

pharmaxis

A close-up photograph of a person's hand holding a small, blue and white inhaler device. The hand is positioned in the center of the frame, with the fingers gripping the device. The background is a plain, light-colored wall.

**Therapeutic products
for
chronic respiratory
and autoimmune
diseases**

November 2004



Chairman's Overview

● Business

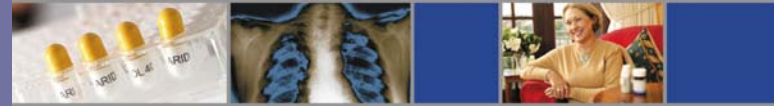
- International pharmaceutical business
- Retain product rights and fund development
- Multiple routes to harvest value

● Infrastructure

- Management team with successful/relevant experience
- Board with appropriate skills and strong governance framework
- Solid investors
- Effective shareholder communications

● Delivering

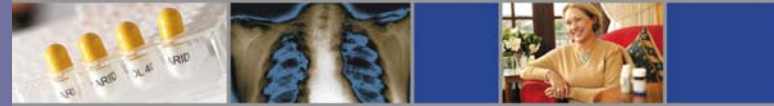
- Clinical success
- Manufacturing capability
- Government support
- Investor interest – Australia and US
- Market Value



Reducing Risk/Increasing Value

Product	Target Application	Market Size	Stage
Aridol	Management of asthma & COPD	A\$2.0 billion	Registration
Bronchitol	Bronchiectasis	A\$1.5 billion	Phase III
Bronchitol	Chronic Bronchitis	A\$4.0 billion	Phase I
Bronchitol	Cystic Fibrosis	A\$1.0 billion	Phase II
PXS25/64	Multiple sclerosis	A\$3.5 billion	Preclinical
PXS2076	Rheumatoid arthritis	A\$3.6 billion	Research

The Business.....



Frenchs Forest



Aridol



Bronchitol

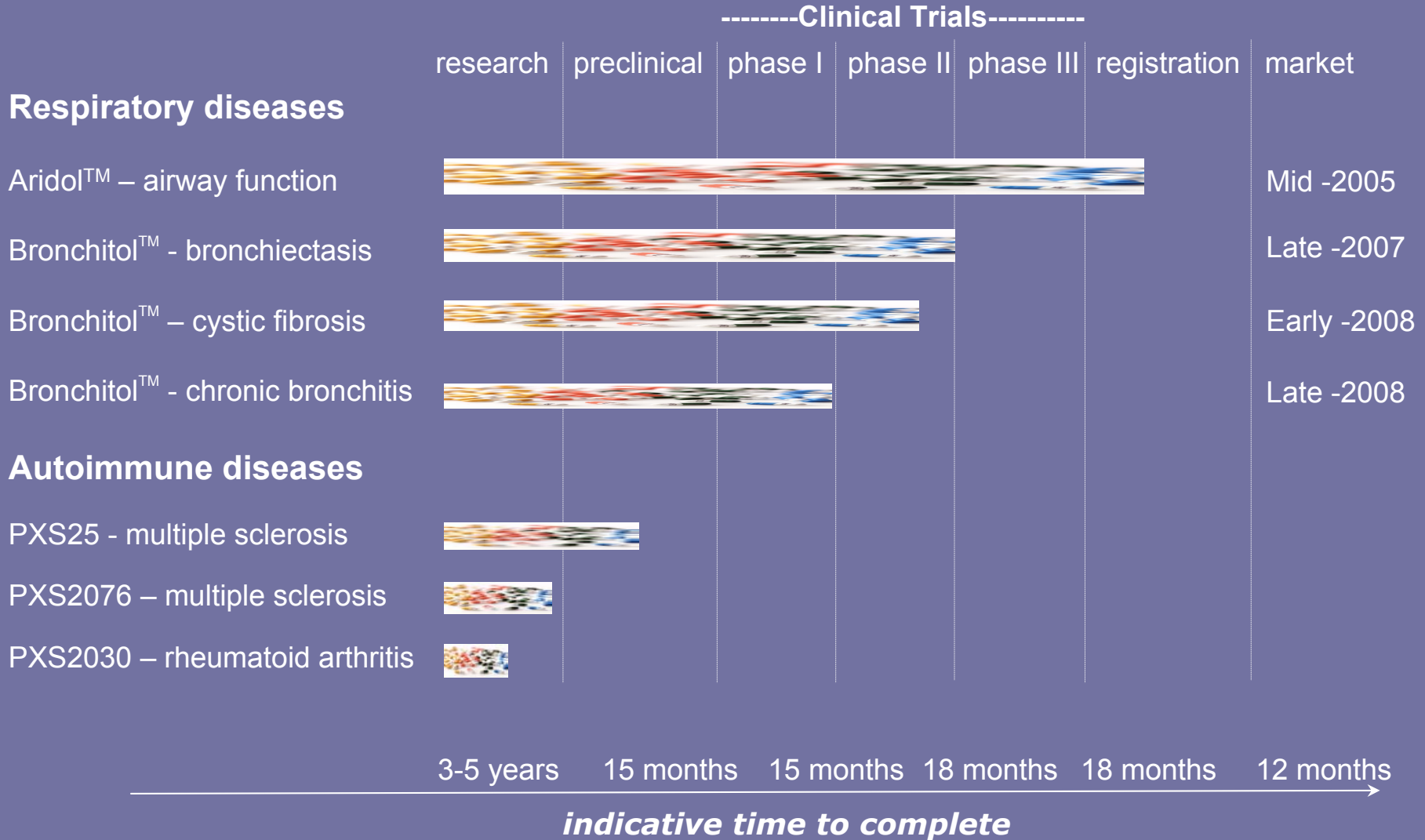


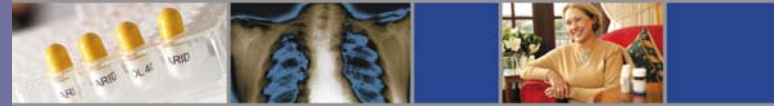
Autoimmune disease

- Maximise value by funding product development through to registration
- Launch products in accessible markets
- Diagnosis and management of asthma and chronic obstructive pulmonary disease
- Treatment of cystic fibrosis and chronic obstructive pulmonary disease
- Research into new treatments for multiple sclerosis and rheumatoid arthritis



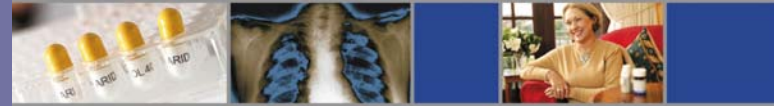
The Pipeline....





