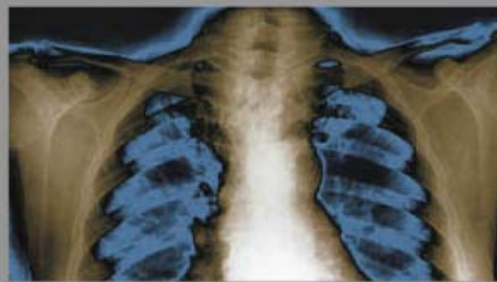




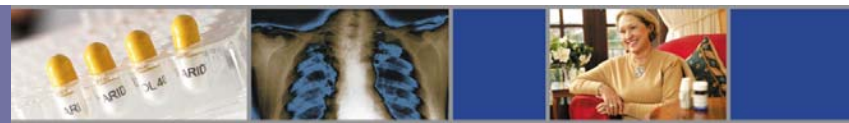
ABN 75 082 811 630



Human therapeutic products
for
chronic respiratory and autoimmune diseases

June 2004

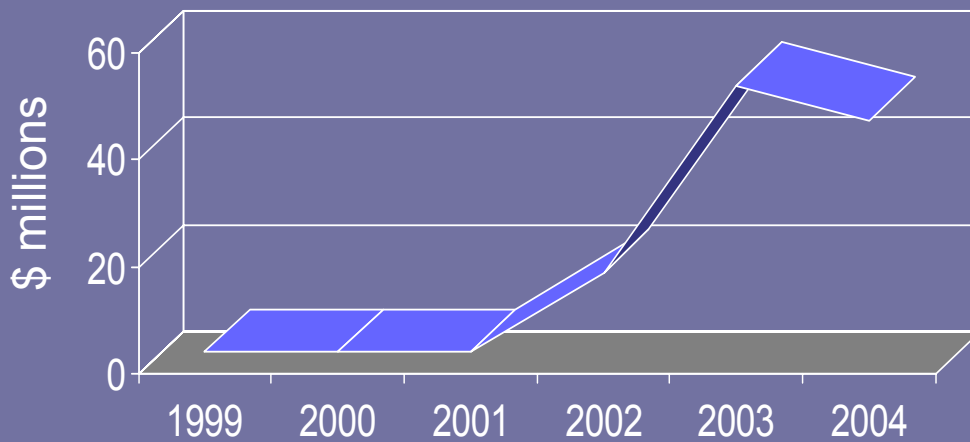
Summary

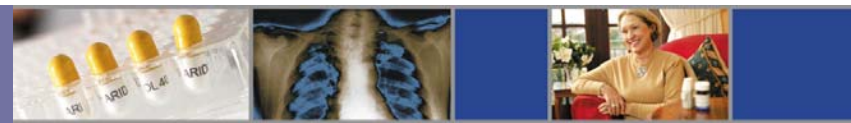


- Listed on ASX: Nov 03
- Cash at end FY04: \$25m
- Grants receivable: \$7.6m
- Shares outstanding: 108m

