Acquisition of Doryx® and selected generic product transactions

Mayne Pharma Group Limited
10 February 2015

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Executive Summary

Agreement to acquire Doryx® - spearheading Mayne Pharma's US Specialty Brands Division - and restructuring of two existing Mayne Pharma US generic products for a combined consideration of up to US$65.7m[1]

Acquisition of Doryx®	**Agreement to acquire assets relating to Doryx® from Actavis plc ("Actavis") for US$50m[1], closing on or around 26 Feb 2015** • Doryx® tablets are a delayed-release oral formulation of Doxycycline Hyclate used for adjunctive therapy in the management of severe acne • Mayne Pharma currently manufactures Doryx® and as part of the transaction will take over the brand, distribution, packaging and sales and marketing in the US • Mayne Pharma will establish a US Specialty Brands Division with approximately 80 professionals to support sales and marketing and commercial support functions • Actavis achieved net sales from Doryx® in 2014 of US$60.1m implying an acquisition multiple of 0.8x net sales • Monthly EBITDA contribution (including product manufacturing margin) is expected to be US$2.7m on average from July 2015
Compelling strategic rationale	• Immediately and materially EPS accretive • Attractive market fundamentals in US dermatology space • Significant ability to grow Doryx® sales and optimise product through renewed focus, marketing investment and innovation • Mayne Pharma has an intimate knowledge of Doryx® having developed the product and manufactured it for 30 years and having employed new US leadership who successfully managed the brand in the past • Provides the platform for Mayne Pharma to build a US specialty brands franchise through targeted in-licensing / product acquisitions and fully leveraging own development pipeline
Transactions relating to existing US generic products	**Agreements to acquire the Butalbital/APAP/Caffeine (BAC) capsule ANDA and full ownership of the Methamphetamine tablet ANDA for a combined purchase price of up to US$15.7m** • Attractive market dynamics: #1 market position in both product markets • Mayne Pharma currently sells these products: transactions will secure full control of distribution and manufacturing activities to optimise long-term value • Incremental monthly EBITDA contribution is expected to be US$0.3m per month on average from completion
Acquisition funding	• Acquisitions to be funded through a ~A$115m equity raising – ~A$105m underwritten 1-for-3.45 accelerated non-renounceable entitlement offer – ~A$10m underwritten unconditional placement to institutional investors • Acquisitions expected to be significantly EPS accretive on a Pro-Forma FY15 and FY16 basis[2]

1) Acquisition of Doyrx® will lead to an additional US$8m investment relating to start-up costs and associated working capital requirements
2) Excludes transaction costs; FY15 analysis assumes steady state and twelve month contribution from the transactions for the financial year

Doryx® acquisition overview

Acquisition overview

Deal summary

- Acquisition of Doryx® assets from 26 February 2015 comprising U.S. marketing rights, trademark, marketing materials and medical, clinical and technical data for US$50m
  - Additional US$8m in start-up costs and investment in working capital
- Actavis will continue to promote and distribute Doryx® on behalf of Mayne Pharma until early May 2015, while supporting an orderly transition of all sales, trade relations and product support activities

Mayne's existing Doryx® activities

- Mayne Pharma currently generates revenue from the manufacture and wholesale of Doryx® to its US marketing and distribution partner (Actavis)
  - Actavis acquired Mayne Pharma's former US marketing and distribution partner (Warner Chilcott) on 1 October 2013

Current dynamics relating to Doryx® franchise

- Agreement with Actavis due to expire with effect from 31 December 2015
- Doryx® brand was owned by Actavis and Mayne Pharma would have had to introduce a new brand to promote the product if the trademark was not acquired

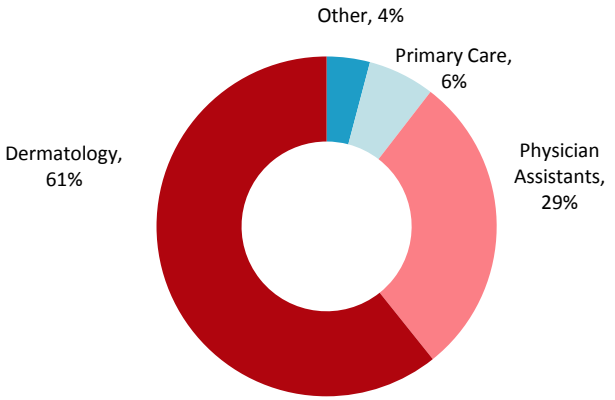
Acquisition will enable Mayne to control distribution and retain valuable brand equity

Doryx® competes in the attractive US acne market

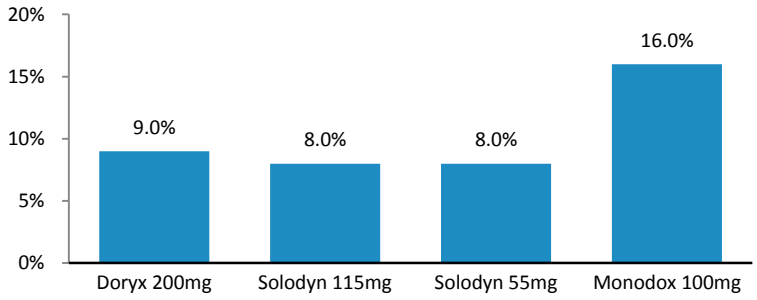
Doryx® is Doxycycline Hyclate, a delayed-release tablet incorporating Mayne Pharma's drug delivery know-how and is indicated for adjunctive therapy in the management of severe acne