The Economic Opportunity.....

Product	Target Application	Patient Population (million)	Market Size (A\$ million)	First Revenue
Aridol	Management of asthma	52	\$1,600	2005
Aridol	Management of COPD	30	\$400	2006
Bronchitol	Bronchiectasis	0.6	\$1,500	2007
Bronchitol	Chronic Bronchitis	30	\$4,000	2008
Bronchitol	Cystic Fibrosis	0.1	\$1,000	2008
PXS25/64	Multiple sclerosis	1	\$3,500	n.a.
PXS2076	Rheumatoid arthritis	6	\$3,600	n.a.



The Progress.....

Second half - 2003

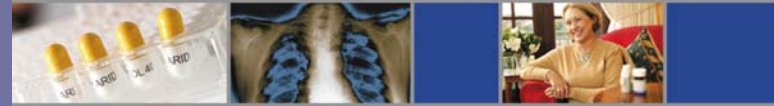
- Commenced P II bronchiectasis trial with Bronchitol
- Commenced P III asthma trial with Aridol

First half - 2004

- PII cystic fibrosis trial commenced
- Role for Aridol in COPD management discovered
- Recipient of \$6 million government grant
- PXS2076 discovered for rheumatoid arthritis

Second half - 2004

- Asthma *AND* bronchiectasis trial completed
- Bronchitol (bronchiectasis) trial results positive
- Aridol trial results positive
- Share placement raises >\$16.5 million for Bronchitol development



The People.....



● Alan Robertson PhD CEO Inventor/developer of Zomig



● David McGarvey CA CFO/Secretary CFO at Memtec



● Brett Charlton PhD CMO Clinical research at Stanford



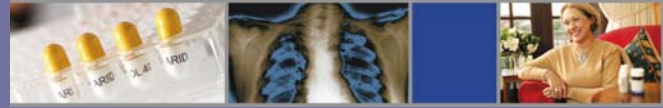
● Gary Phillips MBA Commercial CEO at Novartis Australia



