



Media Release
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Mayne launches paclitaxel in Europe

Mayne Group Limited (ASX:MAY) today announced that it had launched Paxene® into all European Union markets excluding Spain, Denmark, Austria and Greece making it the first alternative to Taxol® that will be sold across the region. Paxene® is an injectable oncology drug used in the treatment of metastatic breast and ovarian cancer.

In February 2004, Mayne advised that it had entered into a collaboration agreement with Ivax for the manufacture, marketing and distribution of Paxene® in Europe.

Mayne's Group Managing Director and Chief Executive Officer, Mr Stuart James said he is very pleased by the launch because it is earlier than originally planned and means that Mayne is the first to market an alternative to Taxol® in all major European markets.

"The launch of Paxene® in Europe is a significant win for Mayne and should mean at least six months, and possibly up to nine months sales before competitors enter the major markets. The progress of the launch has surpassed our initial expectations confirming our view that the deal with Ivax will generate significant value," Mr James said.

"Our first to market position will be particularly important in tender driven markets such as the United Kingdom, France, Italy and the Nordic region because there is a real opportunity to lock in longer-term contracts in these countries," he said.

Last week European regulators also approved the use of Mayne's paclitaxel active pharmaceutical ingredient (API) produced in its Boulder facility for Paxene®. As a result, Mayne will be exclusively supplying the API for Paxene® from July 2004 resulting in the capture of the full supply chain benefits from that time.

In the last 12 months, Mayne has become a leading global supplier of paclitaxel through its existing rights to manufacture and sell the drug in Asia Pacific, the acquisition of the Boulder API manufacturing facility and dossiers for paclitaxel, the acquisition of the rights to market and sell paclitaxel in North America as well as the exclusive right to sell and distribute Paxene® to all major markets in Europe. This deliberate strategic positioning provides Mayne with the only global marketing and supply capability for paclitaxel besides Bristol-Myers Squibb.

The agreement with Ivax included a payment that was contingent upon Ivax receiving approvals for Paxene®. Given the success in getting the product to market earlier than anticipated, in accordance with the agreement Mayne made a milestone payment to Ivax of \$US 25.5 million which is in addition to the \$US 85 million previously advised for the North American paclitaxel acquisitions.

Mayne anticipates that revenues generated from paclitaxel in the United States and Europe resulting from its recent investments will be approximately \$US 67 million in fiscal 2005 leading to EBITA earnings of \$US 33 million. In its 2003 full year results presentation and prior to the Ivax agreement in Europe, Mayne forecast paclitaxel to contribute incremental EBITA of approximately \$US 13.1 million in the 2004 calendar year growing to \$US 16.4 million in 2005. Therefore the Paxene® arrangement adds significant value to Mayne in fiscal 2005 and results in a payback period from this investment of less than two years.

According to IMS data, annual European sales of Taxol® are approximately \$US 450 million making it the largest oncology product in the region.

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

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Media and investor enquiries

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