Media Release

5 July 2013

PHARMAXIS AWARDED TWO ARC LINKAGE GRANTS FOR FIBROTIC RESEARCH

Pharmaceutical company Pharmaxis (ASX:PXS) today announced that two of its research projects conducted in conjunction with the University of Sydney have been awarded funding under the Australian Research Council (ARC) Linkage Projects scheme.

Leading Australian renal physician Professor Carol Pollock is heading an investigation of the utility of Pharmaxis compound PXS-4728A in treating renal fibrosis, while in a separate project Associate Professors Paul Young and Daniela Traini, and Dr Brian Oliver will work on developing advanced inhalation technology to deliver Pharmaxis' compounds to underlying fibrotic cells in the lung.

The ARC Scheme will provide funding of $405,646 and $370,000 for the two projects respectively, over three years which will match expenditure by Pharmaxis.

Pharmaxis Chief Executive Officer Mr Gary Phillips said: "ARC Linkage Project funding grants are awarded after an extensive independent peer review of the project and the supporting science. We are pleased that Pharmaxis research programs have been recognised twice in the current round of awards. Support for innovation in the Australian biotechnology sector is welcome and this valuable assistance will help to minimise the Company's costs as we advance R&D projects aimed at bringing potential new drugs to patients."

"Fibrotic damage to organs is an area of research which is being actively pursued by many pharmaceutical companies and potentially opens a wide field of indications for successful products. There remains a high unmet medical need in many of these indications and a shortage of late stage clinical candidates. Pharmaxis has three drug programs at the preclinical stage that target fibrosis and inflammatory diseases. We continue to progress proof of concept work on the Company's preclinical assets while also furthering discussions with third parties to secure additional funding to take them into the clinic."

Pharmaxis early stage assets include:

- PXS-4728A – a SSAO inhibitor that is in preclinical development as an anti-inflammatory and anti-fibrotic once a day oral drug for several indications.
- LOX / LOXL2 Inhibitor Program - a small molecule orally bioavailable inhibitor of the most important enzyme in fibrosis, lysyl oxidase, to treat fibrotic diseases and some cancers.
- PXS64/PXS25 - an anti-fibrotic drug that has completed its preclinical development inhibits the function of TGFb and is targeting the treatment of lung fibrosis.

The Linkage Projects scheme provides funding to eligible organisations to support research and development projects which are collaborative between higher education researchers and other parts of the national innovation system, which are undertaken to acquire new knowledge, and which involve risk or innovation.

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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 sold in key international markets. Its product Bronchitol® for cystic fibrosis is launched in Europe and Australia and its development pipeline of products includes Bronchitol for bronchiectasis, ASM8 for asthma and preclinical assets in inflammatory and fibrotic diseases. 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.

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 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.