

18 February 2015

MR SAMPLE SAMPLE  
123 SAMPLE ROAD  
SAMPLEVILLE VIC 3000

Dear Shareholder,

## MAYNE PHARMA GROUP LIMITED ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 10 February 2015, Mayne Pharma Group Limited (ASX: MYX) (**Mayne Pharma** or **Company**) announced an underwritten 1-for-3.45 pro-rata accelerated non renounceable entitlement offer (**Entitlement Offer**). Concurrently with the announcement of the Entitlement Offer on 10 February 2015, Mayne Pharma also undertook an underwritten placement to institutional and sophisticated investors to raise A\$11.7m (together with the Entitlement Offer, the **Offer**).

The Offer will raise approximately \$115m and the proceeds will be used for the following purposes:

- acquisition of the Doryx® assets from Actavis (trademark, marketing materials, select product inventory and related medical and technical data);
- start up costs for US Specialty Brands Division;
- acquisition of two US generic products (Butalbital/APAP/Caffeine capsule abbreviated new drug application (ANDA) and full ownership of the Methamphetamine tablet ANDA);
- incremental working capital and general corporate purposes, including accelerating the development, registration and marketing of the Company's existing product pipeline and further potential product acquisitions; and
- transaction costs.

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Act**) as modified by the Australian Securities and Investments Commission Class Order 08/35), meaning that no prospectus needs to be prepared.

This notice is to inform you about the Retail Entitlement Offer and to explain why you will not be able to subscribe for new shares under the Entitlement Offer. This letter is not an offer to issue new shares to you, nor an invitation for you to apply for new shares. **You are not required to do anything in response to this letter.**

### DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 1 new share for every 3.45 existing shares held at 7:00pm (Melbourne time) on 13 February 2015 (**Record Date**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 18 February 2015 and are being mailed to Eligible Retail Shareholders.



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You deserve tomorrow.

### Eligibility criteria

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make offers to shareholders in countries other than Australia and New Zealand in connection with the Retail Entitlement Offer having regard to:

- a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

Accordingly, the Company wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for new shares under the Retail Entitlement Offer.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are shareholders who:

- a) are registered as a holder of Shares as at 7.00pm (Melbourne time) on the Record Date;
- b) have a registered address in Australia or New Zealand on the Record Date;
- c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933 (Securities Act), as amended) (U.S. Persons) and are not acting for the account or benefit of U.S. Persons;
- d) were not an Institutional Shareholder eligible to participate under the Institutional Entitlement Offer (and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer); and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered.

The Company may (at its absolute discretion) extend the Retail Entitlement Offer to certain institutional shareholders in foreign jurisdictions who did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above, you will not be sent the Retail Offer Document relating to the Retail Entitlement Offer nor be able to subscribe for new shares under the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any new shares that would have been offered to you if you were eligible.

### Further information

If you have any questions in relation to any of the above matters, please contact the Company's share registry, Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.00pm (Melbourne time) Monday to Friday. For other questions, you should contact your stockbroker, accountant, taxation advisor, financial adviser or other professional adviser.



You deserve tomorrow.

On behalf of the Board and management of the Company, thank you for your continued support of Mayne Pharma.

Yours sincerely

Mark Cansdale  
Group CFO & Company Secretary

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. Neither the entitlements nor the new shares have been or will be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, absent registration or an exemption from registration under the Securities Act or pursuant to a transaction not subject to the registration requirements of the Securities Act. This letter may not be distributed to, or relied upon by a U.S. Person or a person acting for the account or benefit of a U.S. Person.

**IMPORTANT NOTICE TO NOMINEES:** Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or to any U.S. Person or any other person acting for the account or benefit of a U.S. Person or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.