

**For immediate release
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PLIVA and Mayne Enter Biogeneric Partnership for EPO and G-CSF

PLIVA d.d. ("PLIVA") announced today that its affiliates PAM Kft. and PLIVA CROATIA Ltd. have entered into a strategic collaboration with Mayne Pharma ("Mayne"), a leading international hospital generics company, for the development, supply and marketing of PLIVA's two most advanced follow-on biologics programs, erythropoietin (EPO) and granulocyte colony stimulating factor ("G-CSF"). Based on IMS data, MAT Q3 2004 world wide sales of EPO and G-CSF reached a combined market value of more than USD 14bn, up 17% over 2003.

Under the terms of the collaboration agreement, PLIVA will receive total net proceeds of EUR 21m over a three year period from Mayne, during which time PLIVA will complete clinical development of the products in collaboration with Mayne. Mayne will receive exclusive marketing and distribution rights for the majority of West European markets, and other countries in the Middle East, North Africa and Asia Pacific. PLIVA will retain full rights for CEE (including the 10 EU accession countries), the Americas, and Japan where it can market the products itself or with business partners. PLIVA will also be the exclusive supplier of these products to Mayne through a mutually attractive pricing arrangement which is adjusted according to the level of sales volumes and margins achieved.

With global sales of approximately EUR 300m in its 2004 fiscal year, Mayne is a leading, international hospital generics company focused on intravenous (IV) presentations in oncology, anti-infectives and pain management. Mayne also has a leading market position in hospital generics in the EU built on a number one rank in generic oncology IV sales in France and UK, and second position in Germany and Italy, making the Company a strong partner for these markets.

Zeljko Covic, President of PLIVA's Management Board and CEO commented: "We are especially pleased to have entered into this partnership with Mayne. We believe that this collaboration will unlock many value creating opportunities within our biologics program as it combines PLIVA's expertise in the development and manufacturing of high quality and technically complex products, with Mayne's position as the leading generic hospital player in the EU. We are convinced that with Mayne's strong and established hospital sales force promoting PLIVA's quality products, both companies will successfully profit from this multi billion dollar market, while providing a more affordable solution to patients across the globe."

Mr. Covic elaborated: "This partnership also represents an important recognition of PLIVA's biologics program and its strong positioning on the global market in this field. Following extensive clinical trials in Croatia, PLIVA has developed and already submitted a generic EPO for registration in Croatia, which we plan to launch this year. To the best of our knowledge, this launch will position us as one of the first companies to successfully, develop, produce, and sell a generic EPO on the commercial global market, and the first on the European continent."

Mayne's Group Managing Director and Chief Executive Officer, Mr. Stuart James, said he was very pleased to be working with PLIVA, a company that was internationally respected for its world-class research and development capabilities: "Biological products are technically complex, requiring specialised expertise in development and manufacturing that would be expensive and risky for Mayne to develop internally. PLIVA's deep experience in developing and manufacturing biological products and advanced progress in the development of EPO and G-CSF, ideally complement Mayne's

international sales and marketing and regulatory strengths. By joining forces, both PLIVA and Mayne are positioned to benefit from faster market access at a lower risk.”

About EPO and G-CSF

EPO represents PLIVA's most advanced biologics program and is a generic version of Amgen's EPOGEN (epoetin-alfa) primarily indicated for the stimulation of red blood cell production in patients undergoing dialysis therapy for chronic renal failure and patients undergoing chemotherapy treatment. G-CSF is the generic version of Amgen's NEUPOGEN (filgrastim) primarily indicated for the regulation of white blood cell production in the treatment of cancer patients with chemotherapy induced neutropenia.

About PLIVA

With over 80 years of experience in the pharmaceuticals arena, PLIVA is now a global generics and specialty company, with operations in more than 30 countries in the US, CEE, and Western Europe. Building upon a strong R&D history, the company specializes in the discovery, development, production and distribution of generic and branded pharmaceutical products. Since its listing on the London Stock Exchange in 1996, PLIVA has established a fully internationalized business, with the majority of its revenues now realized on Western markets.

More information about PLIVA can be found at www.pliva.com.

About Mayne

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

More information about MAYNE can be found at www.Maynegroup.com

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