● John Crapper MBA COO Managing Director of Memcor

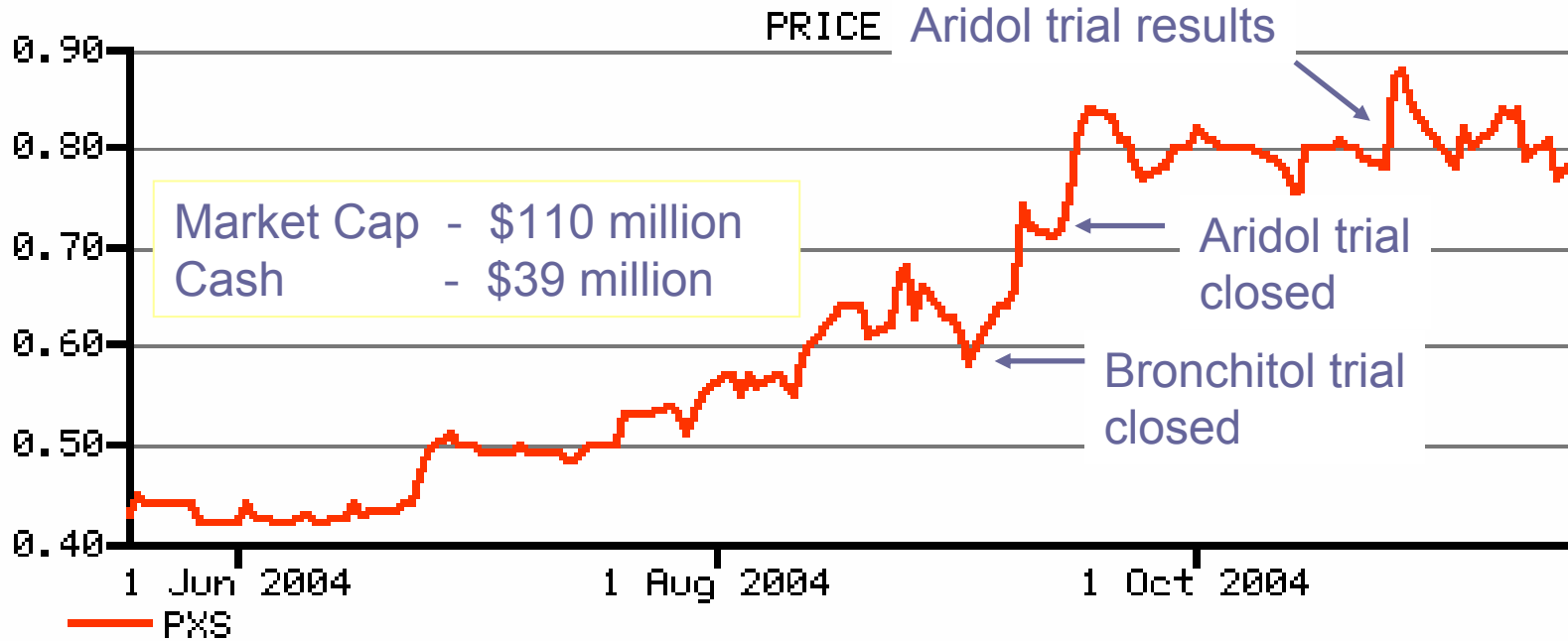


● William Cowden PhD CSO Co-inventor of TNF antibodies



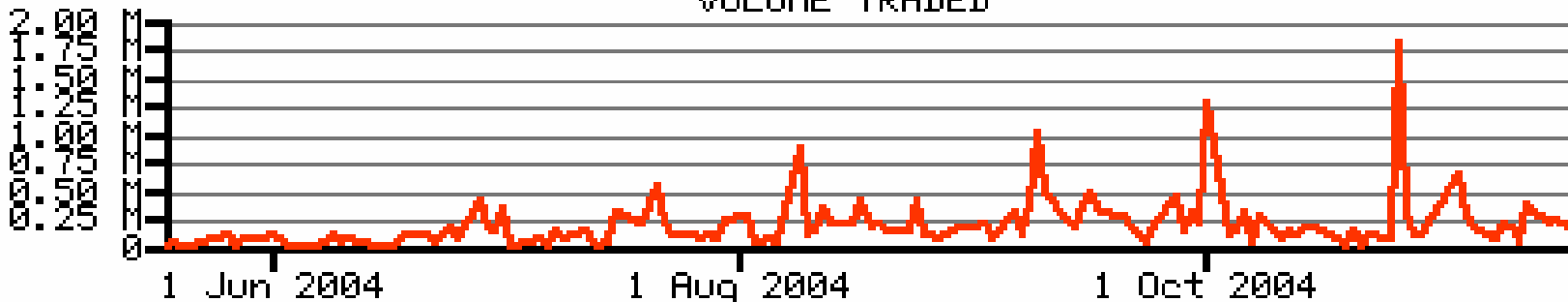
The Market.....

Pharmaxis has hit all Major Milestones since Listing



Share Prices Shown in Australian Dollars (AU\$)

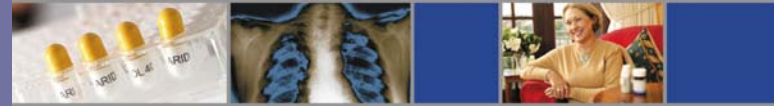
VOLUME TRADED





The year ahead.....

1. International launch of Aridol
2. Expansion of manufacturing capacity
3. Commence final Bronchitol trials for bronchiectasis
4. International opinion leading trials with Aridol
5. First human clinical study with PXS25

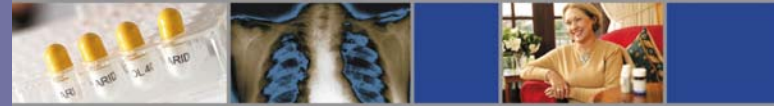


Aridol

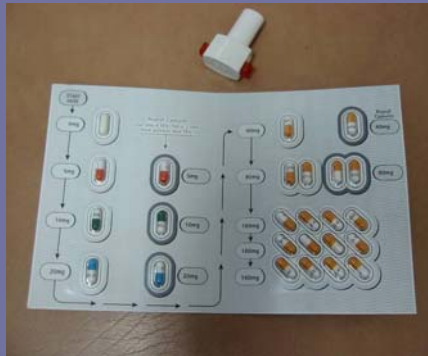
asthma

asthma management

chronic obstructive pulmonary disease



Aridol™

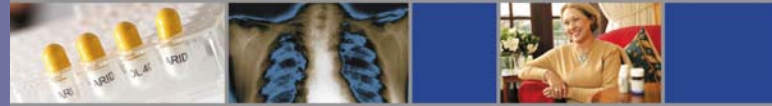


- New product for the diagnosis and management of Asthma and COPD
- Phase III completed
- Preparing for Aust/European market launch
- Accurately measures level of ongoing inflammation
- Quick and easy to use – ideal for general practice
- Supported by international opinion leaders in respiratory medicine



Positive Phase III trial results...

