

4 May 2017

Ms Cheng Tang  
Adviser Listings Compliance (Melbourne)  
ASX Limited  
Rialto Towers  
Level 45, 525 Collins Street  
MELBOURNE VIC 3000

Dear Cheng

**Mayne Pharma Group Limited (MYX) – Aware query**

We refer to your letter dated 2 May 2017 and set out our responses to your queries below.

1. *Does MYX consider the Statement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No.

2. *If the answer to question 1 is “no”, please advise the basis for that view.*

The Statement has been extracted from slide 107 without the benefit of the immediately following statement on the same page which states that:

*Teva portfolio gross profit margins tracking ahead of 50% guidance and EBITDA is broadly in line*

The Statement read in the above context should have indicated to a reasonable person that EBITDA for the Teva portfolio was materially consistent with the guidance due to the better than expected gross profit margin. It follows that even though sales were below original guidance it would not have a material effect on the price or value of Mayne Pharma's securities. To put this conclusion beyond doubt, a further clarification announcement was made on 3 May 2017 which restated the above and confirmed that:

*Accordingly, the reduction in sales from the Teva portfolio is not expected to have a material impact on overall FY17 EBITDA.*

3. *If the answer to question 1 is “yes”, when did MYX first become aware of the information contained in the Statement?*

Not applicable.

4. *If the answer to question 1 is “yes” and MYX first became aware of the information before the relevant date, did MYX make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MYX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MYX took to ensure that the information was released promptly and*



Mayne Pharma Group Limited  
ABN 76 115 832 963  
[maynepharma.com](http://maynepharma.com)

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



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*without delay. In answering this question, please explain why MYX did not make a clearer header to identify the information contained in the Statement or make a stand alone announcement in accordance with section 4.14 of Guidance Note 8.*

Not applicable.

5. *Please confirm that MYX is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

Mayne Pharma confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that MYX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MYX with delegated authority from the board to respond to ASX on disclosure matters.*

Mayne Pharma confirms that the responses to the above questions have been duly authorised and approved.

Yours faithfully,  
Mayne Pharma Group Limited

Mark Cansdale  
Group CFO and Company Secretary



2 May 2017

Mark Cansdale  
Company Secretary  
Mayne Pharma Group Limited

By email: Mark.Cansdale@maynepharma.com

Dear Mr Cansdale

**Mayne Pharma Group Limited ("MYX"): aware query**

ASX Limited ("ASX") refers to the following:

- A. MYX's announcement entitled "Investor Day – Presentation" lodged on the ASX Market Announcements Platform and released at 12:06pm on 1 May 2017 (the "Announcement"), disclosing the following statement on slide 107:

*"Tougher generics pricing environment in 2H17 which is expected to result in FY17 Teva portfolio generic sales below original guidance"*

(the "Statement").

- B. The decrease in the price of MYX's securities after the release of the Announcement as follows:

| Time and Date                 | Price   |
|-------------------------------|---------|
| Close – Friday, 28 April 2017 | \$1.345 |
| Open – Monday, 1 May 2017     | \$1.350 |
| Close – Monday, 1 May 2017    | \$1.205 |

- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

- D. Section 4.14 of Guidance Note 8, which states that:

*"ASX has experienced difficulties in the past with announcements that have been given a fairly innocuous header (such as "Chairman's Address to AGM") but have had market sensitive material embedded in them. ASX would ask entities to ensure that the header to such an announcement clearly identifies the fact that it contains market sensitive information (eg, "Chairman's Address to AGM and Buyback Announcement") or, better still, that market sensitive announcements are made on a stand-alone basis and not embedded in other announcements that may not be market sensitive."*

E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”*

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, ASX asks MYX to respond separately to each of the following questions and requests for information:

1. Does MYX consider the Statement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did MYX first become aware of the information contained in the Statement?

4. If the answer to question 1 is “yes” and MYX first became aware of the information before the relevant date, did MYX make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MYX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MYX took to ensure that the information was released promptly and without delay. In answering this question, please explain why MYX did not make a clearer header to identify the information contained in the Statement or make a stand alone announcement in accordance with section 4.14 of Guidance Note 8.
5. Please confirm that MYX is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that MYX’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MYX with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on **Thursday, 4 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MYX’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MYX’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to MYX’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that MYX’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MYX’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Cheng Tang  
Adviser Listings Compliance (Melbourne)