- Acne is the most prevalent skin disease in the US affecting 45 million people with most seeking initial treatment during puberty and continuing through adolescence
- Prescribed predominantly by Dermatologists / Physician Assistants – accounting for ~90% of prescriptions as a brand
- Addressable Doxycycline acne market comprises over 2.7 million prescriptions (TRx's) annually. Comprises modified-release products such as Doryx®, immediate-release products such as Acticlate™, and their generic equivalents
- Key competitor to Doryx is Aqua Pharma's Acticlate™ (75mg, 150mg Doxycycline IR tablets)[2]. Refocused business from Monodox™ during Q4, 2014
- Participates in the promotionally sensitive and brand loyal dermatology segment
- Branded products in this market, and the adjacent minocycline acne market, benefit from annual price appreciation
- Small prescriber base requires relatively-low levels of sales force investment for effective branded product detailing

Doryx® TRx Volume by Specialty



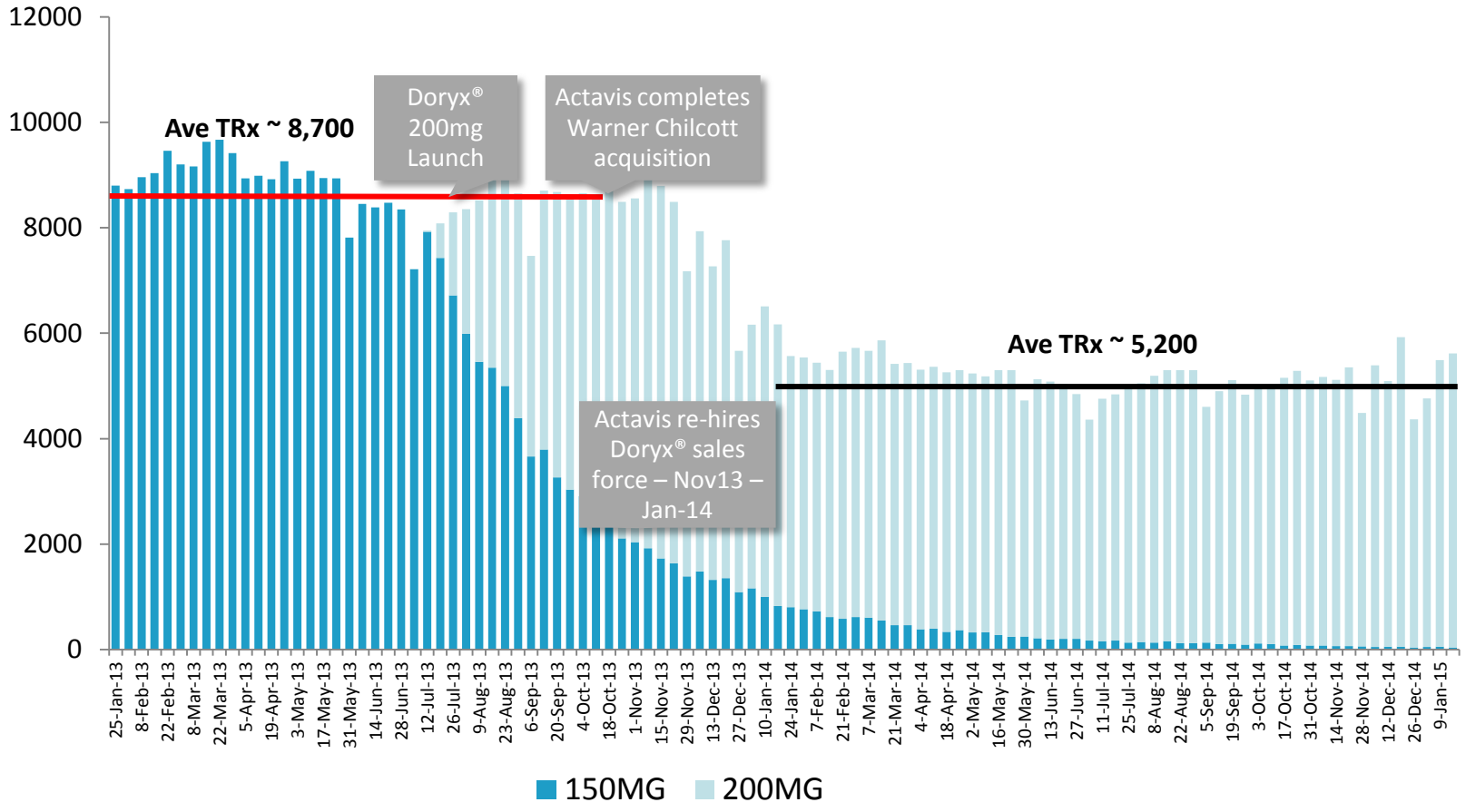
Key branded acne products show solid price[1] growth yoy (Dec 14 vs Dec 13)



