MAYNE PHARMA MARKET UPDATE

5 July 2011, Melbourne Australia: Mayne Pharma Group Limited (ASX: MYX) advises that it expects to deliver revenue in the range of $49m - $51m and underlying operating earnings (EBITDA adjusted for any significant one-off items) in the range of $8m - $10m for the year ended 30 June 2011.

Mayne Pharma's CEO, Dr Roger Aston, said "The impact of repositioning the Doryx® portfolio in preparation for the introduction of new dosage forms and the continued and unprecedented strength of the Australian dollar has meant the results are significantly less than the annualised FY10 result."

"Sales of Doryx®, our key proprietary product sold into the US market were down 47% on FY10 driven by the delay in FDA approval for new dosage forms and a contraction in pipeline inventories in the US as stocks of the current product were run down in preparation for the launch of the new dosage form by the Company's US marketing and distribution partner, Warner Chilcott.

Unfavourable exchange rate movements have also had a significant impact reducing earnings by approximately $3m year on year. The average $US dollar exchange rate settled has increased by approximately 14% compared to the prior period.

Cash on hand at 30 June 2011 was $5.9m, which has decreased from $13.4m at 31 December 2010, due to the dividend payment of $1.5m, $2.6m in loan repayments and $6.5m in deferred consideration to Hospira for the acquisition of Mayne Pharma International Pty Ltd in November 2009. The US$10m loan facility has been reduced to US$2.5m and will be paid down completely during the remainder of the 2011 calendar year making the company debt free.

These results are subject to the completion of the year-end accounting procedures and external audit.

DORYX®

The Company has received notification from Warner Chilcott that their application with the US Food & Drug Administration for approval of the new dose strength of Doryx® has been rejected. The FDA has indicated that the deficiencies in the submission could be addressed by undertaking an additional trial.

The Company will provide additional information on the next steps to be undertaken once they are finalised. In the meantime, the Company will continue to sell the 150mg form of Doryx® to Warner Chilcott.

Mayne Pharma is the owner of a granted US patent covering the Doryx® formulation and together with its partner Warner Chilcott continues to vigorously defend its Doryx® patent and take legal action against any companies seeking to infringe the patent with generic products.

SUBACAP®

The Company met with the UK's Medicines and Healthcare products Regulatory Agency (MHRA) on 22 June 2011 to discuss its strategy for responding to the regulator's questions on the Marketing Authorisation Application for SUBACAP®. During the meeting the MHRA indicated that no additional clinical work would need to be conducted in order to respond to the questions, reinforcing that the regulatory strategy remains on track with expectations for the approval of SUBACAP® by the end of calendar 2011.

-ENDS-

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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.