ASX Media Release

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PHARMAXIS ANNOUNCES MILESTONE IN PHASE 3 TRIAL FOR BRONCHIECTASIS

Specialty pharmaceutical company Pharmaxis (ASX: PXS) today announced formal completion of a 52 week, Phase 3 international trial assessing the effectiveness of Bronchitol®in people with bronchiectasis. The last participant has completed the final clinical visit in the trial which began in October 2009.

The double blind, controlled, randomised trial recruited 485 participants and was conducted across 83 hospitals in the U.S., Europe, South America and Australia. The purpose of the trial was to examine the efficacy and safety of 52 weeks treatment with Bronchitol in subjects with non-cystic fibrosis bronchiectasis.

Pharmaxis Chief Executive Officer, Alan Robertson said: "This was a complex trial that collected a vast amount of data over a long period and has already provided great insights into this under researched patient population. We are grateful to the volunteers in the trial and are hopeful that the data will allow us to make the benefits of Bronchitol available to a wider group of people."

The primary endpoint of the trial was to show a significant difference in the rates of graded pulmonary exacerbations, in patients with bronchiectasis treated with Bronchitol compared to control. Secondary endpoints included quality of life, sputum weight and lung function as measured by spirometry.

The headline results of the trial will be available during the second quarter of 2013 following data review and statistical analysis.

Approximately 600,000 people in the major pharmaceutical markets have bronchiectasis and no products have been approved to assist with mucus clearance. An exacerbation is a serious life threatening complication for patients with bronchiectasis and often leads to hospitalisation. Moreover, an exacerbation leads to increased damage to the lungs and accelerates loss of lung function.

A positive outcome from the trial may form the basis for an extension to the existing marketing approvals for Bronchitol in the European Union and Australia where patients seeking treatment are estimated at 210,000 and 18,000 respectively.

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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 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), ASM8 for the treatment of severe asthma, PXS25 for the treatment of lung fibrosis and PXS4159 for lung inflammation.

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 phone +61 2 9454 7200.

About Bronchitol

Bronchitol has been developed to help remove inadequately cleared mucus (a major source of lung infections) and reduce exacerbations in patients with cystic fibrosis and bronchiectasis. Bronchitol is a proprietary formulation of mannitol administered as a dry powder in a convenient hand-held inhaler. Inhaled mannitol hydrates the lungs, helps restore normal lung clearance, and allows patients to clear mucus more effectively.

About Bronchiectasis

Bronchiectasis is a condition in which damage to the airways causes them to dilate, lose their tone and become scarred. Bronchiectasis is often caused by an infection or other condition that injures the walls of the airways or prevents the airways from clearing mucus. Mucus helps remove inhaled dust, bacteria, and other small particles from the lung.

In bronchiectasis, the airways slowly lose their ability to clear mucus. The mucus builds up, and bacteria begin to grow, which leads to repeated, serious lung infections. Each infection (or exacerbation) causes more damage to the airways. Over time, the airways can't properly move air in and out of the lungs. As a result, the body's vital organs do not get enough oxygen and this can lead to serious health problems such as respiratory failure.

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.