Source: IMS Health
1) NSP – net selling price
2) Launched in August 2014

Recent Doryx® performance has showcased sensitivity to sales force and promotional activities

Doryx® weekly prescriptions



Source: IMS Health

US Specialty Brands Division: building from dermatology

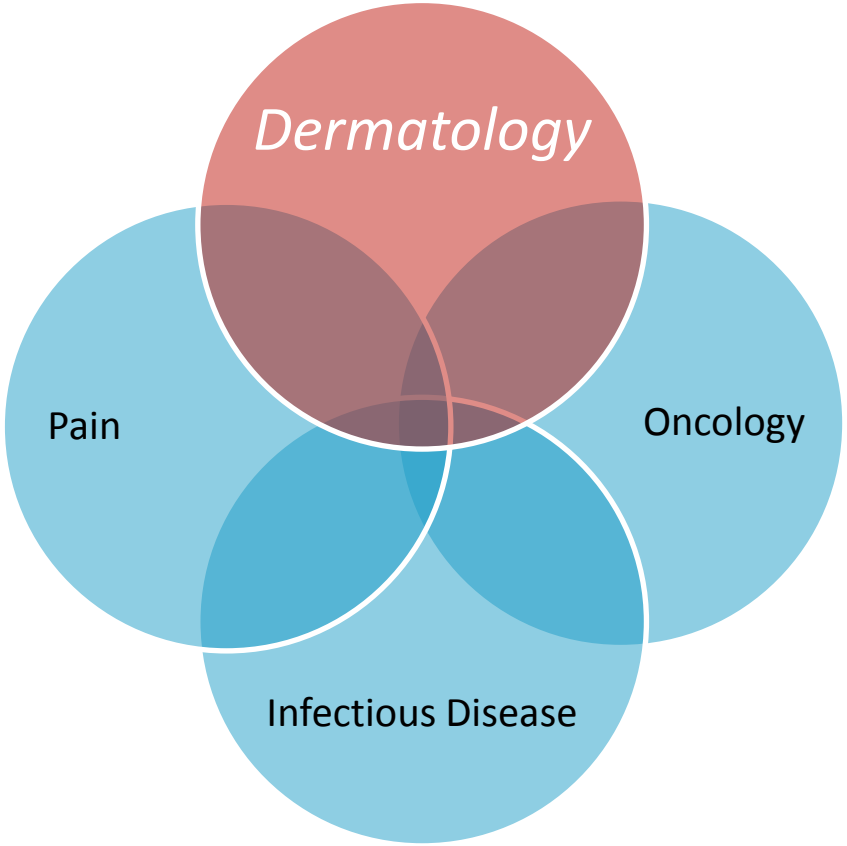
Introducing Mayne Pharma's US Specialty Brands Division

Mayne Pharma US Operations

Pharmaceuticals | **Contract Services**

	US Generic Products	US Specialty Brands	Metrics Contract Services
Description	*Develops, manufactures, markets and distributes generic products in the US (principally US-manufactured product)*	*Responsible for the marketing and distribution of branded pharmaceuticals in the US, primarily Doryx®*	*Provides contract pharmaceutical development services to third parties globally*
Key products / services	• Dermatology – Doxycycline Hyclate, Erythromycin, Nystatin • Pain – BAC, Hydrocodone/APAP, Oxycodone, Oxycodone/APAP • Other – Methamphetamine, Amiodarone, Bromfenac, Liothyronine	• Dermatology – Doryx®	• Analytical services • Formulation development • Clinical trial batch manufacture • Potent and cytotoxic services • Commercial contract manufacturing

Specialty Brands Division will initially focus on dermatology and expand therapeutic focus over time



- Mayne Pharma's therapeutic platforms will be built from products that leverage the Company's development and manufacturing capabilities
- The commercial infrastructure for Dermatology is scalable to support other products and therapeutic areas
- Mayne Pharma now has an option to maximise value for Lozanoc™ through its own commercial operations
- The established pain brands (Esgic™, Lorcet™ and Zebutal™) can benefit over the mid term by leveraging Mayne Pharma's specialty brands capabilities
- Partnership with HedgePath Pharmaceuticals is progressing with a clinical trial anticipated to commence 1H 2015. Leverages Mayne Pharma's SUBA™ Itraconazole in various target cancer indications
- Mayne Pharma remains committed to development of new specialty brands employing its drug delivery know-how, built on a patent strategy protecting the Company's investment

Expanded US leadership team built on strong industry experience

Stefan Cross
President, Mayne Pharma USA

Chris Schneider
US Generic Products

Andy McClenaghan
Specialty Brands

- Previously led Warner Chilcott's US Commercial Operations
- At Warner Chilcott, Andy was responsible for US$2b in sales, a 700 member sales team and key brands including Doryx® until its acquisition by Actavis in October 2013
- More than 25 years in the pharmaceutical industry working across general management, marketing, sales, managed care, operations and regulatory affairs

