

5 July 2016

The Manager
Company Notices Section
ASX Limited
Rialto Towers
Level 45, 525 Collins Street
MELBOURNE VIC 3000

Dear Sir/Madam

Mayne Pharma Group Limited – Dispatch of Retail Entitlement Offer Booklet and letter to ineligible shareholders

On 28 June 2016, Mayne Pharma Group Limited (ASX: MYX) (**Mayne Pharma** or **Company**) announced an underwritten 1-for-1.725 pro-rata non renounceable entitlement offer (**Entitlement Offer** or **Offer**) of fully paid ordinary shares. Concurrently with the Entitlement Offer, Mayne Pharma also undertook an underwritten placement to institutional and sophisticated investors. On 30 June 2016, Mayne Pharma announced the successful completion of the Institutional Entitlement Offer and placement raising approximately \$634 million.

Mayne Pharma is pleased to advise that in accordance with the timetable for the Entitlement Offer, the retail offer booklet for the Retail Entitlement Offer (a copy of which was lodged with ASX on 30 June 2016) and personalised Entitlement and Acceptance Forms are being dispatched to eligible retail shareholders today. In addition, the letter to ineligible retail shareholders is being dispatched today (copy attached).

Yours faithfully,
Mayne Pharma Group Limited



Mark Cansdale
Group CFO and Company Secretary



Mayne Pharma Group Limited
ABN 76 115 832 963
maynepharma.com

T +61 3 8614 7777 F +61 3 9614 7022
Level 1, 99 King Street, Melbourne, VIC 3000 Australia



MYX
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

5 July 2016

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Shareholder,

Mayne Pharma Group Limited Entitlement Offer - Notification to Ineligible Shareholders

On 28 June 2016, Mayne Pharma Group Limited (ASX: MYX) (**Mayne Pharma or Company**) announced an underwritten¹ 1-for-1.725 pro-rata non renounceable entitlement offer (**Entitlement Offer** or **Offer**) of fully paid ordinary shares (**New Shares**). Concurrently with the Entitlement Offer, Mayne Pharma also undertook an underwritten placement to institutional and sophisticated investors to raise approximately A\$287 million.

The Entitlement Offer will raise approximately A\$601 million and the proceeds will be used to fund the acquisition of a portfolio of US generic products (**Portfolio**) from Teva Pharmaceutical Industries Limited (**Teva**) and Allergan plc. The Portfolio consists of 37 approved products and 5 FDA filed products in attractive markets with limited competition, across a range of therapeutic areas. Offer proceeds will also fund costs associated with the transfer of products to Mayne Pharma facilities as well as to new contract manufacturing organisations, capital expenditure required to purchase additional equipment for in-house manufacturing at Salisbury and Greenville, an injection of working capital as no finished good inventory is acquired as part of the acquisition, and transaction costs.

The Entitlement Offer comprises an accelerated institutional entitlement offer (**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 Corporations Instrument (**Non-Traditional Rights Issue**) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer has already closed and the results announced to the ASX.

This notice is to inform you about the Retail Entitlement Offer and to explain why you are not able to subscribe for New Shares under the Retail 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 1.725 existing shares held at 7:00pm (Melbourne time) on 30 June 2016 (**Record Date**).

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 30 June 2016 and are being mailed to Eligible Retail Shareholders.

¹

The Entitlement Offer has been underwritten by Credit Suisse (Australia) Limited and UBS AG, Australia Branch.

Mayne Pharma Group Limited
ABN 76 115 832 963

T +61 3 8614 7777 **F** +61 3 9614 7022
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maynepharma.com

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.

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 on the Company's share register that is in Australia or New Zealand on the Record Date;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds securities in Mayne Pharma for the account or benefit of such persons in the United States);
- (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 Entitlement Offer (subject to compliance with applicable laws).

Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. 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. You will also 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.

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

Yours faithfully,
Mayne Pharma Group Limited



Mark Cansdale
Group CFO and Company Secretary

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This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in Mayne Pharma. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares that will be offered and sold in the Entitlement Offer have been, or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The entitlements and the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.

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 any other person acting for the account or benefit of persons in the United States 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.