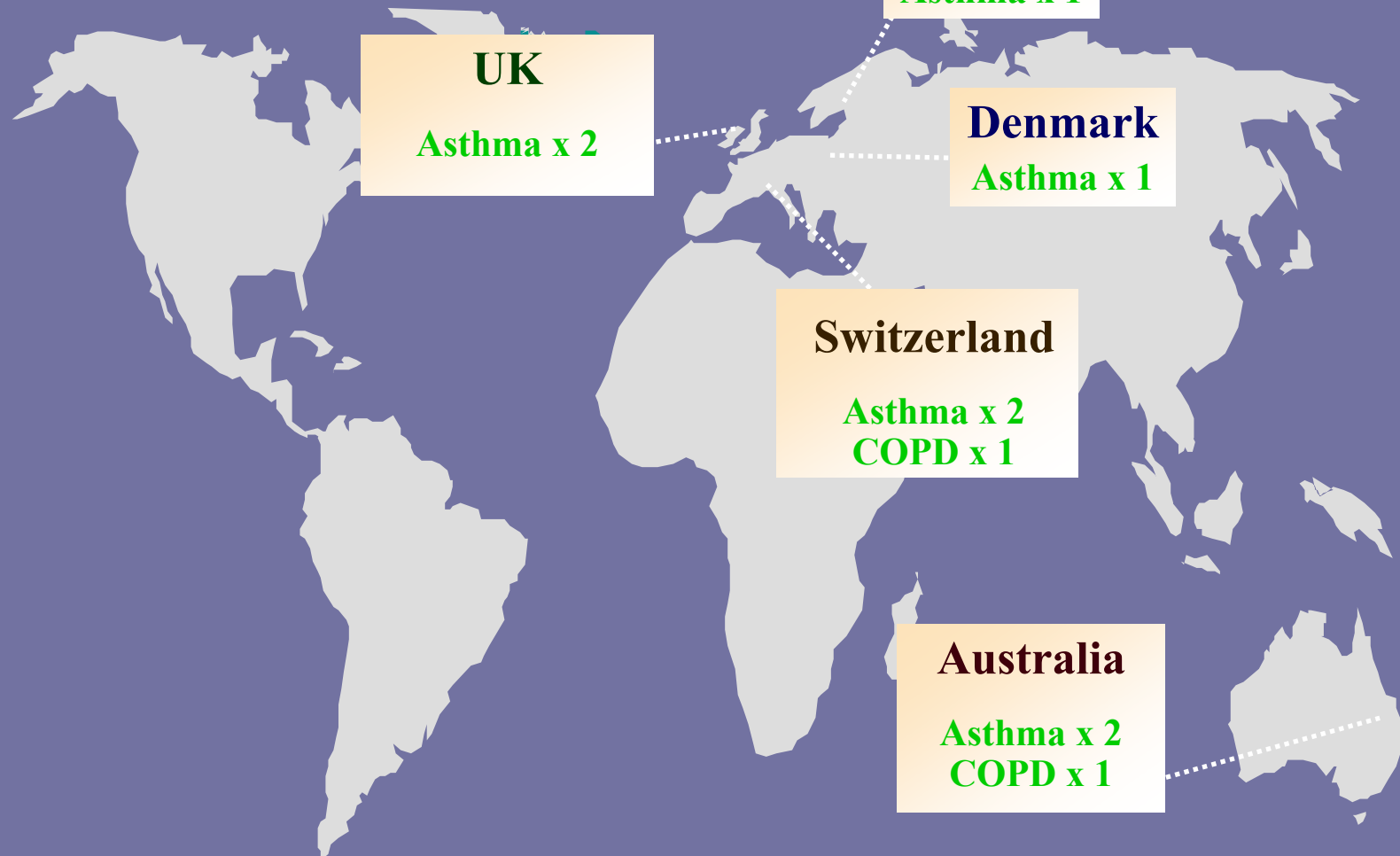
- Accurately identifies asthma
- Effective at identifying clinical mis-diagnosis (7%)
 - ⇒ 140,000 Australians
- 20% of subjects over treated and over diagnosed
 - ⇒ 400,000 people in Australia
- 25% of subjects not well controlled
 - ⇒ 500,000 Australian asthmatics
- Outcome - marketing approval submission