John Ross
Metrics Contract Services

Anne Marie Carullo
Senior Sales Director
Specialty Brands

- Previously a Sales Director in the Dermatology and Women's Health Care divisions of Warner Chilcott
- Extensive experience in leading diverse sales teams, new product launches, recruitment, talent development and brand management

Tom Cummings
Vice President
Commercial Operations

- Seasoned marketing professional with over 20 years of pharmaceutical experience across brand development, commercial analytics, business development, sales management and operations
- Previously worked at URL Pharma and Johnson & Johnson working with many brands in the dermatology and pain field

Support staff

- 6 District Managers
- 60 field sales professionals
- 10 commercial support staff

New Staff

Sharing commercial services across the US product divisions

Specialty Brands

promoted branded products

66-person dermatology field sales team
Product management
New product portfolio management

Generic Products

multisource generics

Key account management
New product portfolio management

US Commercial Services

Customer services
Medical information
Warehousing and distribution

Pricing and contracts administration
Market and business analytics
Compliance

Generic product transactions

Overview of US generic product transactions

Unique opportunity to maximise control and profit from these existing Mayne Pharma niche products through combination of acquisition and restructuring of legacy arrangements

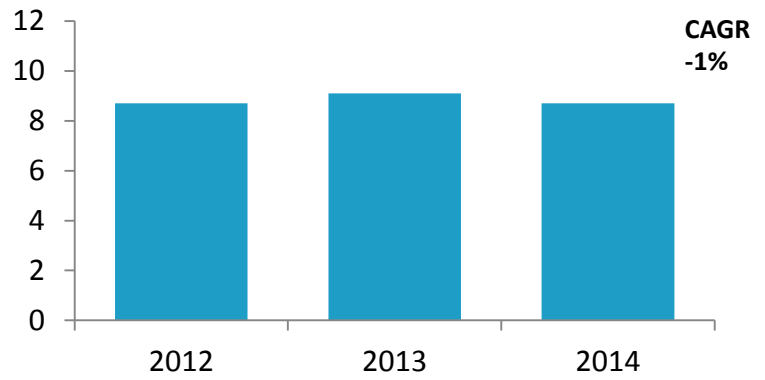
Background

- Methamphetamine and BAC are currently both sold by Mayne Pharma and are in the top 10 products of its US Products Division
- Methamphetamine is indicated for the treatment of ADHD and BAC capsules are used to treat tension headaches
- Both markets highly attractive with limited generic competition
  - Both products have #1 market share and are growing in volume and value terms
- Legacy profit share agreements have diluted the economic benefit to Mayne Pharma

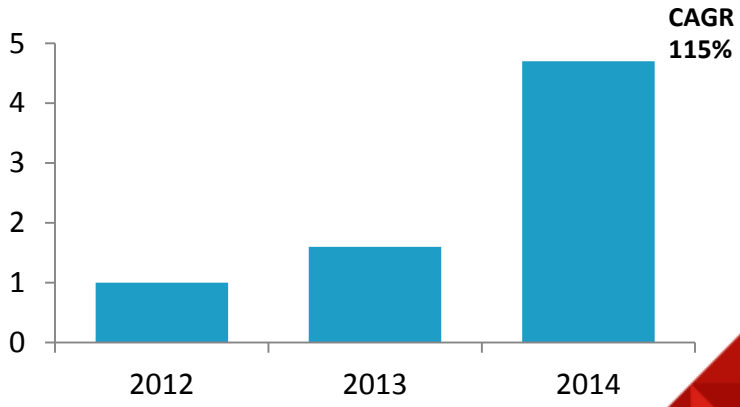
Transaction overview and rationale

- Acquire full ownership of the methamphetamine and BAC ANDA's and control the manufacture, distribution and sales of these products
- Financially attractive deal terms: acquisitions will lead to a run-rate combined incremental EBITDA on average of US$0.3m per month from completion, representing an implied acquisition multiple of 4.4x fully annualised EBITDA
- Opportunity for price optimisation and market share growth
  - Methamphetamine distribution comes in-house in April 2015

Methamphetamine market (US$m)



BAC market (US$m)[1]



Source: IMS Health

1) BAC market includes products containing 50mg Butalbital/325mg APAP/40mg Caffeine

Mayne Pharma financials

Trading update

Preliminary 1H15 Results (A$m)[1]

Revenue	59.5
Underlying EBITDA	14.4 - 14.7
Reported EBITDA	13.2 - 13.6
Reported NPAT	3.8 - 4.0

- Revenue was down 15% on pcp and EBITDA was significantly lower
- Result reflects the reduction in revenue of US Doryx® as foreshadowed during the first half
- Excluding revenue from shipments of US Doryx®, revenues were up 6% on pcp
  - Metrics Contract Services up 10% on pcp
  - US Products down 1% on pcp
  - MPI (excluding US Doryx®) up 34%

Outlook for 2H15 (pre impact of acquisitions)

- Mayne Pharma expects a modest increase on its first half results on a constant currency basis due to
  - Recommencement of Doryx® sales to Actavis pre-closing of Doryx® acquisition (February only)
  - Anticipated growth in US Products, Metrics Contract Services and MPI (in addition to growth in Doryx®)