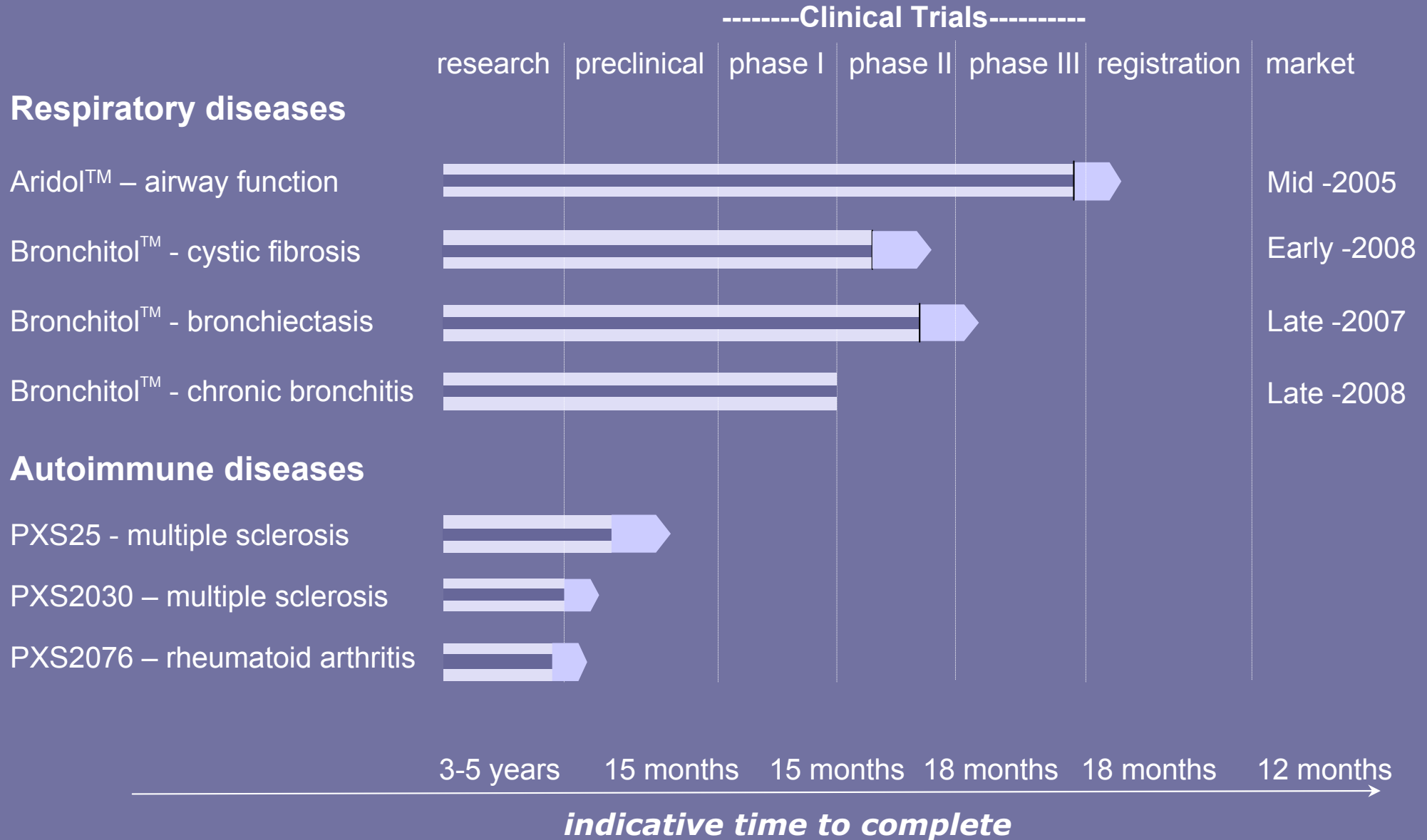
- Product focused
- Attractive markets
- Effective management team
- TGA approved facility
- One Phase III product
- Two Phase II products
- Two preclinical projects

Capitalisation

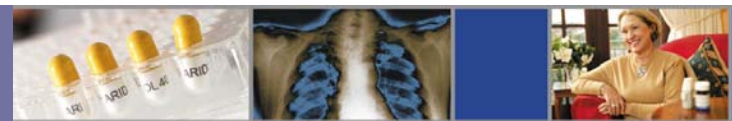




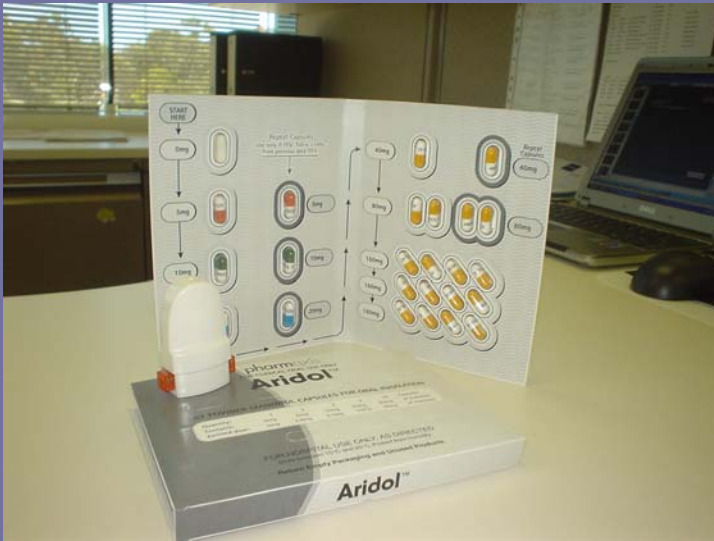
Product Pipeline



Respiratory Disease



Aridol™



● Aridol™ in Phase III

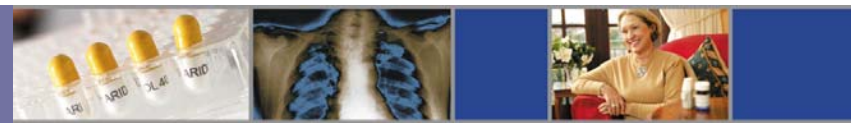
- First management tool for asthma and COPD
- Complete Phase III Q3 2004
- Product launch Q3 2005 Aus/Europe
- Global Market Opportunity:
 - \$1.6 billion+
- Revenue Opportunity:
 - \$210 million+

