MAYNE PHARMA MARKET UPDATE

15th June 2011, Melbourne Australia: Mayne Pharma Group Limited (ASX: MYX) advises that it has completed a review of its operations at the Salisbury production site with the aim of improving efficiencies across the business and increasing capacity utilisation in the manufacturing facility. The review has resulted in the identification of a number of redundant roles as well as other cost savings that will eliminate non-value added activity and refocus the business for the future. The anticipated cost of the redundancies in FY11 is expected to be approximately $1.1m. These changes are expected to deliver on-going savings of approximately $2.9m annually and will create a stronger and more profitable company.

SUBACAP® approval process on track

The Company has also received feedback on its Marketing Authorisation Application in the European Union for SUBACAP®, an improved version of an existing drug (Itraconazole) used to treat fungal infections. The Company is now into the review cycle and will be meeting with the UK's Medicines and Healthcare products Regulatory Agency (MHRA) later this month to discuss any outstanding regulatory issues.

Mayne Pharma's CEO, Dr Roger Aston said "We are pleased with the feedback on the dossier provided to the MHRA and believe we are in a position to provide responses to the MHRA's outstanding issues and remain on track with previous expectations for the approval of SUBACAP by the end of calendar 2011. In addition, we will also be meeting with the FDA in August 2011 to receive guidance on further requirements for the US registration of SUBACAP®. Mayne Pharma continues to progress negotiations with a number of interested parties around the world for the licensing of SUBACAP®."

Doryx® update

As foreshadowed at the time of our half year results announcement, sales of Doryx® tablets have been impacted during FY11 by the repositioning of the Doryx® portfolio in preparation for the introduction of new dosage forms, and the continued and unprecedented strength of the Australian dollar. FDA approval for new Doryx® formulations has been deferred to give the FDA further time to complete their evaluation. The Company remains confident that approval for the new Doryx® tablets will be received in the near term and possibly prior to 30 June 2011.

The Company will provide a further update once the Company receives a decision from the FDA.

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Mayne Pharma Profile:

Mayne Pharma Group Limited (Mayne Pharma) is an Australian specialist pharmaceutical company with an intellectual property portfolio built around the optimisation and delivery of oral dosage form drugs.

Mayne Pharma has a long and successful history of developing and commercializing improved pharmaceuticals and has launched and marketed numerous products through partnerships with licensees in various countries around the world. Mayne Pharma focuses on delivering to patients improved versions of existing drugs in order to advance safety, efficacy or ease of administration.

A technology driven company, Mayne Pharma has a significant product portfolio and pipeline, global reach through distribution partners in Australia, USA, Europe and Asia and a manufacturing facility based in Salisbury, South Australia that employs over 130 people on a 32 acre site. The facility also undertakes the manufacture of products under contract for third parties to TGA, FDA and EU regulatory guidelines.