Underlying 1H15 EBITDA of A$14.4m – A$14.7m

1) Preliminary results are unaudited. Adjustments to Reported EBITDA in the first half include: i) A$0.8m of start up costs in relation to the formation of a Specialty Brands Division in the US; ii) A$0.5m non-cash income resulting from the decrease in the fair value of the Hospira earn-out liability associated with the Mayne Pharma International Pty Ltd (MPI) acquisition in November 2009; and iii) the Company's share of the operating losses made by Hedgepath (A$0.8m)

Financial overview of acquisitions

Acquisition of Doryx®

- Acquisition price of US$50m and start up costs and working capital investment of US$8m (US$3.4m of one-off establishment costs for the Specialty Brands Division budgeted for 2H15)
- Across transition period (for approx. 60 days post acquisition), Mayne Pharma will generate profit but at a reduced level reflecting additional costs of 3rd party distribution model
- From May, Mayne Pharma will assume control of distribution through its sales force and book the full profit contribution
- Mayne Pharma estimates that the Doryx® product will contribute on average US$2.7m[1] EBITDA per month from July 2015
- Potential upside from
  - Mayne Pharma's sales force, which will be solely focused and dedicated to marketing Doryx®
  - Further product pricing improvements
  - Continued product innovations to enhance product characteristics
  - Line extensions

EBITDA contribution of US$2.7m[1] on average per month from July 2015

Generic product transactions

- Combined acquisition consideration for both the BAC and Methamphetamine transactions of up to US$15.7m[2]
- Methamphetamine transaction to close on 5 March 2015
- BAC transaction to close later in FY15 subject to customary closing conditions

Combined run-rate EBITDA contribution of US$0.3m on average per month

Doryx® projected to make a significant contribution to Mayne Pharma earnings base

1) Includes the product manufacturing margin that Mayne Pharma earns currently. Earnings contribution based on current weekly prescription run-rate for Doryx®
2) Includes conditional transaction payments through to Feb-16; excludes certain ongoing royalty payments to Alphagen through to FY2018

Acquisition funding

Acquisition funding

Equity offer structure

- ~A$105m underwritten 1-for-3.45 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**)[1]
  - Institutional tranche (**Institutional Entitlement Offer**) expected to raise approximately A$60m
  - Retail tranche (**Retail Entitlement Offer**) expected to raise approximately A$45m
- Institutional placement (**Placement**) to raise approximately A$10m
- Record Date for the Entitlement Offer is 7pm (AEDT time) on Friday, 13th February, 2015
- New Shares issued under the Entitlement Offer and Placement will rank equally with existing Mayne Pharma shares in all respects
- Deal fully underwritten by Credit Suisse (Australia) Limited and UBS AG, Australia Branch

Offer pricing

- Entitlement Offer: fixed price of $0.61 per new share (**New Share**)
  - 10.2% discount to the theoretical ex-rights price ("TERP")[2]
- Placement: Underwritten floor price of $0.64 per new share
  - 5.7% discount to the theoretical ex-rights price ("TERP")[2]
  - 8.6% discount to the last closing price of Mayne Pharma on 9th February, 2015 of $0.70

Director participation

- Roger Corbett, Phil Hodges, Bruce Mathieson, Scott Richards[3], Ian Scholes and Professor Bruce Robinson have committed to take-up their full entitlement
- A company associated with Ian Scholes has entered into an agreement with the underwriters to sub-underwrite up to A$1.5m of any shortfall in the Retail Entitlement Offer for a fee consistent with the fees payable to institutional sub-underwriters

Retail Top Up Offer

- In addition to being entitled to subscribe for up to their 1-for-3.45 entitlement[1], eligible retail shareholders may apply for additional New Shares in excess of their entitlement through the Top Up offer (capped at 50%), with such over-subscriptions to be satisfied out of any shortfall shares, subject to Board discretion and potential scale-back

1) Fractional entitlements to New Shares to be rounded down to the nearest whole number of New Shares
2) The TERP is the theoretical price at which a Mayne Pharma share will trade immediately after the ex-date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which Mayne Pharma shares will trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to Mayne Pharma's closing price of $0.70 on 9th February, 2015 and includes the impact of the Placement.
3) Scott Richards will be fully participating in the Entitlement Offer except for restricted shares issued under the Mayne Pharma LTI program

Sources and uses of funds

Sources & Uses (A$m)[1]

SOURCES		USES	
Entitlement Offer	105	Acquisition of Doryx®, start up costs and working capital investment	74
Placement	10	Generic product transactions[2]	19
		Business and product development opportunities	17
		Transaction costs	5
Total Sources	**115**	**Total Uses**	**115**

- Mayne Pharma is allocating A$17m of equity raising proceeds to a portfolio of businesses and product development opportunities at various stages of development
- The Company expects to deploy this allocation over the next 12 months

1) Assumes 0.78 AUD:US$. The equity raising may result in proceeds raised in excess of A$115m
2) Excludes US$750k consideration taken as Mayne Pharma scrip

