Media release **16 July 2004**

Pharmaxis successfully completes patient enrolment for its Phase II trial of Bronchitol™ in the lung disease bronchiectasis

Pharmaxis (ASX:PXS) today announced that it has completed enrolment for its Phase II trial to evaluate the effects of Bronchitol™ on patients with bronchiectasis, a respiratory disease affecting more than 600,000 people worldwide.

The double blind, placebo controlled, crossover trial has enrolled 59 children and adults aged from 15 to 70 who suffer from bronchiectasis, a form of chronic obstructive lung disease. It commenced in November 2003 and was conducted at hospitals in Sydney and Melbourne in Australia, and Auckland in New Zealand.

The primary objective of the trial (MANCOT study B 202), is to compare the effects of twice daily treatment of Bronchitol™ on the disability and handicap associated with bronchiectasis before and after treatment and against placebo.

Bronchiectasis is an irreversible dilation of the main airways to the lungs, commonly accompanied by chronic infection. There are many causes of bronchiectasis and the disease can develop at any age, although symptoms may not be apparent until later in life. Most patients are affected by chronic cough and phlegm. The symptoms often begin quietly, usually after a respiratory infection, and tend to worsen gradually over a period of years.

Dr Alan Robertson, Pharmaxis CEO said that the company expected to release the trial results in September.

“Completion of enrolment in the bronchiectasis trial represents an important milestone in the development of Bronchitol™ and for Pharmaxis, as we advance our product candidates toward commercialisation. A positive outcome from this study will allow us to embark on the international Phase III study required before bringing Bronchitol™ to the marketplace,” he said.

Bronchitol™ is a patented, inhalable, dry powder that can be administered by a convenient, hand-held, pocket sized device. It is manufactured by Pharmaxis in the company’s TGA-approved manufacturing facility. Bronchitol™ is being developed for the management of various chronic obstructive lung diseases, in particular bronchiectasis, chronic bronchitis and cystic fibrosis.

Pharmaxis is aiming to have all studies completed to enable submission of a general marketing approval for bronchiectasis with the TGA in 2006.

To find out more about Pharmaxis, go to **http://www.pharmaxis.com.au**.

ends#

For further information, please contact:

Alan Robertson - Pharmaxis Chief Executive Officer

Ph: (02) 9454 7216 or alan.robertson@pharmaxis.com.au

Released through:

Ashley Rambukwella – Financial & Corporate Relations

Ph: (02) 8264 1004 / m. 0407 231 282 or a.rambukwella@fcr.com.au

About Pharmaxis

Pharmaxis is a developer of innovative pharmaceutical products to treat human respiratory and autoimmune diseases. Its pipeline of products include Aridol™ for asthma management, which is nearing completion of a Phase III clinical trial, Bronchitol™ for cystic fibrosis and chronic obstructive pulmonary disease and PXS25 for the treatment of multiple sclerosis.

Founded in 1998, Pharmaxis was listed on the Australian Stock Exchange in November 2003 and is traded under the symbol PXS. The company is chaired by Denis Hanley, former Chairman and CEO of Memtec Limited. Pharmaxis employs 28 staff at its Sydney headquarters and TGA-approved manufacturing facilities, and at Canberra.

About bronchiectasis

Pronounced 'brong-kee-eck-tah-sis', bronchiectasis is one of the chronic obstructive pulmonary diseases, or COPD's, and affects children and adults. It is often mistaken for asthma or pneumonia and misdiagnosis is common. In this disease, the bronchial tubes become irreversibly enlarged, forming pockets that can become infected. The bronchi walls are damaged, causing impairment to the lung's complex cleaning system. The tiny hairs, or cilia - which line the bronchial tubes and sweep them free of dust, germs and excessive mucus are unable to function properly. The result is that matter such as mucus and bacteria accumulates affecting the performance of the lungs and the quality of life of the individual.