ASX Announcement

MAYNE PHARMA ANNOUNCES BRAND ACQUISITIONS

- Mayne Pharma has acquired selected brands from Forest Laboratories, Inc for US$10.0 million plus a US$2.0 million performance-based earn-out
- Acquisition expected to be mid-single digit EPS accretive (pre synergies) in its first full financial year
- Mayne Pharma will fund the acquisition via a fully underwritten equity placement of A$18.0 million

---

12 February 2014, Melbourne Australia:

Acquisition of selected brands from Forest Laboratories

Today, Mayne Pharma has signed and completed the acquisition of the ESGIC™, ESGIC PLUS™, LORCET™ and LORCET PLUS™ brands and related assets from Forest Laboratories, Inc in the USA.

Consideration for the acquisition is US$12.0 million, comprising:

- an upfront cash payment of US$10.0 million; plus
- an earn-out of up to US$2.0 million, payable quarterly calculated on a percentage of future net product sales.

ESGIC™ tablets and capsules are used to treat tension headaches and LORCET™ tablets are indicated for the relief of moderate to moderately severe pain. These products had IMS Health sales of US$5 million over the twelve months ending 31 December 2013. The total current annual market for these products, including generic versions thereof, is over US$400 million according to IMS Health.

Mayne Pharma's CEO, Mr Scott Richards said, "This acquisition is a significant opportunity for Mayne Pharma USA to expand its product portfolio into selected branded products to complement the generic products franchise. These products will strengthen our business by growing our revenue base and further diversifying our portfolio."

The acquisition is expected to be immediately additive to Mayne Pharma's NPAT and mid-single digit EPS accretive (pre-synergies) in its first full financial year (FY15).

Mayne Pharma was advised by Credit Suisse on the acquisition.

Capital raising to fund the acquisition

The acquisition has been settled using a mix of available short term debt and cash reserves, but this will be replaced with the proceeds of an A$18.0 million underwritten share placement to institutional and sophisticated investors (Placement). The balance of the proceeds of the Placement will be used for general corporate purposes, including accelerating the development, registration and marketing of Mayne Pharma's existing product pipeline and further product acquisitions, and the already completed ZEBUTAL™ acquisition (see below).

The Placement will be conducted via a variable price bookbuild with an underwritten floor price of $0.77 per new ordinary share (Underwritten Price). The final issue price will be determined via the bookbuild.

The new ordinary shares will rank equally with existing ordinary shares.

Mayne Pharma's shares will remain in trading halt today whilst the Placement is conducted. Settlement of the Offer is expected to occur on 18 February 2014 with quotation of the new shares expected on 19 February 2014.

The Placement is fully underwritten by Credit Suisse (Australia) Limited and UBS AG, Australia Branch. The Placement agreement is subject to no material conditions precedent and common termination events (but excluding a fall in any market index).

Other product news

In November 2013, the Company acquired the ZEBUTAL™ trademark and related assets in the US from Shionogi, Inc., for US$0.5m plus an earn-out based on a percentage of net sales over a five year period. The transaction was funded out of cash reserves. ZEBUTAL™ (a product containing Butalbital, Acetaminophen and Caffeine) is used to treat mild to moderate pain and tension headaches. ZEBUTAL™ had IMS Health sales of US$5 million in the 12 months ending 31 December 2013.

For further information contact:

Scott Richards	+61 8 8209 2410
Mark Cansdale	+61 8 8614 7777
Lisa Pendlebury	+61 419 548 434, lisa.pendlebury@maynepharma.com

About Mayne Pharma

Mayne Pharma is an ASX-listed specialty pharmaceutical company that develops and manufactures branded and generic product globally - either directly or through distribution partners, while applying its drug delivery expertise for contract development and manufacturing services.

Mayne Pharma has a 30-year track record of innovation and success in developing new oral drug delivery systems and these technologies have been successfully commercialised in numerous products that have been marketed around the world.

Mayne Pharma has two drug development and manufacturing facilities based in Salisbury, Australia and Greenville, NC, USA with expertise in formulating complex oral dose forms including highly potent compounds, controlled substances, modified release products and inherently unstable compounds.