Bronchitol™



● Bronchitol™ in Phase II

- New therapeutic
 - Cystic fibrosis and COPD
 - Complete Phase II Q3 2004
 - Commence Phase III Q1 2005
 - Product Launch 2007
- Global Market Opportunity
 - CF: \$1.1 billion+
 - COPD: \$8 billion+
- Revenue Opportunity
 - CF: \$340 million+
 - COPD: \$1.3 billion+



Asthma

- 52 million people affected worldwide
- 180,000 deaths worldwide (2003)
- Cost to US Healthcare – US\$15 billion per annum



Current Management

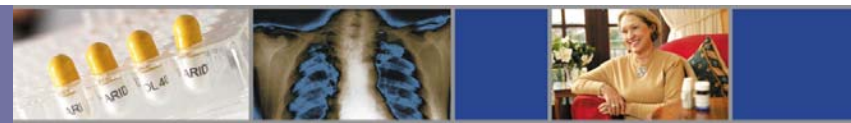
- Diagnosis by observation
- Lung testing by specialists
- Expensive
- Inconvenient
- Not specific for asthma
- Inaccurate
- Patients self manage

Poor Outcomes

Aridol™ Management

- Diagnosis by evidence
- Objective measure of severity
- Accurate
- Convenient
- Reveals lung inflammation
- 10-20 minute test
- Physicians monitor disease

Improved Outcomes



Chronic Obstructive Pulmonary Disease

- 30 million people affected worldwide
- 4th leading cause of death
- Cost to US healthcare - US\$40 billion pa



Current Management

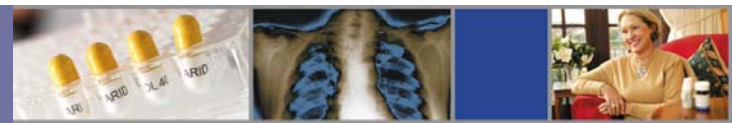
- Bronchodilators
- Patients trialed on steroids
- 1 in 5 respond to steroids
- 4 in 5 palliative care

Aridol™ Management

- Aridol™ selects steroid responders
- Reduces steroid exposure
- Reduces healthcare costs
- Disease monitoring
- Dose optimisation

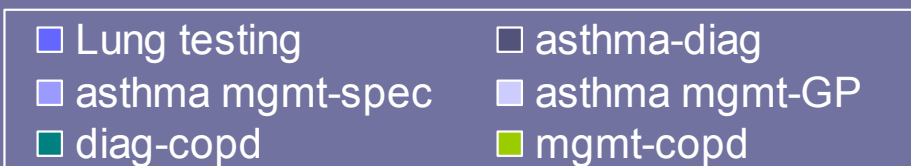
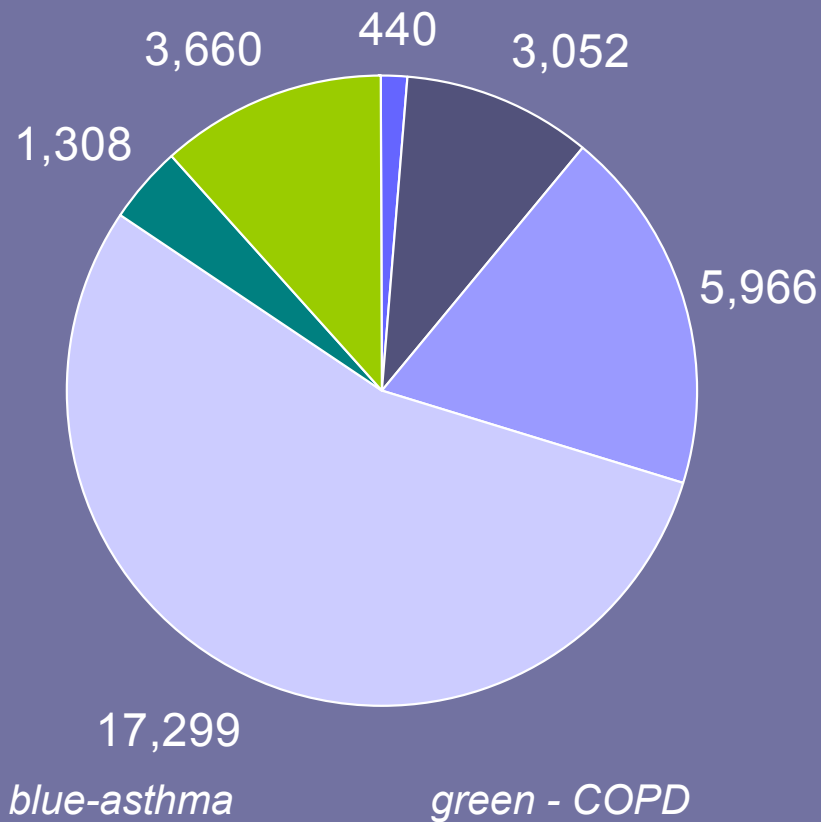
Poor Outcomes

