

## MAYNE PHARMA ANNOUNCES US\$65M MANUFACTURING AND DEVELOPMENT EXPANSION IN USA

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- Strategic investment to significantly expand manufacturing capacity and capability and accelerate organic growth

**28 August 2015, Adelaide, Australia:** Mayne Pharma Group Limited (ASX: MYX) today announced a US\$65 million expansion of its operations in Greenville, NC, USA to support projected growth of US Products and Metrics Contract Services.

The investment will fund a new greenfield 126,000sqft (11,700m<sup>2</sup>) oral-dose commercial manufacturing facility on land owned by the Company and adjacent to its existing facility. The investment will more than double US manufacturing capacity plus repurpose existing space to significantly expand contract analytical and formulation development services capacity.

The new facility will allow Mayne Pharma to expand development, manufacturing and packaging operations for its generic and branded pharmaceutical products, as well as expand its service offering to Metrics Contract Services (MCS) clients by offering downstream commercial manufacturing services. All US distribution will be consolidated to Greenville, including the Montgomery warehouse and distribution of Schedule II (controlled) products, which is currently outsourced.

The expansion includes the introduction of commercial scale capability to manufacture modified-release bead/pellet products. Mayne Pharma currently has seven modified-release products in its pipeline targeting markets with sales greater than US\$3.5 billion of which three are filed with the FDA. In addition, significant new capacity will be created to manufacture highly potent products, which require specialised facilities to safely handle them. The Company currently has four high potent products targeting markets with sales greater than US\$2 billion in its pipeline, including Dofetilide capsules - the Company's first product eligible for 180-days exclusivity as part of the FDA 'paragraph IV' filing process.

MCS will have further capacity to grow its analytical and formulation services through the creation of more than ten new processing rooms and expanded analytical laboratories and its service offering will include commercial manufacturing of both immediate release and advanced oral drug delivery technologies.

Mayne Pharma's CEO, Mr. Scott Richards, said "This investment will ensure we have the internal capacity and capability to support the sustained growth in demand we are experiencing in MCS, unconstrained commercialisation of the expanding pipeline of products under development and the growth in market share we expect from our on-market products. Once operational, the Company will be able to take on new and larger projects, and especially those that leverage our drug-delivery technologies and potent drug handling expertise. The Company will also be able to bring manufacturing in-house for select modified-release products in the pipeline, increasing the economic benefit that flows to Mayne Pharma."



## ASX Announcement

“Mayne Pharma will considerably strengthen its leadership position in oral drug delivery following the completion of the investments announced at its operating facilities in Salisbury, South Australia and Greenville, USA. With a tripling of fluid bed processing capability across our manufacturing network, the Company will have greater flexibility to expand its modified-release product portfolio and support key existing product franchises including Doxycycline, Morphine Sulphate and Erythromycin.”

“This investment offers a dual source of value contribution from the added capacity and capability to expand our US product offering, along with growing our third party contract services business. Together this de-risks the investment and accelerates the return on investment. The Company is focused on driving towards a return on invested capital of greater than 20%.”

Construction at the Greenville facility is expected to begin in September 2015 and be operational in 2018.

The Company has been working with the local and state governments of North Carolina, and economic development agencies and secured funding and incentives to support this capital expansion of up to US\$2.7million.

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### About Mayne Pharma

*Mayne Pharma is an ASX-listed specialty pharmaceutical company focused on applying its drug delivery expertise to commercialise branded and generic pharmaceuticals. Mayne Pharma also provides contract development and manufacturing services to more than 100 clients worldwide.*

*Mayne Pharma has a 30-year track record of innovation and success in developing new oral drug delivery systems and these technologies have been successfully commercialised in numerous products that have been marketed around the world.*

*Mayne Pharma has two product development and manufacturing facilities based in Salisbury, Australia and Greenville, USA with expertise in formulation complex oral dose forms including highly potent compounds, controlled substances, modified release products and inherently unstable compounds.*