Media Release

14 March 2012

BRONCHITOL TO BE REIMBURSED IN AUSTRALIA

Pharmaceutical company Pharmaxis (ASX: PXS) is pleased to announce that its cystic fibrosis treatment Bronchitol has been recommended for listing on the Pharmaceutical Benefits Scheme (PBS) in Australia by the government's expert advisory body the Pharmaceutical Benefits Advisory Committee (PBAC).

Pharmaxis has been verbally advised of the decision made at the Committee's March meeting, the outcome of which will be released via the PBAC website in April.

Bronchitol will now go before the Australian Pharmaceutical Benefits Pricing Authority (PBPA) to finalise the reimbursement process. The PBPA is an independent body appointed by the Australian Government and its members include representatives from industry, consumer groups and government. The Authority meets three times a year five to six weeks after PBAC meetings.

Welcoming the decision Pharmaxis CEO Dr Alan Robertson said, "I am delighted that after a rigorous assessment by one of the world's most demanding reimbursement authorities Pharmaxis has been able to successfully clear this hurdle and demonstrate the economic benefits of Bronchitol. There are approximately 2,800 Australians with the genetic lung disease and, apart from antibiotics, this is the first new CF medicine to be recommended for listing on the Australian PBS for more than 15 years".

"Bronchitol has been the subject of an extensive global clinical trial program run out of Australia which involved more than 600 patients in 95 centres. Pharmaxis has enjoyed strong support from local and international respiratory clinicians in its efforts to bring Bronchitol to market and we thank them for their support", Dr Robertson said

Mr David Jack, CEO of Cystic Fibrosis Australia, said: "We welcome the decision to recommend Bronchitol for PBS listing, and congratulate Pharmaxis in getting a long awaited new treatment to the point of affordable access. There is a great need for new medicines for people with CF. We must not forget that this is the commonest genetic condition affecting Australian children, and people who have cystic fibrosis are in need of newer and better treatment options to improvement patients' way of living, their quality of life and potentially their length of life. "

Bronchitol has Orphan Drug Designation in Australia and was approved for marketing by the Therapeutic Goods Administration (TGA) in February 2011. It has Orphan Drug Designation in Europe and has received a positive opinion for Marketing Authorisation in Europe from the Committee for Medicinal Products for Human Use (CHMP).

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SOURCE: Pharmaxis Ltd, Sydney, Australia
CONTACT: Alan Robertson – Chief Executive Officer
Ph: +61 2 9454 7200 or email alan.robertson@pharmaxis.com.au
RELEASED THROUGH:
Australia:
Felicity Moffatt, phone +61 418 677 701 or email felicity.moffatt@pharmaxis.com.au

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 disorders. Its product Aridol® for the assessment of asthma is launched in a number of key markets. Its development pipeline of products includes, Bronchitol for cystic fibrosis and bronchiectasis and, PXS25 for the treatment of lung fibrosis and ASM8 and PXS4728 for asthma. Pharmaxis is listed on the Australian Securities Exchange (symbol PXS). The company's head office and manufacturing facilities are located in Sydney. For more information about Pharmaxis, go to www.pharmaxis.com.au or contact Investor Relations on phone +61 2 9454 7200.

About Bronchitol
Bronchitol has been developed to help clear mucus (a major source of lung infections), improve lung function and reduce exacerbations in patients with cystic fibrosis.

Bronchitol is a proprietary formulation of mannitol administered as a dry powder in a convenient hand-held inhaler. Bronchitol hydrates the lungs, helps restore normal lung clearance, and allows patients to clear mucus more effectively. Clinical studies have shown Bronchitol to be safe, effective, and well tolerated in treating patients cystic fibrosis.

About Cystic Fibrosis
In a healthy person, there is a constant flow of mucus over the surfaces of the air passages in the lungs, removing debris and bacteria. In CF, an inherited disease, a defective gene disrupts ion transport across the epithelial membrane within cells. In the lungs, this leads to a depletion of the airway surface liquid that normally bathes the cilia, and a resultant reduction in mucociliary clearance. The result is thick, sticky mucus that clogs the lungs, severely restricting the natural airway-clearing process. It also increases the potential for bacteria to become trapped and for inflammation, thus creating an unhealthy lung environment that leads to life-threatening lung infections.

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 cannot guarantee that any product candidate will receive regulatory approval or that we will seek any such approval.