ANNUAL GENERAL MEETING

MINTER ELLISON
LEVEL 23, 525 COLLINS ST, MELBOURNE VIC 3000
AT 11.00 AM ON 26 NOVEMBER, 2015

CHAIRMAN'S ADDRESS

Good morning ladies and gentlemen, I'm Roger Corbett, the Chairman of our company and I would like to welcome you all to the 2015 Mayne Pharma Annual General Meeting.

As we have a quorum, I now declare the annual general meeting open.

Let me start by introducing the Board members, senior executives, and the Company's auditor.

Joining me at the front of the room are my fellow non-executive directors: Bruce Mathieson, Ian Scholes, Ron Best and Professor Bruce Robinson, our Chief Executive Officer, Scott Richards and our Group CFO and Company Secretary, Mark Cansdale. Phil Hodges sends his apologies as he is overseas.

Welcome also to Mr Ashley Butler, the Company's auditor and other representatives of Ernst and Young.

I'll now outline the procedure for today's meeting. There are three items of business on today's agenda:

1. I will present my Chairman's Report, then

2. Scott will provide an update on the business and the Company's growth opportunities; and

3. Then we will go into the formal part of the meeting where we will vote on the resolutions outlined in the notice of meeting. We will then conclude the meeting.

I will now move to the Chairman's report.

The past year has been another transformational period for our Company. The Doryx™ acquisition in February has diversified our US operations into an integrated specialty pharmaceutical business with growth platforms in three key areas – generic products, contract services and now specialty brands. After developing and manufacturing Doryx™ for the past 30 years, Mayne Pharma is now also marketing and distributing the product in the United States through its new specialty brands division which has a 66 person sales team calling on dermatologists.

Your Board and management team are focused on becoming a leading specialty pharmaceutical company and we will achieve this by continuing to invest in expanding our product portfolio and development pipeline, our facilities, broadening our drug delivery technologies and most importantly investing in our people.

Our number one focus is to build a strong and high performance businesses in the United States and Australia, the two markets where we have a direct commercial presence.

The US is by far the most significant pharmaceutical market representing approximately a third of global pharmaceutical sales. In the last 12 months, the US market grew 13% to US$400 billion. Many factors are fuelling this growth such as an aging population, increased life expectancy and unfortunately, an increasing incidence of chronic disease.

Each of the generic, specialty and contract services segments in the US have grown strongly and we believe having 3 direct-to-market business platforms gives us many benefits.

We are able to more fully leverage growth opportunities by being able to participate in both the branded and generic sides of product markets, which you have seen firsthand with our doxycycline or Doryx™ franchise where we promote the 50mg and 200mg dose strengths directly to dermatologists, while our 75mg, 100mg and 150mg are participating in the generic markets that have formed over time.

The Metrics Contract Services business also provides capability and know-how for the products business offering high-end skills in analytical chemistry, formulation development and project management support when needed.

Turning to our financial results. The Company reported revenue of $141.4m, underlying EBITDA of $36.4m and reported NPAT of $7.8m for the full year ending 30 June 2015. These results were down on the previous year due to the underperformance of third party distributors for Doryx™ and oxycodone. The Company took appropriate action to address these issues with the acquisition of the

Doryx™ assets in February and the distribution of the oxycodone product family was brought in-house in May.

The acquisition of Doryx™ led to a materially stronger second half with revenue up 37% to $81.9m, underlying EBITDA up 49% to $21.8m and underlying NPAT up 49% to $8.0m. At a reported level, NPAT was slightly down reflecting one off costs in the second half.

In terms of the business segments, Metrics Contract Services revenue grew 19% to $33.8m and gross profit was up 31% to $17m. The stronger margin reflected improved pricing, operational efficiencies and a greater proportion of higher margin formulation development.

US Products grew revenue 19% to $67.7m with gross profit up 13% to $36m driven by the part-year contribution from Doryx™ and growth in key generic product franchises.

The final segment, Mayne Pharma International which includes our Australian operations and export sales was flat at a revenue level but gross profit increased 9% to $34m reflecting US Doryx™ transition profit and higher margin intercompany sales.

The Company strengthened its financial position and ended the year with $59.2m of cash and borrowings of $61.8m.

The Company also completed the refinancing of its debt late in the financial year, materially reducing the cost of funds and securing more flexible terms and conditions and increased headroom. The Company now has greater financial flexibility to use alternate sources of capital to fund its growth.

Since the end of the financial year, the Company has announced two major strategic investments in its manufacturing facilities in Greenville, North Carolina and Salisbury, South Australia. These investments will strengthen the organisation's capability and capacity to expand development, manufacturing and packaging operations for the products business as well as expand our offering to contract services clients.

The investment in the US will fund a new greenfield oral dose commercial manufacturing facility on land owned and adjacent to the existing facility and will result in a 4-fold increase in manufacturing capacity. In addition, the new facility will offer commercial scale manufacturing of modified release and highly potent products to support both on-market and pipeline products as well as Metrics Contract Services' clients.

In Australia, the Company is also investing in a new fluid bed spray coater at the Salisbury facility. These investments will see our global network triple output for this key drug delivery system and give the Company greater flexibility to support key existing product franchises such as Doryx™, Kapanol™ and Eryc™.

The Company also continues to invest heavily in research and development to build a pipeline of higher value and higher barrier to entry products with $17 million spent on R&D during the year. Today the Company markets more than 30 molecules globally and has a pipeline of more than 50 products under development.

Your Board believes that continued investment in R&D to expand and progress this pipeline to commercialisation will deliver superior returns to shareholders over the mid to long term.

Other key highlights over the year include

- FDA approval of the 50mg Doryx™ tablet and TGA approval of 12 products including the first original Metrics product to be launched in Australia, being an oxycodone tablet,
- The Company took full control of three key US generic products – Oxycodone franchise, BAC capsules and methamphetamine tablets,
- The Company settled product litigation with Pfizer on our generic version of Tikosyn™. This is the Company's most significant generic pipeline product and the Company expects to be awarded 180-days of market exclusivity following FDA approval,
- We also completed a number of product deals to broaden our global footprint, product portfolio and pipeline. This includes several licencing deals for Lozanoc™, which has now been out-licensed to 13 countries across Europe, Asia and South America, and finally
- The Company invested US$2.5m in HedgePath Pharmaceuticals to accelerate the clinical development of our SUBA™-Itraconazole product in cancer and has recently commenced a Phase IIb study in Gorlin's Syndrome, a rare form of skin cancer.

So in conclusion, Mayne Pharma is well positioned for the future with a solid pipeline of products expected to launch over the coming years that will benefit from the added capacity and capability that we are building in our global manufacturing network.

Before handing over to Scott I would like to take a moment to thank the hard work and dedication of our management team and staff around the world. I would also like to thank my fellow directors for their guidance and valuable input as well. Finally, I wanted to thank you, our shareholders for your continued support of Mayne Pharma.

I will now invite Scott to provide an update on the business, following which I will return to complete the more formal part of the meeting.