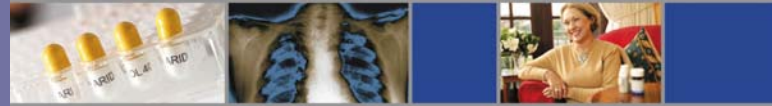


Worldwide development of Aridol

In Progress

Total ~ 9 studies
1,000 patients

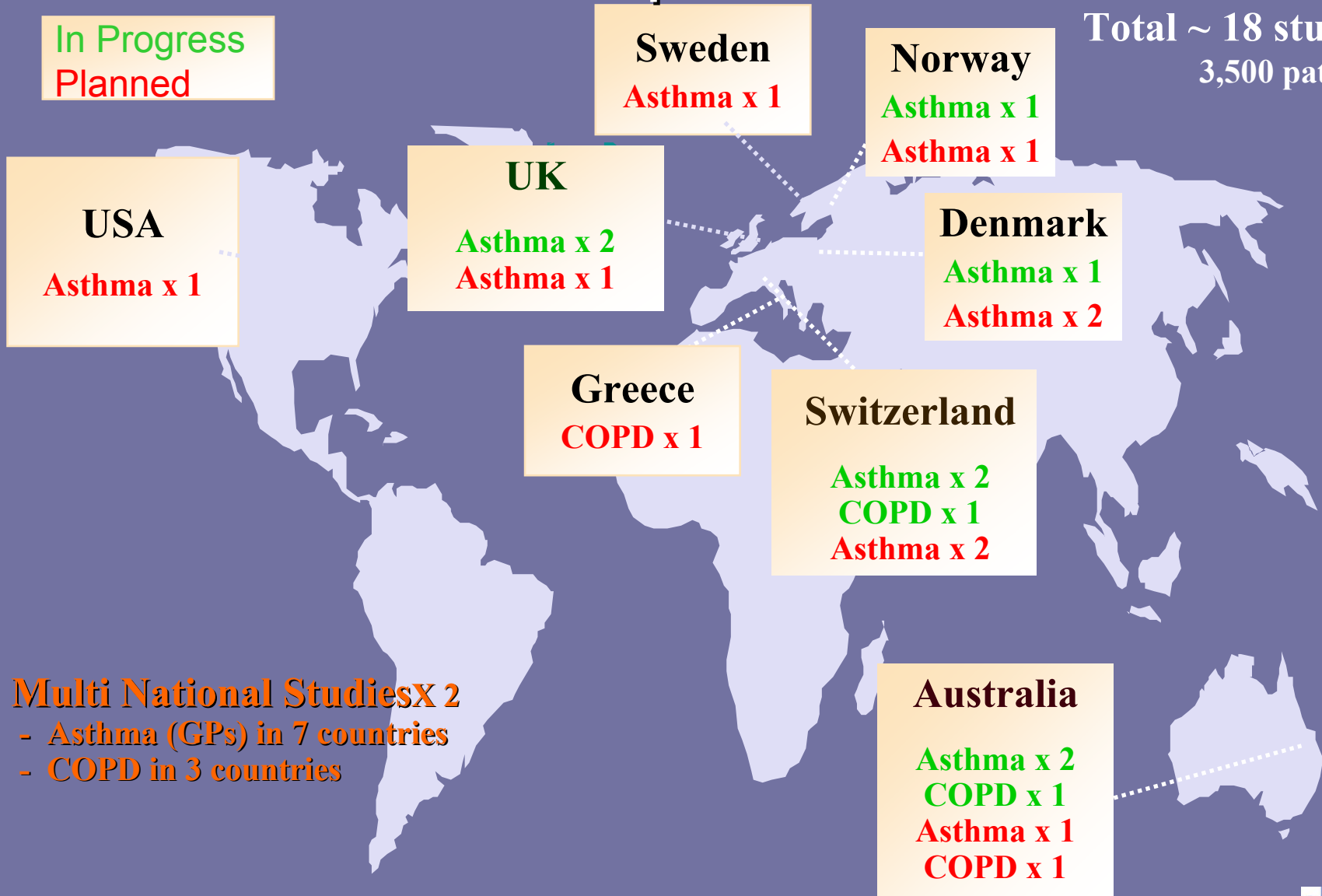




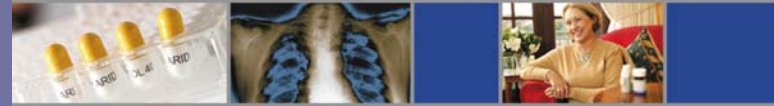
Worldwide development of Aridol

In Progress
Planned

Total ~ 18 studies
3,500 patients



Multi National Studies X 2
- Asthma (GPs) in 7 countries
- COPD in 3 countries



Aridol™ - a significant revenue opportunity

Market	Patients (millions)	% Penetration	\$
Lung Tests Specialists	0.4	75	20
Asthma Mgmt Specialists	3.1	30	50
COPD Diag + Mgmt	4.0	15	50
Asthma Diag GPs	6.0	10	50
Asthma Mgmt GPs	17.3	10	100

Total opportunity = \$250m+



Next steps for Aridol (2005).....

- Lodge marketing application Australia and Europe
- Prepare for product launch
- Complete US trial
- Lodge New Drug application with FDA
- Prepare for US launch

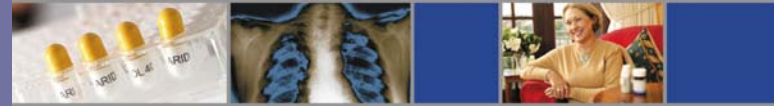


Bronchitol

cystic fibrosis

bronchiectasis

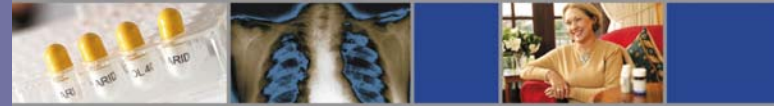
chronic obstructive pulmonary disease



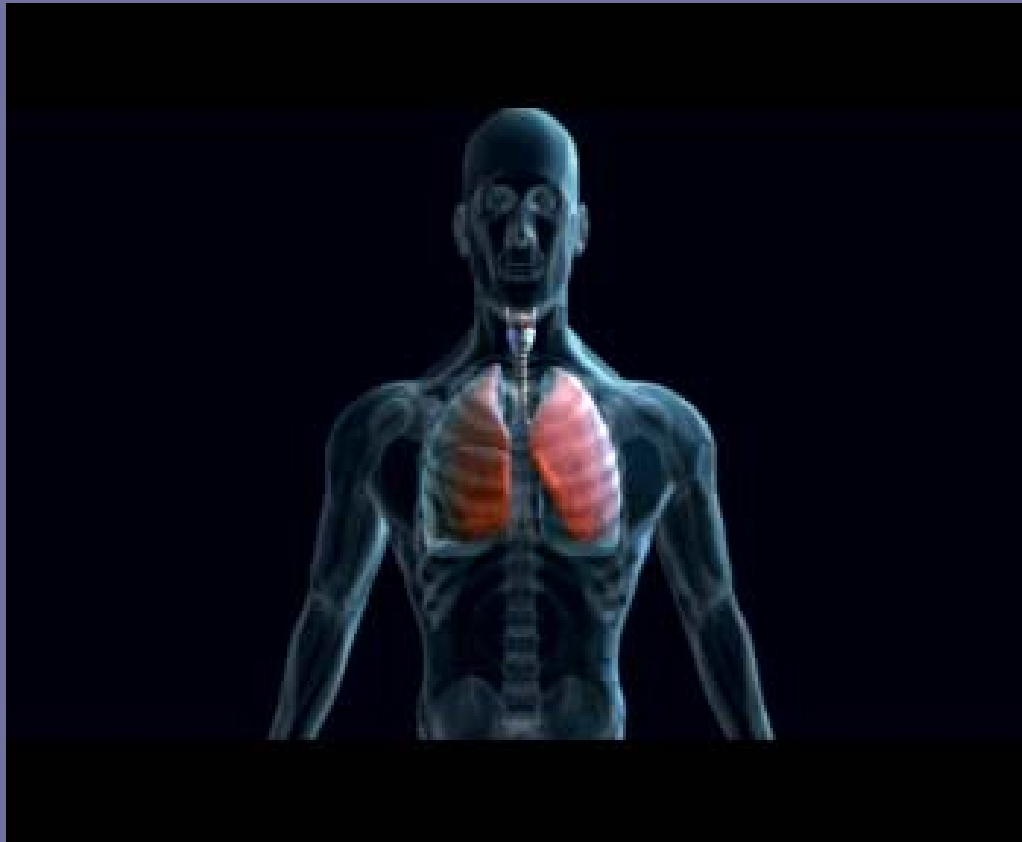
Bronchitol™

- Treatment for cystic fibrosis and chronic obstructive pulmonary disease
- Completed Phase II - bronchiectasis
- Commenced Phase II – cystic fibrosis
- Commence Phase III
 - Bronchiectasis - H1 2005
 - Cystic fibrosis - H2 2005
- Product Launch 2007