Improved outcomes

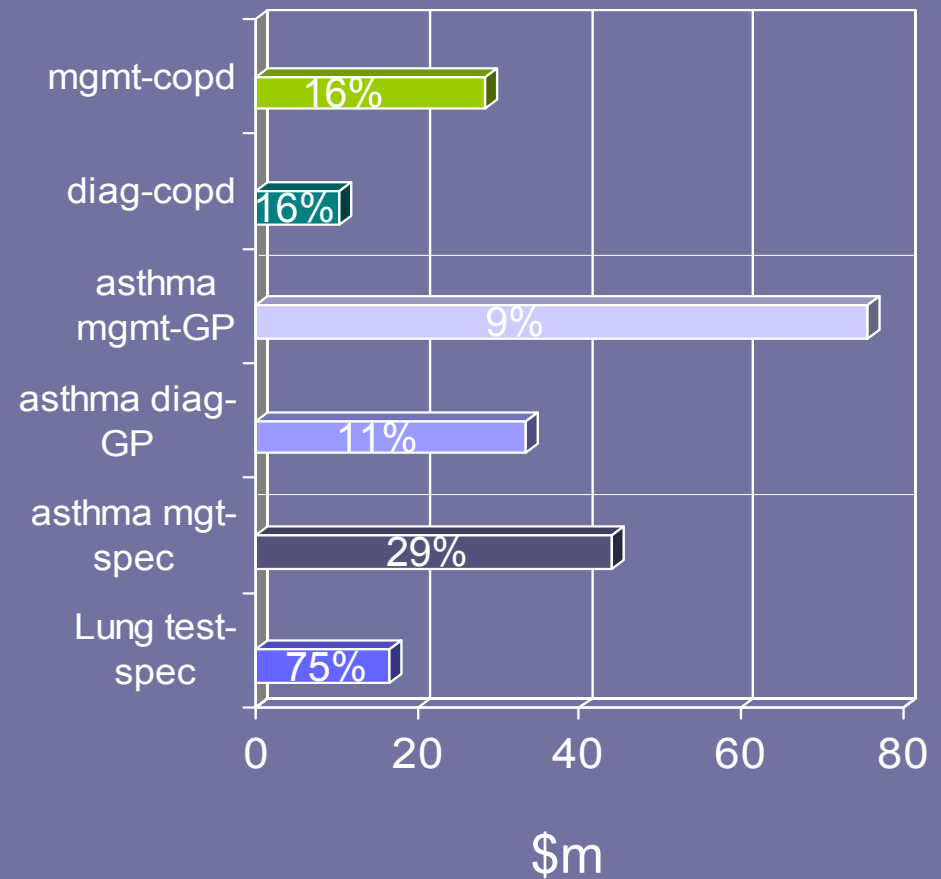


Aridol™ opportunity by market segment

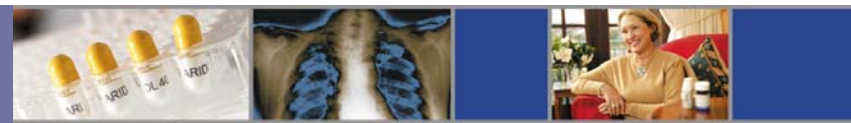
Target patient population (000's)



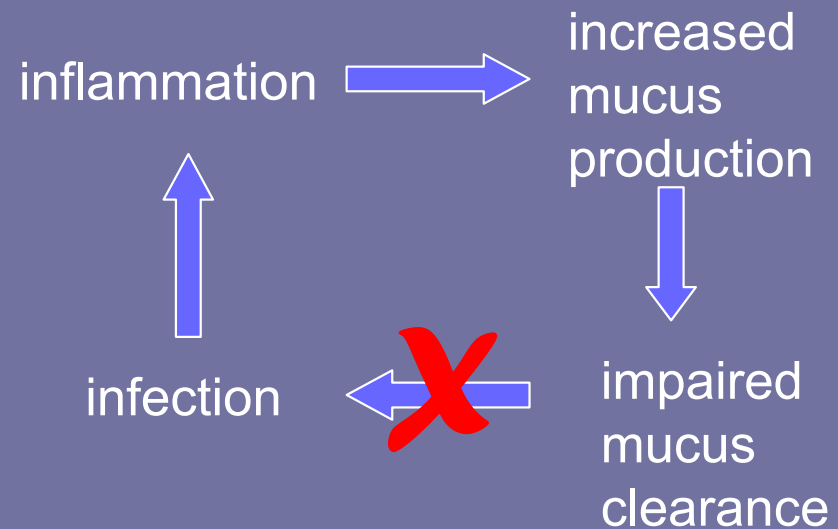
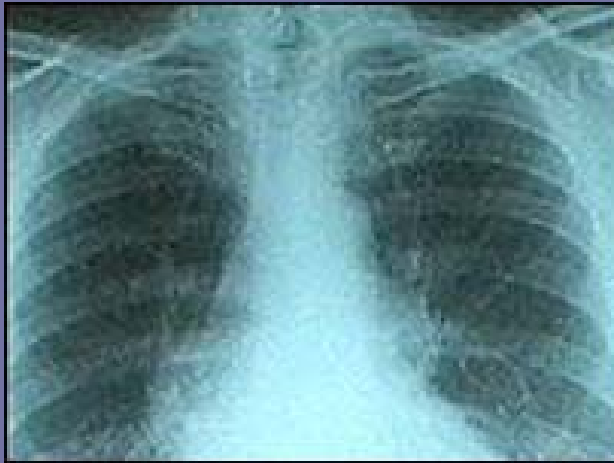
Potential revenue \$
Penetration %



