagnostic and management tool, Aridol, in Italy. Pharmaxis is awaiting marketing authorisation for Aridol in Europe.

Dr Alan Robertson, Pharmaxis CEO said "The agreement with Italchimici provides us with direct access to an established and extensive network of asthma and allergy specialists in one of the largest markets in Europe. Italchimici, like other partners already announced for Scandinavia, Switzerland and Greece, was selected on the basis of their complementary range of respiratory products, excellent local knowledge and the dedicated resources they can commit to making Aridol a success."

Bill Garrow, Italchimici Managing Director said: "Italchimici has a long and proud heritage in respiratory medicine and Aridol will be a perfect addition to our portfolio. We look forward to working with Pharmaxis and contributing to the overall success of Aridol in the Europe.''

Pharmaxis lodged its application for regulatory and marketing approval of Aridol with the Swedish Medical Products Agency (MPA) in May 2005, and anticipates registration for Aridol in 2006. Following Swedish registration, Pharmaxis will seek approval of Aridol in the 27 other European member states via the mutual recognition procedure.

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

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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 and autoimmune diseases. Its development pipeline of products include Aridol™ for the management of asthma, Bronchitol™ for cystic fibrosis and chronic obstructive pulmonary disease (COPD) and PXS64 for the treatment of multiple sclerosis.

Founded in 1998, Pharmaxis was listed on the Australian Stock Exchange in November 2003 (symbol PXS), and on NASDAQ (symbol PXSL) in August 2005. 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 Jane Sugden, Investor Relations +61 2 9454 7230.

About Italchimici SpA

Rome-based Italchimici SpA is a private Italian pharmaceutical company specializing in the manufacture and marketing of respiratory and gastrointestinal prescription medicines. Founded in the 1960s, later part of the Fisons Plc group, and re-privatised in 1996 following a management buyout, it has continued the specialisation in asthma and allergy which has characterised the company's history.

About Aridol

Asthma is among the top 10 most commonly cited reasons for consulting a physician. Yet physicians currently rely upon complex laboratory tests when trying to confirm the diagnosis for a possible asthmatic patient.

The lung function test, Aridol, has been developed by Australian researchers and Pharmaxis Ltd. It was registered by the Australian Therapeutic Goods Administration (TGA) in March 2006 to identify bronchial hyperresponsiveness in patients with asthma.

The simple test uses a patented formulation of mannitol processed into a respirable dry powder. The test requires the patient to inhale increasing doses of Aridol, which causes the airways to narrow and contract. The changes in the airways are simply detected by measuring the amount of air a person can exhale in one second. It has been demonstrated that when airway inflammation has been reduced following treatment, the dose of Aridol to cause contraction increases. This may assist doctors in making decisions on how to treat the patient.

Forward-Looking Statements

The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements in this press 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 press 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 can not guarantee that any product candidate will receive FDA or other regulatory approval or that we will seek any such approval. Factors that could cause or contribute to such differences include, but are not limited to, factors discussed in the "Risk Factors and Other Uncertainties" section of our Form 20-F lodged with the U.S. Securities and Exchange Commission.