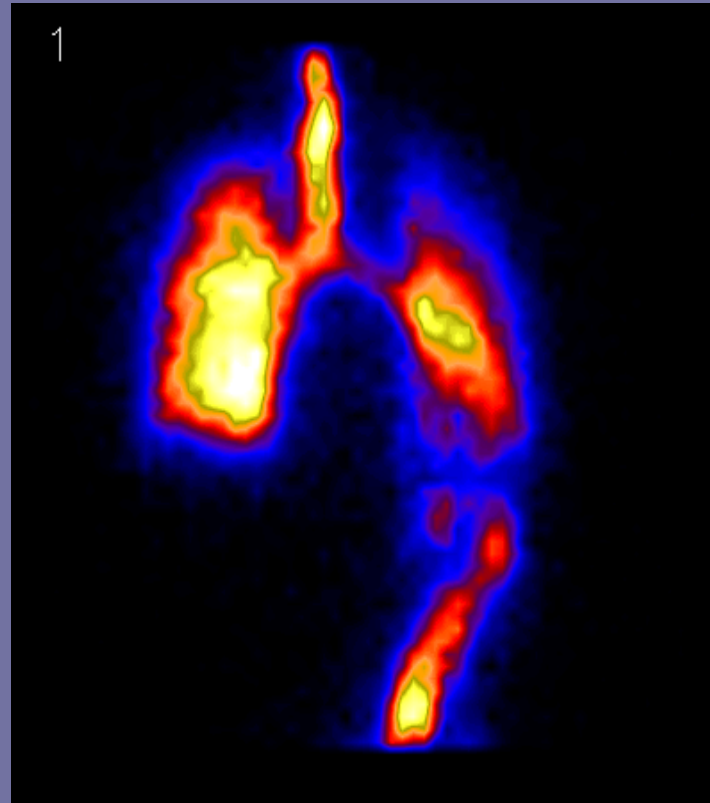
How Bronchitol works.....

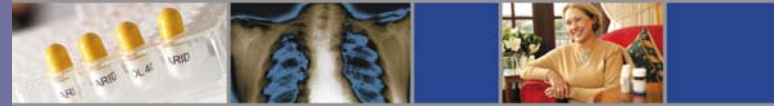




Bronchitol in the clinic.....

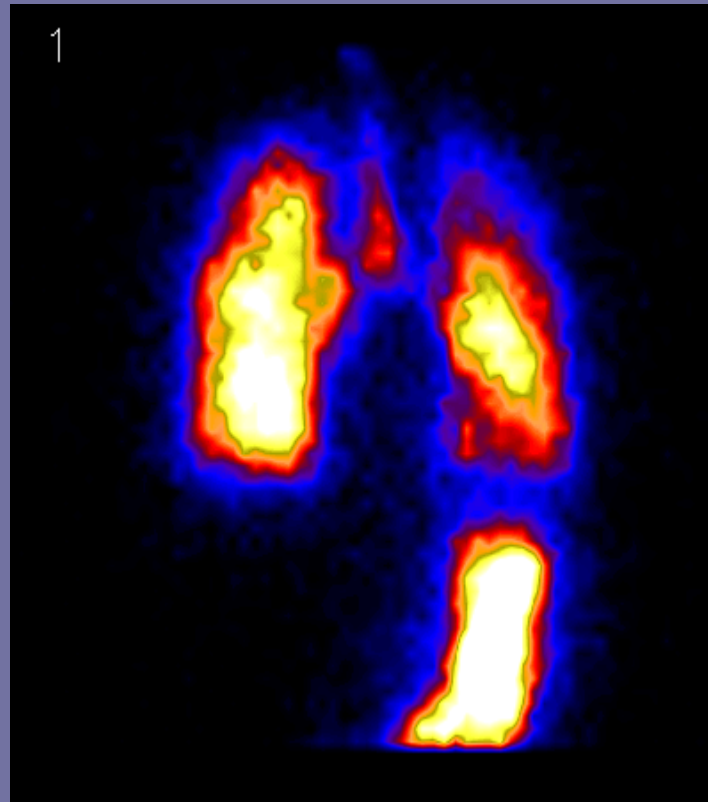
chronic bronchitis - without Bronchitol™





Bronchitol in the clinic.....

chronic bronchitis - with Bronchitol – 400mg





Phase II bronchiectasis trial positive.....

Objective

Quality of life

Symptoms

Results

Statistically significant improvement

Statistically significant improvement

Clinical improvement target

All patients

Severe patients (43/60)

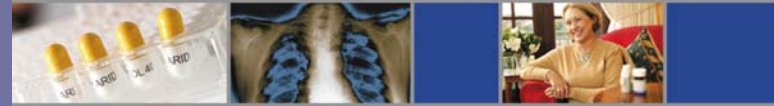
>4.0

4.8

6.8

Adverse events

None serious



Trial participants response.....

- “It has been some weeks since my part of the trial finished and to be honest I have not felt as well as when I was on the Bronchitol.”

Trial participant 1

- “Thank you for any help that you can give and I wish you well with the Bronchitol project as it has made such a difference to my health.”

Trial participant 2

- “This patient has been on the Phase II clinical trial of Bronchitol for bronchiectasis. This has revolutionised her life, she would benefit and would be greatly relieved of her daily symptoms if she could continue this treatment.”

Physician

- “Healthy people take the ability to breathe very much for granted..... To have something to make our declining years a lot more comfortable is something we could only dream about previously.”