Equity raising timetable

Trading halt and announcement of acquisition and Entitlement Offer	Tuesday 10 February 2015
Institutional Entitlement Offer opens	Tuesday 10 February 2015
Institutional Entitlement Offer closes[1] and bookbuild for Placement shares and institutional shortfall	Wednesday 11 February 2015
Mayne Pharma shares recommence trading	Thursday 12 February 2015
Entitlement Offer record date (7pm AEDT)	Friday 13 February 2015
Retail Entitlement Offer opens	Wednesday 18 February 2015
Retail Offer Booklet and Application and Entitlement Forms dispatched to Eligible Retail Shareholders	Wednesday 18 February 2015
Settlement of New Shares issued under Institutional Entitlement Offer and Placement	Thursday 19 February 2015
Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer and Placement	Friday 20 February 2015
Retail Entitlement Offer closes (5pm AEDT)	Wednesday 4 March 2015
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday 10 March 2015
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday 11 March 2015

The above timetable is subject to change without notice.

1) Entitlement elections for Australian, New Zealand and Asian Institutional Holders due 5pm AEDT on Tuesday 10 February, Entitlement elections due for other Offshore Institutional Holders due 7am AEDT on Wednesday 11 February

Key risks

Key risks

This section discusses some of the risks associated with an investment in Mayne Pharma. Mayne Pharma's business is subject to a number of risk factors both specific to its business and of a general nature which may impact on its future performance and forecasts. Before subscribing for Mayne Pharma shares, prospective investors should carefully consider and evaluate Mayne Pharma and its business and whether the shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below. The risk factors set out below are not exhaustive. Prospective investors should consider publicly available information on Mayne Pharma, examine the full content of this presentation and consult their financial or other advisers before making an investment decision.

Operational risks

Industry regulatory risks	Mayne Pharma operates within a highly regulated industry, relating to the manufacture as well as the distribution and supply of pharmaceutical products. As such, the business of Mayne Pharma is continually exposed to the risk of new government policies, regulations and legislation being introduced and changes to existing government policies, regulations and legislation in Australia, the US and other foreign jurisdictions which may impact or restrict its potential profitability.
Pricing and reimbursement	The commercial success of Mayne Pharma's approved products is substantially dependent on achieving acceptable pricing and whether acceptable third-party coverage and reimbursement is available from government bodies, private health insurers and other third-parties. This process of obtaining pricing for products is time consuming and the outcomes in certain jurisdictions may not be sufficient to warrant the marketing of products in that jurisdiction. Government bodies, national health authorities and other third-parties are increasingly seeking to contain healthcare costs by delaying reimbursement for, and limiting both the coverage and the level of reimbursement of new products and, as a result, they may not cover or provide adequate payment for Mayne Pharma's products. It is not uncommon in some jurisdictions for multiple applications to be required before pricing and reimbursement approvals are accepted. An inability to obtain or delays in obtaining satisfactory pricing and reimbursement in certain jurisdictions may impair Mayne Pharma's' ability to effectively commercialise products in those jurisdictions. Even if products receive acceptable pricing and reimbursement, pricing and reimbursement levels are subject to change. As a result, Mayne Pharma's products may not be considered cost effective and reimbursement may not be available to consumers or may not be sufficient to allow Mayne Pharma's products to be marketed on a competitive basis.
Product registrations	The ability of Mayne Pharma to offer its products for sale depends on licences and registrations being obtained and maintained by Mayne Pharma from regulatory agencies such as the TGA (Therapeutic Goods Administration of Australia) and the FDA (US Food and Drug Administration). Mayne Pharma can give no assurances that it will successfully register its new products or that the appropriate approvals will be granted for these products on a timely basis, or once granted, will continue without change. Delays, or failure to obtain or changes to such registration and/or approval may have a material adverse effect on the financial performance of Mayne Pharma.

Key risks (cont)

Operational risks (continued)

Product liability and uninsured risks	Mayne Pharma's business exposes it to potential product liability risks that are inherent in the marketing and use of its products and as such Mayne Pharma has secured insurance to cover various product liability risks in the course of maintaining its business. However, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost or in sufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of Mayne Pharma.
Competition risk	Mayne Pharma conducts business in a highly competitive industry in which there are a number of well established competitors that have significantly greater financial resources, sales and marketing organisations, market penetration and development capabilities, as well as broader product offerings and greater market and brand presence. There can be no assurances given in respect of Mayne Pharma's ability to compete. Mayne Pharma's financial performance and the value of Mayne Pharma could be materially adversely affected if existing competitors increase market share or new competitors enter the market.
Access to capital	The Mayne Pharma business model requires ongoing re-investment into developing the underlying product portfolio for supply into key distribution channels, and for working capital to enable continued servicing of key customers. Mayne Pharma will continue to rely on existing finance facilities as well as reinvesting available profits as deemed appropriate. See Funding risk below
Regulatory compliance	Difficulties or delays in resolving regulatory (ie. FDA, TGA) observed deficiencies at our manufacturing facilities, could delay our ability to obtain approvals of our pending product applications or curtail availability to continue production of existing products.
Litigation risk	Litigation and other proceedings may be taken against the company that could materially adversely affect the business or financial condition of Mayne Pharma. If such proceedings were brought against the Company, it would incur considerable cost to defend those proceedings (even if successful), with the potential for damages and costs awards against the Company if it were unsuccessful. Changes in laws can heighten litigation risk (for example, antitrust and intellectual property). There has been substantial litigation and other proceedings in the pharmaceutical industry. Defending against litigation and other third party claims would be costly and time consuming and would divert management's attention from the business, which could have a significant financial effect on Mayne Pharma's business.
Intellectual property	From time to time, patents on products expire and/or competitors may be able to create bioequivalent products without infringing patents on branded products, leading to the launch of less expensive generic products. In addition, infringement of intellectual property can lead to costly, ongoing litigation to protect these assets. The impact of third party patents and other intellectual property rights which we may be found to infringe, or may be required to be licensed can lead to potential damages or other costs that we may be required to pay as a result of a finding that we infringe such intellectual property rights.