Total opportunity = \$210m+



Bronchitol™ – breaks the mucus cycle

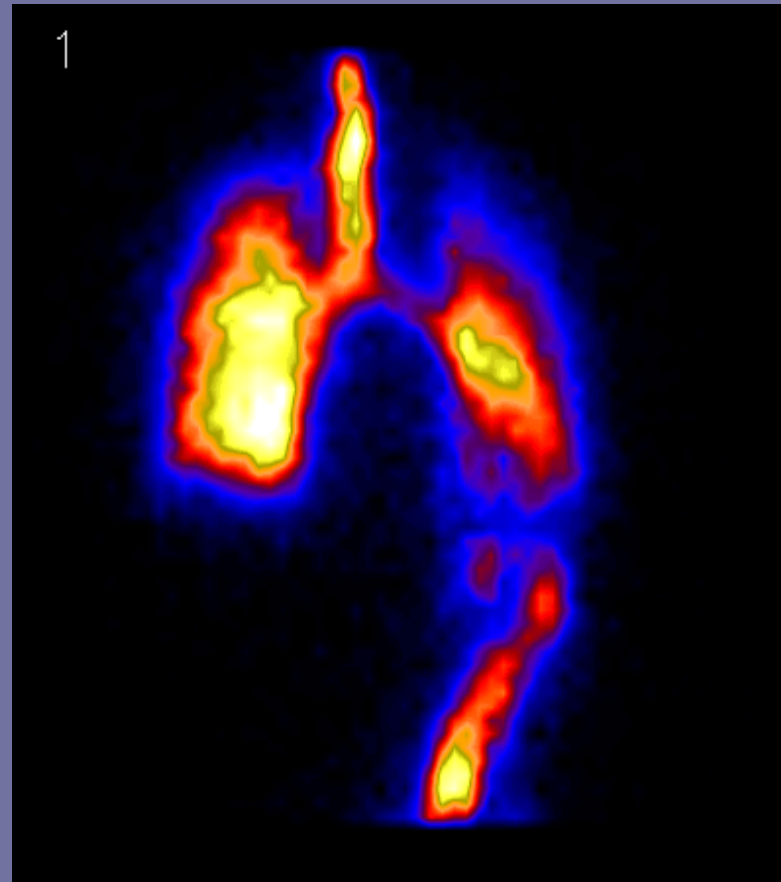
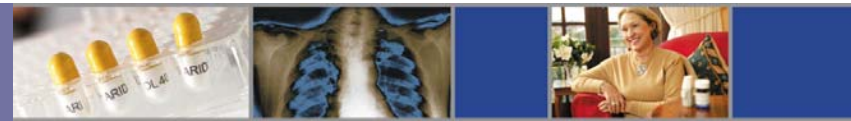


