



Media release

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Pharmaxis to acquire Canadian company TOPIGEN Pharmaceuticals Inc.

Pharmaxis Ltd (ASX:PXS) announced today that it has signed an agreement to acquire Canadian based private biopharmaceutical company Topigen Pharmaceuticals Inc. in a transaction that will enhance the Pharmaxis respiratory drug development portfolio and complement the existing products and drugs under development.

On closing of the transaction, Pharmaxis will issue 3.2 million shares with an additional 5.0 million shares to be issued subject to the achievement of certain preclinical and clinical milestones specified in the purchase agreement.

Topigen has developed a number of innovative therapeutic candidates for respiratory disorders based on its multi-targeted oligonucleotide technology. The lead drug candidate, TPI ASM8, is in Phase 2 clinical development for the management of moderate to severe asthma. A second drug candidate, TPI 1100, is in preclinical development for Chronic Obstructive Pulmonary Disease.

Pharmaxis Chief Executive Officer Alan Robertson said: "These potential new medicines are an ideal fit for Pharmaxis. With Bronchitol moving into its commercialization cycle and PXS25 well positioned in Phase 1 trials, we have sought to expand our product pipeline and utilize our existing clinical development capacity with an additional Phase 2 product. The Topigen product, ASM8, is due to report the results of its Phase 2 dosing trial in the first half of this year. It has an attractive clinical profile and there remains a strong medical need for new products in the severe and specialist-treated asthma market."

"On closing, Topigen will bring to the combined company sufficient cash resources to complete the current Phase 2a study and the next clinical milestone. We expect to close the acquisition within the next sixty days," Dr Robertson said.

The prevalence of asthma is estimated at 60 million in the US, Europe and Japan of which approximately, three million are classified as having severe persistent asthma.

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About TOPIGEN

TOPIGEN Pharmaceuticals Inc. is a private biopharmaceutical company based in Montreal, Canada. Topigen's research and development program is focussed on the discovery and the development of novel therapeutics for the treatment of respiratory disorders including asthma and Chronic Obstructive Pulmonary Disease (COPD). TOPIGEN has a clinical pipeline of innovative therapeutics based on proprietary, multi-targeted oligonucleotide technology. The lead drug candidate, TPI ASM8 is in Phase 2 clinical development for the management of moderate to severe asthma. A second drug candidate, TPI 1100 is in preclinical development for COPD.

About Inhaled TPI ASM8

TPI ASM8 is a new, inhaled, anti-inflammatory in development for moderate to severe asthma. TPI ASM8 is specifically designed to reduce the recruitment and persistence of chronic inflammatory cells and the associated release of cytokines - key components underlying the cause of asthma. TPI ASM8 targets two distinct cellular pathways involved in allergic airway inflammation by inhibiting the recruitment of allergic inflammatory cells, through an effect on the CCR3 receptor and by reducing the persistence of allergic inflammatory cells through interference with the common beta sub-unit for the receptors of IL-3, IL-5 and GM-CSF. This multi-targeted approach of blocking the synthesis of specific receptors with RNA-silencing technology is expected to have advantages over current medications by providing broader, but specific, pharmacological activity with limited systemic availability, in a convenient, once daily, inhaled formulation.

About TPI 1100

TPI 1100 is in preclinical development for the treatment of COPD. TPI 1100 is a new, potent, selective and dual-acting RNA-silencing oligonucleotide against phosphodiesterase isoforms PDE4 and PDE7. The drug is designed to inhibit multiple gene expression pathways known to be linked to progressive airway inflammation and remodelling in COPD. Delivered topically by aerosol to the lungs and without the need for specialized formulation technologies, TPI 1100 represents a new anti-inflammatory RNA-silencing therapy expected to be without the systemic side effects associated with known small molecule inhibitors.

About Asthma

Asthma is a chronic inflammatory disease of the airways in which many cells and cellular elements play a role—in particular, eosinophils, mast cells, and T-lymphocytes. In susceptible individuals, this inflammation causes recurrent episodes of wheezing, breathlessness, chest tightness and coughing, particularly at night and/or in the early morning. The inflammation also causes an associated increase in the airway hyperresponsiveness to a variety of stimuli. Symptoms are usually associated with widespread, but variable airflow obstruction that is at least partly reversible with treatment. The prevalence of asthma is estimated at 60 million in the US, Europe and Japan. Approximately, 20 million are classified as having moderate or severe persistent asthma.

About COPD

Chronic Obstructive pulmonary Disease (COPD) is a disease characterized by persistent airflow limitation in the lungs. Today, it is the fourth leading cause of death in the U.S., accounting for more than 120,000 deaths annually. According to the World Health Organization, approximately 60 million people worldwide suffer from COPD. The cellular mechanisms that are responsible for COPD pathology are not yet completely understood. Current treatment includes the use of bronchodilators and inhaled corticosteroids. There is a high unmet need for more effective anti-inflammatory meds that specifically target the inflammation specific to COPD.

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 immune disorders. Its development pipeline of products includes Aridol for the management of asthma, Bronchitol for cystic fibrosis, bronchiectasis and chronic obstructive pulmonary disease (COPD), PXS25 for the treatment of lung fibrosis and PXS4159 for asthma.

Founded in 1998, Pharmaxis is listed on the Australian Securities Exchange (symbol PXS). 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 Investor Relations on +61 2 9454 7200.

Forward-Looking Statements

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 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" section of our Statutory Annual Report available on the Pharmaxis website.