Trial participant 3



Next steps for Bronchitol

- Commence international Phase III study - 2005
- First product launch expected – 2007
- Expand indications - 2005

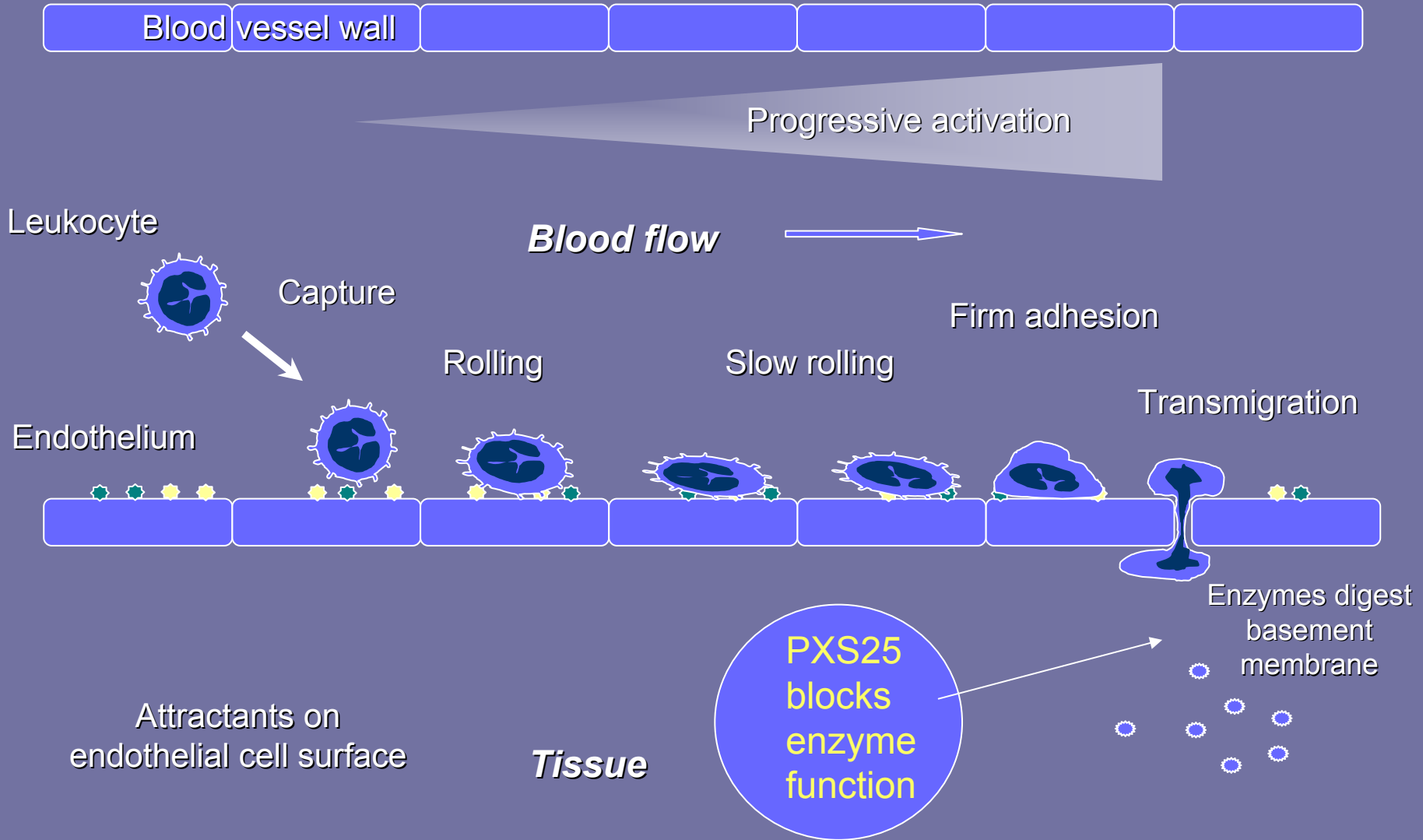


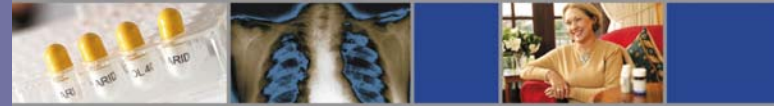
Autoimmune diseases

multiple sclerosis
rheumatoid arthritis

Autoimmune Disease

Inflammation: the leukocyte activation cascade





Autoimmune Disease

● PXS25

- Selective inhibitor of T cell migration
- Novel mechanism of action
- Effective in MS and RA models
- Complementary with existing treatments

● Competitive Edge

- Delivery by oral route
- Approach clinically validated

● Status

- Preclinical
- Human studies 2005

● PXS2076

- Inhibitor of TNF
- Novel mechanism of action
- Effective in RA models

● Competitive Edge

- Delivery by the oral route

● Status

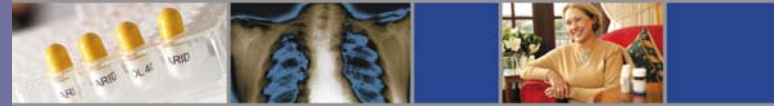
- Research

Very large market opportunities



Financials

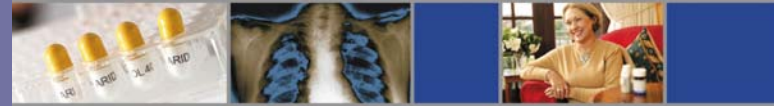
	<u>Year ended</u> <u>30 June 2004</u> <u>A\$'000</u>	<u>Year ended</u> <u>30 June 2003</u> <u>A\$'000</u>	<u>Quarter</u> <u>ended 30</u> <u>Sept 2004</u> <u>A\$'000</u>	<u>Quarter</u> <u>ended 30</u> <u>Sept 2003</u> <u>A\$'000</u>
<u>Income Statement</u>				
Revenues				
Grants	1,105	976	323	434
Interest	1,075	284	321	80
Other	48	43	-	17
	2,228	1,303	644	531
Expenditures				
Research & development	(6,047)	(1,790)	(2,377)	(978)
Commercial	-	-	(200)	-
Administration	(2,182)	(981)	(903)	(427)
Net loss before and after tax	(6,001)	(1,468)	(2,836)	(874)
Depreciation & amortisation	490	256	137	117
EBITDA	(6,586)	(1,496)	(3,020)	(837)
<u>Capital Expenditure</u>	(406)	(1,652)	(275)	(50)