COPD / Cystic Fibrosis

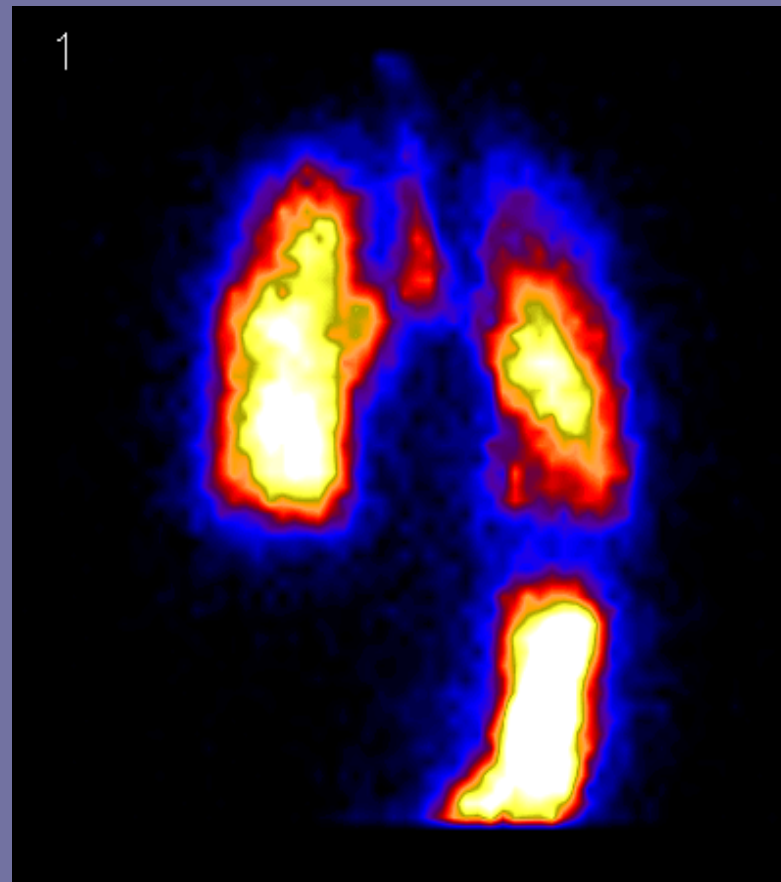
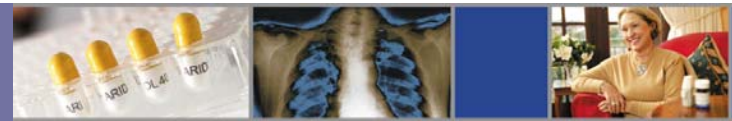
- Three way action to accelerate sputum clearance
- Improves lung function
- Improves quality of life
- Patient friendly
- Complementary with other treatments
- Target Profile
 - Reduce exacerbations
 - Reduce hospitalisations
 - Extend life expectancy

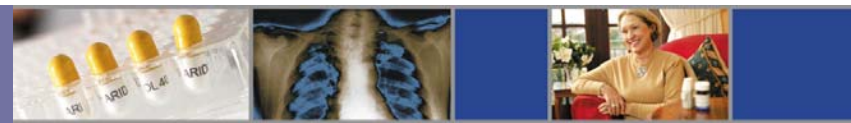
Chronic bronchitis

without Bronchitol™



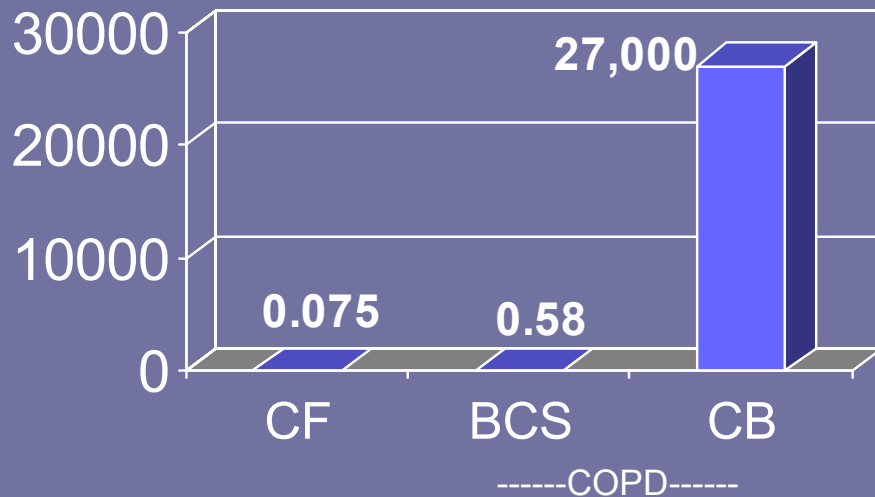
Chronic bronchitis with Bronchitol™ (400mg)



