## ASX / NASDAQ Media release

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# PHARMAXIS COMPLETES PHASE III BRONCHIECTASIS TRIAL

Pharmaxis (ASX: PXS, NASDAQ: PXSL) today announced that all 362 subjects have completed the efficacy phase of its global Phase III clinical trial of Bronchitol in bronchiectasis.

The placebo controlled trial was conducted at 22 hospitals across Australia, New Zealand and the United Kingdom and is designed to evaluate the impact of Bronchitol on mucus clearance, disease symptoms, cough severity, exercise capacity and lung function.

Participants received either Bronchitol or placebo for three months, at which point the effect of treatment was assessed. An extension of the trial allows participants access to Bronchitol for a total of twelve months to determine the safety of long term Bronchitol treatment. This second component of the trial is fully recruited and will complete in 2008.

The outcome from the trial will be available this quarter after the individual patient data has been checked, the study unblinded and the statistical analysis completed.

A positive outcome from the study will enable Pharmaxis to seek approval to market Bronchitol.

There have been no new therapeutic advances for this patient group in the last twenty years. Bronchiectasis is an incurable, degenerative and chronic lung condition affecting more than half a million people in the western world alone. Pharmaxis has the only product in Phase III clinical trials for bronchiectasis anywhere in the world and Bronchitol is expected to be the first targeted medication for this patient group, fulfilling an urgent medical need.

In the United States, at least 110,000 people are receiving treatment for bronchiectasis, medical-care expenditure is over US$630 million per year and annual treatment costs are between US$6,000 and US$13,000. Widespread availability of high resolution scanners is leading to increases in diagnosis rates and the understanding that bronchiectasis is more common than previously thought. Pharmaxis is developing Bronchitol as a daily treatment administered by inhalation to the patient's lungs.

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**About Bronchitol**
Pharmaxis Ltd is developing Bronchitol for the management of chronic obstructive lung diseases

including bronchiectasis, cystic fibrosis and chronic bronchitis. Bronchitol is a proprietary formulation of mannitol administered as a dry powder in a convenient hand-held inhaler. It is designed to hydrate the lungs, restore normal lung clearance mechanisms, and help patients clear mucus more effectively. Clinical studies have shown Bronchitol to be well tolerated, to improve quality of life, and to stimulate mucus hydration and clearance in people with bronchiectasis and cystic fibrosis.

**About Bronchiectasis**
Bronchiectasis is one of the chronic obstructive pulmonary diseases, or COPDs, 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.

**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 autoimmune diseases. Its development pipeline of products include Aridol for the management of asthma, Bronchitol for cystic fibrosis and chronic obstructive pulmonary disease (COPD) and PXS64 for the treatment of multiple sclerosis. Founded in 1998, Pharmaxis is listed on the Australian Stock 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 Jane Sugden, Investor Relations +61 2 9454 7230.

**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.