Financials

	<u>30-Jun-03</u>	<u>30-Sep-03</u>	<u>30-Jun-04</u>	<u>30-Sep-04</u>	<u>ProForma</u> <u>after</u> <u>Placement</u>
	<u>A\$'000</u>	<u>A\$'000</u>	<u>A\$'000</u>	<u>A\$'000</u>	<u>A\$'000</u>
<u>Balance Sheet</u>					
Cash & bank accepted bills	7,384	6,246	25,217	22,932	38,632
Total assets	10,495	9,651	28,261	26,555	42,255
Long term debt	-	-	-	-	-
Shareholders' Equity	9,890	9,016	26,780	23,978	39,678

P3 Grant outstanding: \$6m 2005 to 2008



Share Capital

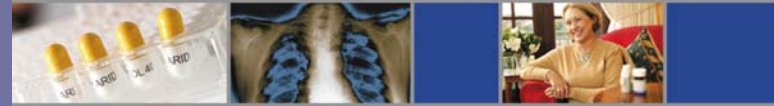
Shares

Shares on Issue 31 October 2004 ('000)	108,304
Escrowed to 10 November 2005	24,964
Shares on Issue post Placement	130,304

Options

Options on Issue	10,463
Vested	7,399
Escrowed to 10 November 2005	6,720
Options Currently Exercisable	1,779

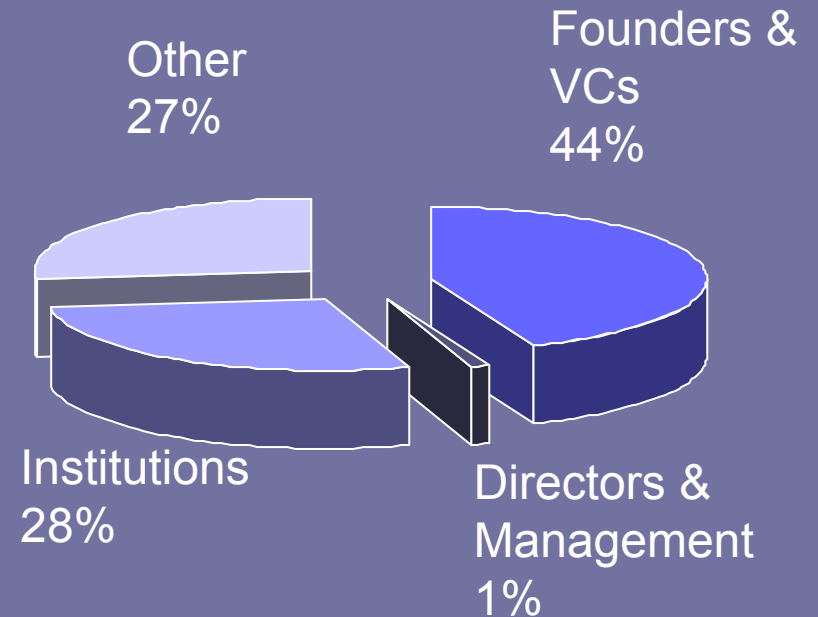
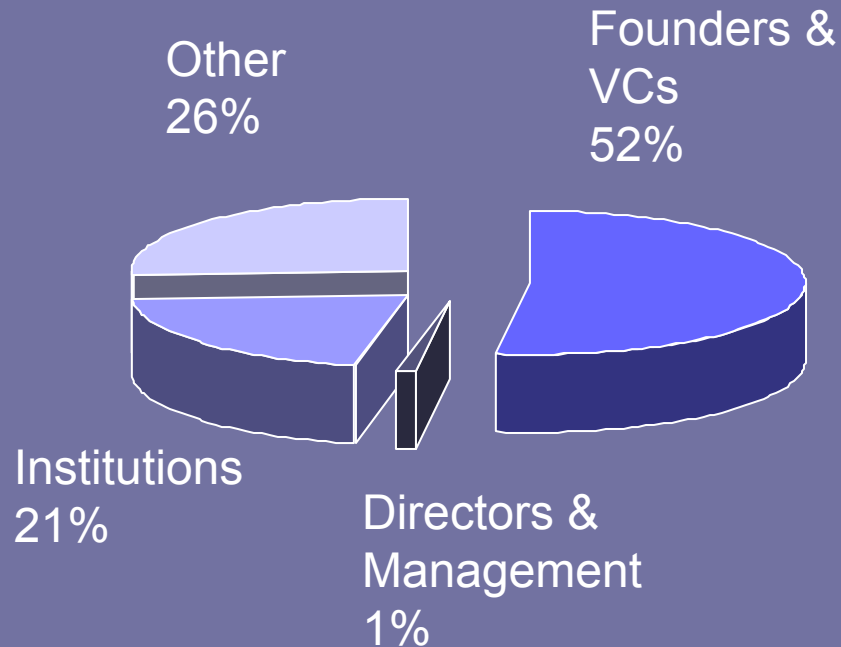
Level One ADR Program Effective 12 November 2004



Share capital.....

31 Oct 2004

Post placement





Summary

- Well resourced to execute Business Plan
- Aridol asthma launch 2005
 - ✓ Annual revenue potential - >\$250 million
- Integrated business
 - ✓ All marketing rights retained
- Bronchitol in Phase III for bronchiectasis
 - ✓ Market launch expected 2007
 - ✓ Very large market potential
- Bronchitol in Phase II for cystic fibrosis
- Pipeline of earlier stage products
 - ✓ Targeting large market potential