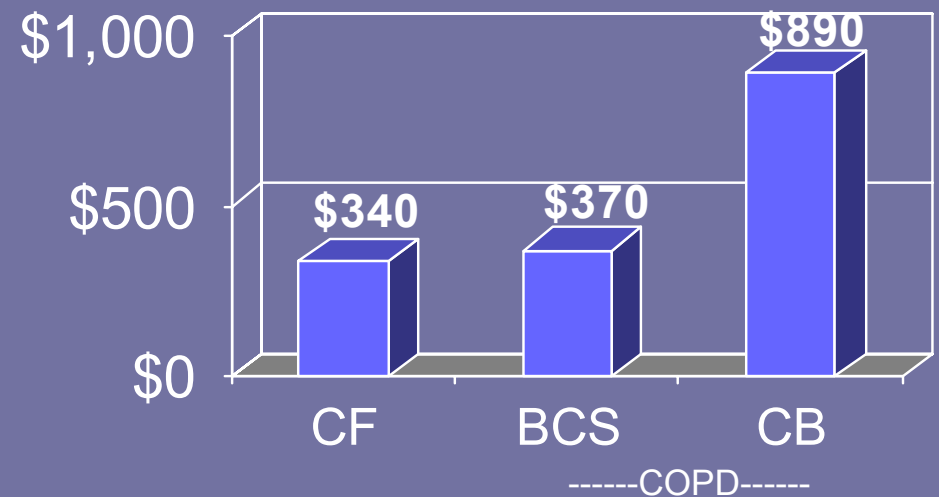


Bronchitol™ Opportunity

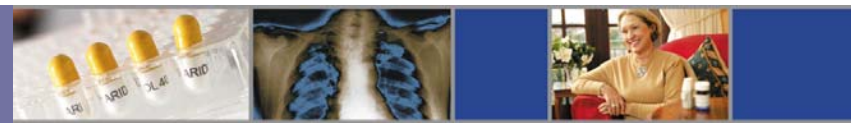
Patient population (000's)



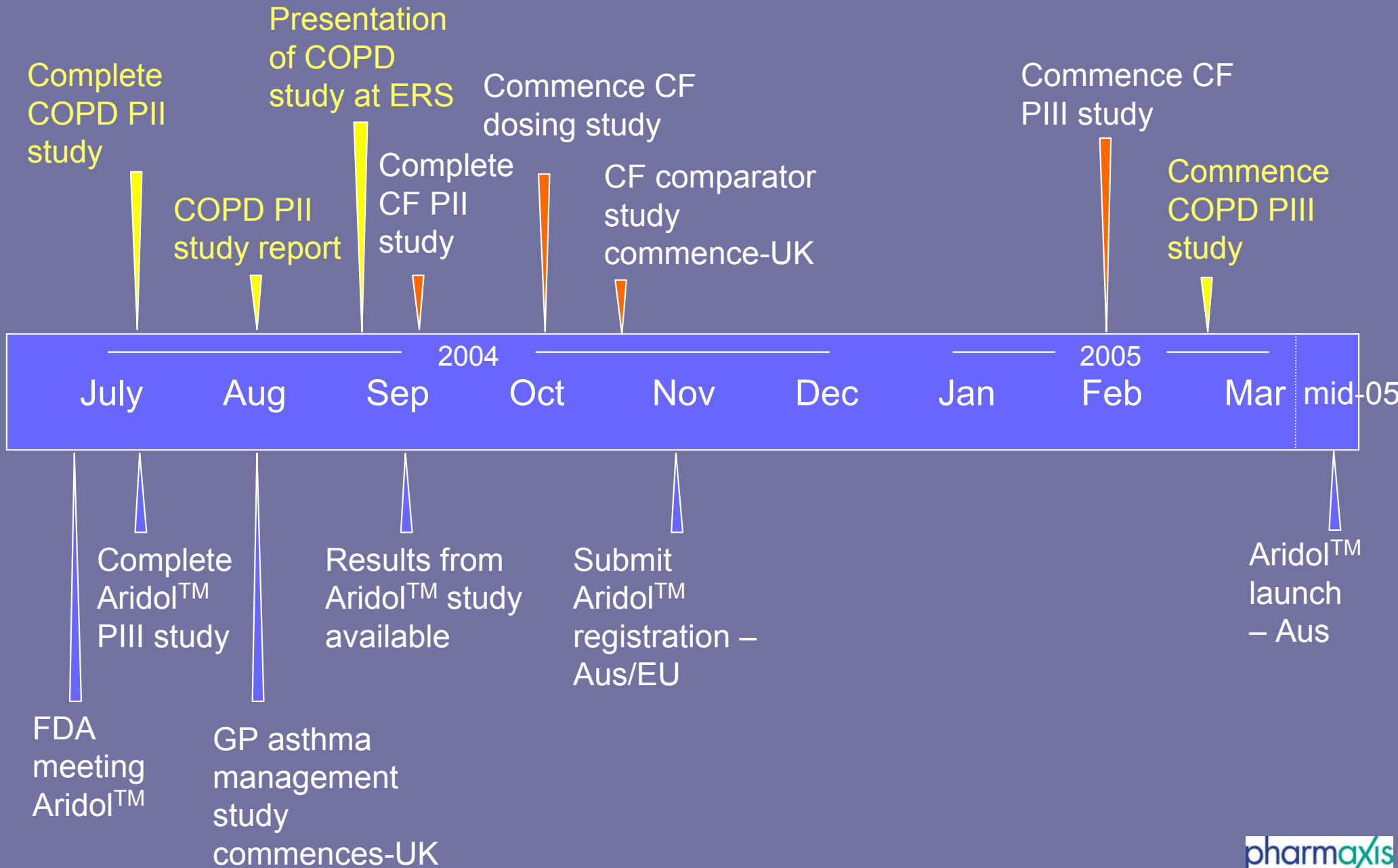
Revenue potential (millions)

