

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Pharmaxis Ltd

ABN

75 082 811 630

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date
		\$A'000	(Six months) \$A'000
1.1	Receipts from customers	1,857	4,049
1.2	Payments for		
	(a) staff costs	(3,468)	(7,314)
	(b) advertising and marketing	(808)	(1,178)
	(c) research and development	(3,855)	(6,446)
	(d) leased assets	(3)	(6)
	(e) other	(1,906)	(6,328)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	166	403
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	-	-
1.7	Other – Government grants	3,364	3,364
	Net operating cash flows	(4,653)	(13,456)

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	Current quarter \$A'ooo	Year to date (Six months) \$A'ooo
1.8 Net operating cash flows (carried forward)	(4,653)	(13,456)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(19)	(19)
(d) physical non-current assets	(18)	(88)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(37)	(107)
1.14 Total operating and investing cash flows	(4,690)	(13,563)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Repayment of financing agreement	(118)	(215)
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (finance lease payments)	(349)	(698)
Net financing cash flows	(467)	(913)
Net increase (decrease) in cash held	(5,157)	(14,476)
1.21 Cash at beginning of quarter/year to date	24,912	34,182
1.22 Exchange rate adjustments to item 1.20	59	108
1.23 Cash at end of quarter	19,814	19,814

Research and development payments for the six months to 31 December 2014 included payments related to the Company's US Phase III pivotal clinical trial in adults aged 18 years and over. The amount directly paid to the managing Clinical Research Organisation was \$2,160,253 for the three months to 31 December 2014 and \$3,071,688 for the six months to 31 December 2014 was. As announced on 24 December 2014, the Company has entered into an exclusive distribution and supply agreement with global pharmaceutical company Chiesi Farmaceutici SpA (Chiesi) for the commercialisation of Bronchitol® in the United States. Under the terms of the commercialisation agreement, Chiesi is responsible for funding up to US\$22 million of the cost of the phase 3 clinical trial of Bronchitol. As at 31

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December, the Company had a receivable of \$8.5 million representing the cumulative cost reimbursement invoiced to Chiesi pursuant to the agreement.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	66
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Payments represent directors fees for quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,866	1,431
4.2	Deposits at call	1,359	903
4.3	Bank overdraft	-	-
4.4	Other (provide details) - bank accepted bills and term deposits	16,589	22,578
Total: cash at end of quarter (item 1.23)		19,814	24,912

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil	Nil
5.2	Place of incorporation or registration		
5.3	Consideration for acquisition or disposal		
5.4	Total net assets		
5.5	Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:
 (Chief Financial Officer/Company Secretary)

Print name: David McGarvey

Date: 30th January 2015

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Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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