
PHARMAXIS TO EXPAND MANUFACTURING CAPACITY

Pharmaxis (ASX:PXS, PXSL:NASDAQ) today announced moves to expand its manufacturing capacity with the signing of an agreement for the construction of a new state of the art facility at Frenchs Forest, Sydney.

Following completion of construction in the fourth quarter of 2008, Pharmaxis may lease the 7,000 square metre manufacturing and research facility for a term of 15 years with two options to renew of five years each.

The purpose built facility will include an expanded manufacturing plant with initial capacity sufficient to supply Bronchitol to approximately 40,000 patients per year. Pharmaxis is developing Bronchitol for the treatment of diseases including cystic fibrosis, bronchiectasis and chronic bronchitis.

Construction of the key manufacturing equipment commenced in Denmark earlier in the year. In addition to manufacturing, the facility will house the commercial, clinical and administration functions of the company as well as the drug discovery group which is currently located at North Ryde.

The premises will provide further opportunities to expand initial capacity in a modular fashion.

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About Pharmaxis

Pharmaxis (ACN 082 811 630) is a pharmaceutical company involved in the research, development and commercialization of therapeutic products for chronic respiratory and immune disorders. Its development pipeline of products include: Aridol for the management of asthma, Bronchitol for cystic fibrosis, bronchiectasis and chronic obstructive pulmonary disease (COPD) and PXS64 for the treatment of multiple sclerosis.

Founded in 1998, Pharmaxis is listed on the Australian Stock Exchange (symbol PXS), and on NASDAQ Global Market (symbol PXSL). 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.

Forward-Looking Statements

The statements contained in this media 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 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 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.