



MR SAMPLE SAMPLE
123 SAMPLE ROAD
SAMPLEVILLE VIC 3000

12 October 2012

Dear Shareholder,

MAYNE PHARMA GROUP LIMITED ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 4 October 2012, Mayne Pharma Group Limited (ASX: MYX) (**Mayne Pharma or Company**) announced a A\$65 million equity raising (**Offer**) to partly fund the acquisition of Metrics, Inc, a privately-owned, US-based provider of contract development services to the pharma industry that develops and manufactures niche generic pharmaceuticals. The Offer comprises an underwritten¹ 1 for 1 pro-rata accelerated non renounceable entitlement offer to raise A\$30.4m (**Entitlement Offer**), an underwritten unconditional placement to institutional and sophisticated investors to raise \$9.1m (**Unconditional Placement**), an underwritten conditional placement to institutional and sophisticated investors to raise A\$19.0m (**Conditional Institutional Placement**), and further placements to certain Metrics shareholders, Bruce Mathieson and related investment entities, Roger Corbett AO and Scott Richards to raise A\$6.5m (**Conditional Placements**).

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* (**Act**) as modified by the Australian Securities and Investments Commission Class Order 08/35.

Documents relating to the Retail Entitlement Offer were lodged with the ASX on 4 October 2012 and are being mailed to Eligible Retail Shareholders.

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 existing share held at 7.00pm (AEST) on 10 October 2012 (**Record Date**).

¹ The underwriting obligations do not extend to Bruce Mathieson's (and related investment entities) entitlement shares.

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 Record Date;
- (b) have a registered address in Australia or New Zealand on 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 (or an Ineligible Institutional Shareholder); 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.


This notice is to inform you about 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.

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 at 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.30pm (AEST) 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 interest in the Company.

Yours sincerely



Mark Cansdale

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.