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### Results of Retail Entitlement Offer

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On 16 November 2011, Pharmaxis Ltd (ASX: PXS) announced a pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$80 million, comprising an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). Merrill Lynch International (Australia) Ltd and Wilson HTM Corporate Finance Ltd are Joint Lead Managers and Underwriters to the Entitlement Offer. The Entitlement Offer is fully underwritten.

The Institutional Entitlement Offer was completed on 18 November 2011 and raised a total of approximately \$49 million with approximately \$42 million settled on the first settlement date of 28 November 2011 through the issue of 40,127,238 new ordinary shares and a further approximately \$7 million through the issue of 6,940,876 new ordinary shares to be settled on the second settlement date of 15 December 2011.

Pharmaxis today announces that the Retail Entitlement offer closed at 5.00pm (Sydney time) on 8 December 2011 and will raise approximately \$31 million. Eligible retail shareholders subscribed for 13,815,725 new shares (approximately \$14.5 million) under the Retail Entitlement Offer representing a subscription rate of approximately 47%. All eligible retail shareholders who subscribed for new shares in excess of their pro-rata entitlement will be allocated the full amount of their application. Settlement of these new shares under the Retail Entitlement Offer will occur on the second settlement date of 15 December 2011.

The balance of 15,490,841 new shares (approximately \$16.3 million) comprising of shares not subscribed for by eligible retail shareholders and the entitlements of ineligible retail shareholders will be issued to the sub-underwriters of the Retail Entitlement Offer, which have sub-underwriting agreements in place with the Underwriters and include a number of existing shareholders of Pharmaxis.

The allotment of new shares under the second settlement will be completed on 16 December 2011 and those shares are expected to commence trading on the Australian Securities Exchange on 19 December 2011.

Pharmaxis Chief Executive Officer, Dr Alan Robertson, said "I am very pleased with the support shown in the Entitlement Offer from both our institutional and retail shareholders. The capital raising will enable Pharmaxis to continue its transformation into a profitable, international, pharmaceutical business."

**ENDS**

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**About Pharmaxis**

Pharmaxis (ABN 75 082 811 630) 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, bronchiectasis, ASM8 for asthma, PXS25 for idiopathic pulmonary fibrosis and a new oxidase inhibitor for lung disease. 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](http://www.pharmaxis.com.au) or contact Investor Relations on phone +61 2 9454 7200.

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