ASX / NASDAQ Media Release

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PHARMAXIS ANNOUNCES MILESTONE IN PHASE III TRIAL FOR CYSTIC FIBROSIS

Pharmaceutical company Pharmaxis (ASX:PXS, NASDAQ:PXSL) today announced completion of the first component of its Phase III international trial assessing the effectiveness of Bronchitol in people with cystic fibrosis.

The final subject has now completed their final clinical visit and the trial has run to time and budget. The first subject entered the trial in April 2007.

The trial was conducted in 40 centres in four different countries and involved 325 randomized subjects with cystic fibrosis. The trial was a double blind, placebo controlled study designed with the assistance of the European regulatory agency (EMEA) and with the objective of seeking a marketing approval for Bronchitol for treating cystic fibrosis in Europe and elsewhere.

The results of the trial are expected to be available later this month after data review and statistical analysis of the various endpoints have been completed. The first objective of the trial is to demonstrate an improvement in lung function. Consistent loss of lung function is the leading cause of death of people with cystic fibrosis.

Dr Alan Robertson, Pharmaxis Chief Executive Officer said: "We are very pleased to announce this major milestone for Pharmaxis and look forward to the results of the study with great interest. It is hoped Bronchitol will change the therapeutic landscape for people living with cystic fibrosis and provide a new therapeutic regimen that helps to prolong life."

The second component of the trial will examine the safety of Bronchitol in people with cystic fibrosis.

Pharmaxis has received Orphan Drug Designation and fast track status from the U.S. Food and Drug Administration and Orphan Drug Designation from the European Medicines Agency for Bronchitol in cystic fibrosis.

Bronchitol is designed to hydrate the airway surface of the lungs, and promote normal lung mucus clearance in order to improve lung function, break the cycle of repeated respiratory infections and blockages, and improve quality of life for patients with CF. Approximately 75,000 people in the major pharmaceutical markets are affected with cystic fibrosis and no products have been approved to improve lung hydration.

A second Phase III clinical trial is actively recruiting in centres across the USA, Canada, Argentina, Germany, Belgium and France. This second trial has been designed with the assistance of the FDA through its Special Protocol Assessment Scheme and is the second of two trials required by the FDA before Bronchitol is considered for marketing in the USA.

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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 immune disorders. Its development pipeline of products includes Aridol for the management of asthma, Bronchitol for cystic fibrosis, bronchiectasis and chronic obstructive pulmonary disease (COPD), PXS25 for the treatment of lung fibrosis and PXS4159 for asthma.
Founded in 1998, Pharmaxis is listed on the Australian Securities 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 Investor Relations on phone +61 2 9454 7200.

About Bronchitol

Pharmaxis Ltd is developing Bronchitol for the management of chronic obstructive lung diseases including cystic fibrosis, and bronchiectasis. Bronchitol is a proprietary dry-powder mannitol, precision formulated for delivery to the lungs through an easy-to-use, pocket-size, portable inhaler. Once inhaled it's five-way action on mucus helps restore normal lung clearance mechanisms. Clinical studies have shown Bronchitol to be safe, effective and well tolerated in stimulating mucus hydration and clearance in people with chronic obstructive lung diseases. In particular, Bronchitol has been shown to increase mucus clearance from the lungs and significantly improve quality of life for people with bronchiectasis. Additional studies have also shown Bronchitol to improve lung function in people affected by cystic fibrosis.

About Cystic Fibrosis

In a healthy person, there is a constant flow of mucus over the surfaces of the air passages in the lungs, removing debris and bacteria. In CF, an inherited disease, a defective gene disrupts ion transport across the epithelial membrane within cells. In the lungs, this leads to a depletion of the airway surface liquid that normally bathes the cilia, and a resultant reduction in mucociliary clearance. The result is thick, sticky mucus that clogs the lungs, severely restricting the natural airway-clearing process. It also increases the potential for bacteria to become trapped and for inflammation, thus creating an unhealthy lung environment that leads to life-threatening lung infections.

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.