Key risks (cont)

Operational risks (continued)

Relationships with customers	Mayne Pharma remains exposed to competitor pressures in retaining and attracting customers. The loss of a key customer, the inability to renew contracts on similar terms, or the inability of the business to attract new customers may have a material impact on future profitability and efficient utilisation of fixed assets invested in the business. Mayne Pharma is exposed to the risk of its customers failing to honour payment obligations.
Relationship with distributors	Mayne uses third parties to sell and / or distribute its products. These third parties may choose to prioritise other products or may elect not to renew distribution agreements when they expire. Should this occur, Mayne Pharma may not be able to sell its products or may suffer delays in appointing new distributors or sales partners.
Relationships with suppliers	Mayne Pharma's performance may be negatively impacted if it cannot enter into reasonable commercial agreements with key third party suppliers.
Loss of key personnel	Mayne Pharma is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management personnel. However, there can be no assurance that Mayne Pharma will be able to retain these key personnel. The loss of key personnel or the inability to recruit and retain high calibre staff could have a material adverse effect on Mayne Pharma. The addition of new employees and the departure of existing employees, particularly in key positions, can be disruptive and could have an adverse effect on Mayne Pharma.
Product safety and efficacy	Serious or unexpected health, safety or efficacy concerns with our products may expose Mayne Pharma to reputational harm or reduced market acceptance of its products, and lead to an increase in product liability claims and resulting liability, and increased regulatory reporting.

Key risks (cont)

Acquisition risks

Completion risk	Completion of the Doryx® transaction is expected to be on or around 26 February 2015. If the acquisition does not complete for any reason, Mayne Pharma will consider options in relation to the use of the funds raised under the equity raising, including use of the funds for general corporate purposes, or return of the funds to shareholders.
Funding risk	The acquisitions are being funded by a fully underwritten accelerated non-renounceable entitlement offer and a placement. The Underwriting Agreement is subject to customary termination events and if the Underwriting Agreement were to be terminated in accordance with these terms there is a risk that Mayne Pharma may not raise sufficient funds from the capital raising to complete the Doryx and generic product transactions. If this occurs Mayne Pharma will consider other funding options or may otherwise be in breach of the relevant agreements. The Mayne Pharma business model requires ongoing additional capital to fund its product portfolio. If Mayne Pharma is unable to raise further equity to fund expansion after the exhaustion of the proceeds of the current capital raising there can be no assurances that Mayne Pharma will have sufficient future capital resources, or that it will be able to obtain additional funds on terms acceptable to Mayne Pharma or at all. Mayne Pharma may seek to obtain funding by issuing additional shares or borrowing money. Any additional equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which may limit Mayne Pharma's operations and business strategy. Mayne Pharma's failure to raise capital if and when needed could delay or suspend its business strategy and could have a material adverse effect on Mayne Pharma's activities.
Reliance on information provided	Mayne Pharma undertook a due diligence process in respect of the products acquired, which relied in part on the review of financial and other information provided by the relevant vendors. Despite taking reasonable efforts, Mayne Pharma has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Mayne Pharma has prepared (and made assumptions in the preparation of) the financial information relating to the product acquisitions included in this Presentation in reliance on limited financial information and other information provided by the relevant vendors. Mayne Pharma is unable to verify the accuracy or completeness of all of that information. If any of the data or information provided to and relied upon by Mayne Pharma in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Mayne Pharma Group may be materially different to the financial position and performance expected by Mayne Pharma and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified. Therefore, there is a risk that unforseen issues and risks may arise, which may also have a material impact on Mayne Pharma.
Analysis of acquisition opportunities	Mayne Pharma has undertaken financial, business and other analysis on the products proposed to be acquired in order to determine their attractiveness to Mayne Pharma and whether to acquire them. It is possible that despite such analysis and the best estimate assumptions made by Mayne Pharma, the conclusions drawn and forecasts made are inaccurate or are not realised. To the extent that the actual results achieved by the product acquisitions are different than those indicated by Mayne Pharma's analysis, there is a risk that the profitability and future earnings of the operations of the Mayne Pharma Group may be materially different from the profitability and earnings expected as reflected in this Presentation.

