



ABN AMRO Tower
Cnr Phillip & Bent Streets
Sydney 2000 Australia

GPO Box 4675
Sydney NSW 1042
Australia

Telephone 61 2 8259 5000
Fax 61 2 8259 5444

Fax

Fax to Company Secretary, Pharmaxis Ltd
Mr David McGarvey

Fax number (02) 9451 3622

From Vanessa Martin

Date 15 October 2007

Total number of pages 5 Including cover

Subject Notice of initial substantial holder

Dear Mr McGarvey,

Pursuant to Section 671B of the *Corporations Act 2001* (Cth), please find attached a Notice of initial substantial holder (Form 603) concerning a substantial holding of Pharmaxis Ltd (PXS) shares held by ABN AMRO Bank N.V.

Yours faithfully,

Vanessa Martin
Compliance Dept

The Additional Entities (defined in the notice and set out in Annexure A therein), through RFS Holdings B.V. made an offer for ABN AMRO Bank N.V which has now been declared unconditional. The change in substantial holding arises as a result of the Additional Entities acquiring shares in ABN AMRO Bank N.V and the operation of section 608(3) of the *Corporations Act 2001* deeming the Additional Entities as having an equivalent relevant interest in Pharmaxis Ltd to that held by ABN AMRO Bank N.V.

If all sheets are not received or you are not the intended recipient, please notify us immediately.

This message is intended only for the use of the individual or entity named above and may contain information that is confidential and privileged. If you are not the intended recipient you are hereby notified that any dissemination, distribution, or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and destroy the original message. Thank you.

ABN AMRO Australia Pty Limited (ACN 000 862 797)

A wholly owned subsidiary of ABN AMRO Holding N.V.

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Pharmaxis Ltd

ACN/ARSN 082 811 630

1. Details of substantial holder (1)

Name ABN AMRO Bank N.V., RFS Holdings B.V. and the entities listed in Annexure A (Additional Entities)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 11/10/07

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary	15,160,445	8.52%	8.52%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
ABN AMRO Bank N.V. (ABN AMRO Asset Management (Australia) Limited)	Investment Manager (Responsible Entity)	Ordinary shares 15,121,445
ABN AMRO Bank N.V. (ABN AMRO Equities Australia Limited)	Investment	Ordinary shares 39,000
Additional Entities	The Additional Entities are taken to have an equivalent relevant interest to ABN AMRO Bank N.V. by operation of section 608(3) of the Corporations Act as a result of RFS Holdings B.V. acquiring shares in ABN AMRO Bank N.V.	15,160,445

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
ABN AMRO Bank N.V.	Citicorp Nominees Pty. Ltd.	Citicorp Nominees Pty. Ltd.	1,549,135 Ordinary shares
ABN AMRO Bank N.V.	BNP Paribas	BNP Paribas	595,439 Ordinary shares
ABN AMRO Bank N.V.	JP Morgan Nominees	JP Morgan Nominees	780,570 Ordinary shares
ABN AMRO Bank N.V.	State Street Australia Nominees	State Street Australia Nominees	2,965,864 Ordinary shares
ABN AMRO Bank N.V.	National Nominees	National Nominees	6,620,904 Ordinary shares
ABN AMRO Bank N.V.	Goldman Sachs Ltd.	Goldman Sachs Ltd.	34,130 Ordinary shares
ABN AMRO Bank N.V.	Lansforsakinger N. V.	Lansforsakinger N. V.	145,963 Ordinary shares
ABN AMRO Bank N.V.	Westpac Custodian Nominees Ltd.	Westpac Custodian Nominees Ltd.	429,420 Ordinary shares
ABN AMRO Bank N.V.	ABN AMRO Equities Australia Limited	ABN AMRO Equities Australia Limited	39,000 Ordinary shares

Additional Entities	The Additional Entities are taken to have an equivalent relevant interest by operation of section 608(3) of the Corporations Act as a result of RFS Holdings B.V. acquiring shares in ABN AMRO Bank N.V.		
---------------------	--	--	--

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
ABN AMRO Bank N.V.	11 June 07 to 11 October 07	\$55,615,837.15		15,087,315
Additional Entities		Non-cash – as a result of the operation of section 608(3)		

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

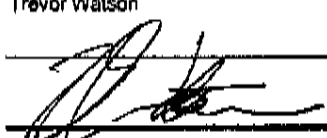
Name and ACN/ARSN (if applicable)	Nature of association
ABN AMRO Equities Australia Limited	Subsidiary
ABN AMRO Asset Management (Australia) Limited	Subsidiary

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
ABN AMRO Bank N.V.	Level 22, 88 Phillip Street, Sydney NSW 2000
ABN AMRO Equities Australia Limited	Level 22, 88 Phillip Street, Sydney NSW 2000
ABN AMRO Asset Management (Australia) Limited	Level 22, 88 Phillip Street, Sydney NSW 2000
RFS Holdings B.V.	Strawinskylaan 3106, 1077 ZX Amsterdam, The Netherlands
The Royal Bank of Scotland Group plc	Royal Bank of Scotland Group, 5th Floor, 280 Bishopsgate, London, EC2M 8RB, United Kingdom
Fortis N.V.	Archimedeslaan 8, 3584 BA, Utrecht, The Netherlands
Fortis SA/NV	Rue Royale 20, 1000 Brussels, Belgium
Fortis Brussels	Rue Royale 20, 1000 Brussels, Belgium
Fortis Bank	Montagne du Parc 3, 1000 Brussels, Belgium
Fortis Bank Nederland (Holding) N.V.	Archimedeslaan 8, 3584 BA, Utrecht, The Netherlands
Banco Santander, S.A	Ciudad Grupo Santander, Edificio Pinar, Boadilla del Monte 28860, Madrid, Spain
Citicorp Nominees Pty. Ltd.	GPO Box 674G Melbourne VIC 3001
BNP Paribas Fund Services Australasia	60 Castlereagh St. Sydney NSW 2000
JP Morgan Nominees	Level 32, Grosvenor Place, Sydney, NSW 2000
State Street Nominees	338 Pitt St., Sydney, NSW 2000
National Nominees	500 Burke St., Melbourne, VIC 3000
Goldman Sachs Ltd.	Level 16 101 Collins St. Melbourne, VIC 3000
Lansforsakinger N. V.	Birger Jarlegatan 7, P.O. Box 70447 107 25 Stockholm, Sweden
Westpac Custodian Nominees Ltd.	60 Martin Place, Sydney, NSW 2000

Signature

print name	Trevor Watson	capacity	Secretary of Local Agent, ABN AMRO Australia Pty Limited (ACN 000 882 797) and authorised representative of the Additional Entities.
sign here		date	15/10/07

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 808 and 871B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:

- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

ABN AMRO Bank N.V. and RFS Holdings B.V.

Details of substantial holder

Entity	ACN/ARSN (if applicable)
RFS Holdings B.V.	N/A
The Royal Bank of Scotland Group plc (and its related bodies corporate)	N/A
Fortis N.V. (and its related bodies corporate)	N/A
Fortis SA/NV (and its related bodies corporate)	N/A
Fortis Brussels	N/A
Fortis Bank	N/A
Fortis Bank Nederland (Holding) N.V.	N/A
Banco Santander, S.A. (and its related bodies corporate)	N/A

(together the Additional Entities)

This is Annexure A of 1 page referred to in the form 603 – Notice of initial substantial holder.

Signed:

Name: Trevor Watson

Capacity: Secretary of Local Agent, ABN AMRO Australia Pty Limited (ACN 000 862 797) and authorised representative of the Additional Entities.

Date: 15.10.07