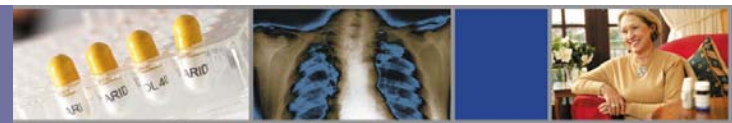


- Healthy uptake from cystic fibrosis patients (30%)
 - Current treatments used by 33% patients
- Moderate uptake from bronchiectasis patients (9%)
 - Severe patients
- Low uptake from chronic bronchitis patients (2%)
- Total revenue potential = \$1.6 billion+



Next Steps – respiratory disease





Autoimmune Disease

● PXS25

- Selective inhibitor of T cell migration
- Novel mechanism of action
- Effective in MS and RA models
- Complementary with existing treatments

● Competitive Edge

- Delivery by oral route
- Approach clinically validated

● Status

- Preclinical
- Human studies Q2 2005

● PXS2030

- Inhibitor of T cell migration
- Inhibitor of B cell proliferation
- Cannabinoid receptor agonist
- Effective in MS and RA models

● Competitive Edge

- Delivery by the oral route

● Status

- Research

● PXS2076

- Inhibitor of TNF
- Novel mechanism of action
- Effective in RA models

● Competitive Edge

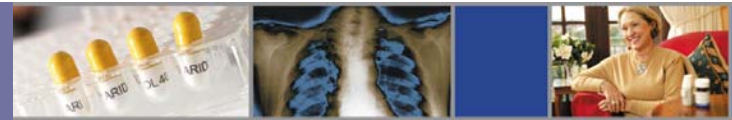
- Delivery by the oral route

● Status

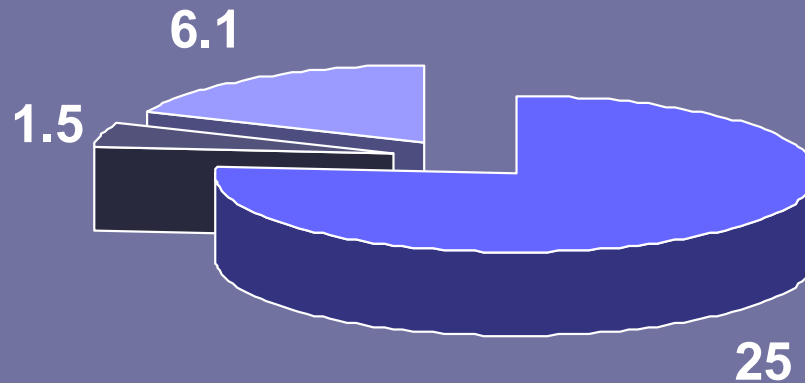
- Research

Very large market opportunities

Finances

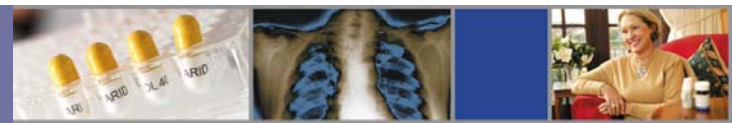


Financial Position



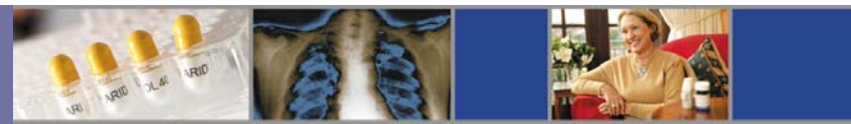
Total - \$32.6m

- Cash at June 2004
- CF Start Grant
- P3



Summary

- 1st product launch 2005
- Integrated business
- Developing products for unmet clinical need
- Experienced management team
- TGA approved manufacturing facility
- Products from internationally respected groups
- Clinical validation for inhalation products



Investor Presentation Disclaimer

This presentation is not an offer or invitation to subscribe for or purchase securities. To the extent that the presentation contains any forecasts, potential, projections or other forward looking statements, those statements involve a number of known and unknown risks, uncertainties and other facts that may cause actual results, performance or achievements to be materially different from those expressed or implied by those statements. There can be no guarantee that actual results, performance or achievements will be as stated. The reliance that the recipient of this presentation places on any statement, forecast, potential protection or assumption is a matter for its own commercial judgement. Pharmaxis Ltd does not undertake, nor is it obliged, to update or revise any statements, projections or forecasts or the assumptions underlying them whether as a result of new information, future events or otherwise.