Key risks (cont)

Acquisition risks (continued)

Integration risk	The acquisition involves the integration of the Doryx® business, which has previously operated independently to Mayne Pharma. As a result, there is a risk that the integration of Doryx® may be more complex than currently anticipated, encounters unexpected challenges or issues and takes longer than expected, diverts management attention or does not deliver the expected benefits and this may affect Mayne Pharma Group's operating and financial performance.
Anti-trust liability	Warner Chilcott and Mayne Pharma are defending ongoing allegations of antitrust violations by Mylan in respect of Doryx®. No certainty exists as to the outcome of these actions, however, Mayne Pharma does not foresee incurring any material financial liabilities in relation to these actions, including because of pre-existing contractual rights with Warner Chilcott that would be unaffected by Mayne Pharma's acquisition of Doryx®. If the acquisition of Doryx® completes, Mayne Pharma would become directly liable for any future conduct that was held to infringe antitrust laws, and would incur significant costs to defend any allegation of antitrust violations and if held liable, may be required to pay significant damages and other costs.
Acquired liabilities	Mayne Pharma may become directly or indirectly liable for future liabilities that have been incurred in the past which were not identified during its due diligence or which are greater than expected, and for which the market standard protection (in the form of representations and warranties and indemnities) negotiated by Mayne Pharma in its agreement to acquire Doryx turn out to be inadequate in the circumstances. Such liability may adversely affect the financial performance or position of Mayne Pharma Group post acquisition.

Key risks (cont)

General risks

Share price fluctuations	The market price of Mayne Pharma Group shares will fluctuate due to various factors, many of which are non-specific to Mayne Pharma Group, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, and investor perceptions. Fluctuations such as these may adversely affect the market price of Mayne Pharma Group shares.
Economic risks	Mayne Pharma Group is exposed to economic factors in the ordinary course of business. Factors such as changes in fiscal, monetary and regulatory policies can adversely impact Mayne Pharma Group's earnings. Businesses such as Mayne Pharma Group that borrow money are potentially exposed to adverse interest rate movements that may affect the cost of borrowing, which in turn would impact on earnings and increase the financial risk inherent in those businesses.
Foreign exchange risk	A substantial proportion of Mayne Pharma Group's revenues, costs, assets and liabilities are denominated in currencies other than Australian dollars. Exchange rate movements affecting these currencies may impact the income statement or assets and liabilities of Mayne Pharma Group, to the extent the foreign exchange rate risk is not hedged or not appropriately hedged. It is Mayne Pharma Group's policy to enter into simple Forward Exchange Contracts or Participating Forward Exchange Contracts over a set percentage of the forecast net receipts of US dollars. The percentages used vary depending on the length of the forecast period. Mayne Pharma Group also holds assets and liabilities in United States dollars (US$), British pounds (GBP), Japanese yen (JPY) and Euro (EUR). The existence of both assets and liabilities denominated in US$ provides a limited natural hedge against adverse currency movements.
Government policies and legislation	Mayne Pharma Group operates in highly regulated industry segments. Mayne Pharma Group may be affected by changes to government policies and legislation, including those relating to the pharmaceutical industry, property, the environment, taxation, the regulation of trade practices and competition. Mayne Pharma Group is also subject to the regulatory requirements of the Corporations Act, the ASX Listing Rules and ASIC policy. Changes to legislation or to these regulatory requirements or other policy and procedures may affect Mayne Pharma Group, its business operations and financial performance, or have other unforeseen implications.
Taxation	Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Mayne Pharma Group shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Mayne Pharma Group operates, may impact the future tax liabilities of Mayne Pharma Group.

Key risks (cont)

General risks (continued)

Change in accounting policy	Mayne Pharma Group is subject to the usual business risk that there may be changes in accounting policies which impact Mayne Pharma Group.
Asset impairment	As a consequence of the global financial crisis, ASIC has specifically identified impairment of assets as an issue for Australian companies. The Board regularly monitors impairment risk. Consistent with Australian Accounting Standard AASB 136 Impairment of Assets, Mayne Pharma Group is periodically required to assess the carrying value of its non-current assets, including its brands and goodwill. Where the recoverable amount of an asset is assessed to be less than its carrying value, Mayne Pharma Group is obliged to recognise an impairment charge in its income statement. Impairment charges can be significant and can reduce the level of a company's profits and, potentially, its capacity to pay dividends. Impairment charges are a non-cash item.
Dividends	The payment of any future dividends will be at the discretion of the Board and will depend, amongst other things, on the performance and financial circumstances of the Company at the relevant time. However, the Board's general policy will be to distribute cash flows generated by the Company's operating activities which are surplus to the Company's ongoing requirements for maintaining and growing the business. There can be no guarantee as to the likelihood, timing, franking or quantum of future dividends from Mayne Pharma Group.

Foreign Selling Restrictions

International Offer Restrictions

This document does not constitute an offer of new fully paid ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may not be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency; or
- subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ$750,000.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Foreign Selling Restrictions (cont)

Singapore
This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom
Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Foreign Selling Restrictions (cont)

European Economic Area – Germany and Netherlands
The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France
This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Foreign Selling Restrictions (cont)

Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

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United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.