



Media Release
1 March 2004

**Mayne announces acquisition of
injectable multivitamin suite of products from aaiPharma**

Mayne today announced a strengthening of its specialty pharmaceutical focus through the acquisition of the suite of injectable multivitamin products currently marketed in the US by aaiPharma Inc.

The acquisition is part of Mayne's strategy to focus on the research, development, manufacture and sale of specialty pharmaceuticals with a particular emphasis on generic, injectable oncology treatments (anti-cancer drugs – primarily cytotoxic agents) and related therapeutic areas. It also fits with Mayne's increasing presence in branded generics and proprietary products which are marketed to specialists such as oncologists, urologists and anaesthetists.

The acquired products include the branded generics M.V.I. Adult™, M.V.I. Pediatric®, Aquasol A® and Aquasol E®. Injectable multivitamins are used to provide vitamin intake to patients on total parenteral nutrition. These are typically patients in a hospital's intensive care unit or following bowel surgery or serious burns but are also associated with some oncology treatments. Current estimates indicate that aaiPharma has approximately 70% of the US injectable multivitamin market.

The contract purchase price is \$US100 million, plus a further \$US5 million upon by approval by the US FDA of a new formulation.

The products are currently manufactured under several contract arrangements which Mayne plans to progressively insource to its Aguadilla site.

The acquisition is expected to complete by June 2004 subject to satisfaction of conditions precedent. For the 2005 financial year Mayne expects additional earnings before interest, tax and amortisation (EBITA) of approximately \$US11 million. Synergies from manufacturing insourcing will commence in the 2006 financial year.

Mayne has businesses in pharmaceuticals (the manufacture of oral and injectable pharmaceuticals for distribution to more than 50 countries), health services (pathology, diagnostic imaging, medical centres, pharmacy services) and health-related consumer products.

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Notification of Mayne briefing

Mayne's Group Managing Director and Chief Executive Officer, Mr Stuart James, will hold a briefing today in relation to the acquisition of injectible multivitamin products from aaiPharma. The slides from Mr James' presentation are attached.

The details of the proceedings are listed below:

Date: Monday 1 March 2004

Time: 11. 30am

There will be a live dial-in facility available for those shareholders who wish to listen to this briefing. The briefing is expected to conclude at approximately 12.00noon.

Please follow the instructions below to access the telephone conference facility:

- call 1800 555 616 (toll free)
- wait on the line for an operator

Mayne Group Limited

Acquisition of injectible multivitamin suite of
products from aaiPharma

1 March 2004

Injectable multivitamin attributes

Mayne's interest in aaiPharma's injectable multivitamin products:

- Injectable multivitamins are used in Total Parenteral Nutrition treatments predominantly in hospitals
- The US market has devolved to a 2 player game with aaiPharma holding 70% market share and Baxter 30%
- Complex product limits potential competitors from entering the market
 - low aluminium formulation
 - complex analytical methods
- Opportunity to leverage Aguadilla's manufacturing capabilities and take manufacturing margin currently earned by contract makers
- Provides a significant boost to Mayne's US presence in the injectable sector

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Multivitamin usage channels

FACILITIES

CLINICS

LONG-TERM CARE

HOME HEALTH CARE

18%

3%

2%

1%

76%

NON-FEDERAL HOSPITALS

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Multivitamin transaction parameters

- Contract has been executed with aaiPharma for all multivitamin products for:
 - \$US 100 million on completion
 - \$US 5 million on FDA approval of new formulation product
 - Subject to normal approval condition precedents
- Transaction provides a significant boost to Mayne's US business
 - Expected FY2005 financial increments
 - EBITA \$US 11 million
 - Manufacturing benefits to commence accruing in FY2006