

PHARMAXIS SUCCESSFUL APPLICATION PHARMACEUTICALS PARTNERSHIPS PROGRAM

Government grant of \$6.1 million over four years

The Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources, today announced that Australian pharmaceutical company Pharmaxis Ltd (ASX code: PXS) had been successful in its application for research funding under the AusIndustry Pharmaceuticals Partnerships Program (P3).

The grant is for a maximum of \$6.1 million covering the period 01 July 2004 to 30 June 2008, and is subject to the execution of a formal agreement between Pharmaxis and AusIndustry. Pharmaxis was one of 11 successful applicants.

Research projects covered by the P3 award include:

- Completion of the studies necessary for international marketing approval of AridoTM – a new lung function test to facilitate improved disease management for patients with asthma and chronic obstructive pulmonary disease (COPD);
- Completion of the final research and development studies of BronchitolTM for use in patients with cystic fibrosis and COPD. BronchitolTM enhances mucus clearance from the lungs, improves lung function and quality of life of patients with lung disease; and
- Advance two new therapies for the treatment of multiple sclerosis and rheumatoid arthritis through to later stage clinical studies in patients.

Pharmaxis Chief Executive Officer, Alan Robertson, was delighted to receive funding from the P3 program and said it would assist the establishment of Pharmaxis as an internationally competitive research based pharmaceutical company. The P3 program is an important initiative that will encourage innovation and creativity within Australia, he said.

"Support from the P3 program will enable Pharmaxis to continue investment in the parallel research and development of its various projects with confidence, and ensure we bring important new medicines to market in a timely manner."

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About Pharmaxis:

Pharmaxis is a specialist pharmaceutical company committed to the research, development and commercialisation of human therapeutic products for chronic respiratory and autoimmune diseases.

Pharmaxis is focused on the development of its two leading technologies. The first technology includes Bronchitol™ and Aridol™, which are inhaled non-ionic osmolytes. Bronchitol™ is being developed for the treatment of respiratory diseases - in particular, cystic fibrosis, bronchiectasis and chronic bronchitis. Aridol™ is an improved lung function test and is currently in a 600 subject multicentre Phase III study and over 250 subjects have been enrolled to date.

The second technology focuses on new immune response modifiers - PXS25 and PXS2000 – for the treatment of multiple sclerosis and rheumatoid arthritis.

The company has a pipeline of products in different stages of development, including four projects at clinical study stage (in patients), two projects in pre-clinical evaluation and one research project to identify a compound for development.

Pharmaxis operates a first class, TGA-licensed manufacturing facility at Frenchs Forest, near Sydney, Australia.

Pharmaxis was founded in 1998 and is chaired by Denis Hanley, former Chairman and CEO of Memtec Limited. He has extensive experience in growing Australian technology corporations to become successful global entities.

Pharmaxis was listed on the Australian Stock Exchange in November 2003.