



## MAYNE PHARMA ANNOUNCES ACQUISITION OF U.S. GENERIC PRODUCT PORTFOLIO FROM TEVA AND ALLERGAN

June 28, 2016, Greenville, N.C.

- Mayne Pharma Group Limited (“Mayne Pharma”) has entered into an agreement to acquire 37 approved and 5 FDA filed products from Teva Pharmaceutical Industries Limited (“Teva”) and Allergan plc (“Allergan”) for cash consideration of \$652 million.
- The acquisition significantly transforms the scope and breadth of Mayne Pharma’s U.S. generics division and is expected to propel Mayne Pharma into the top 25 retail generic pharmaceutical companies and the top 2 in the generic oral contraceptives market in the United States.<sup>1</sup>
- The acquisition substantially increases and diversifies Mayne Pharma’s earnings across more products, therapeutic areas, dosage forms and complex technologies, and builds upon Mayne Pharma’s expertise in modified-release, potent compounds and controlled substances.
- Mayne Pharma will fund the acquisition via an extension of an existing debt facility, and a fully underwritten equity raising on the Australian Securities Exchange.

### Acquisition of U.S. generic product portfolio from Teva

Mayne Pharma is pleased to announce that it has entered into a binding agreement to acquire a portfolio of U.S. generic products (“Portfolio”) from Teva and Allergan for cash consideration of \$652 million. The Portfolio consists of 37 approved products and 5 FDA filed products in attractive markets with limited competition, across a range of therapeutic areas.

The Portfolio aligns strongly with Mayne Pharma’s core competency in complex pharmaceutical formulations and includes difficult-to-manufacture, modified-release tablets and capsules, soft-gel capsules and transdermal patches.

The divestiture by Teva was mandated by the Federal Trade Commission (“FTC”) in connection with Teva’s proposed acquisition of Allergan’s generic drug business. Completion of Mayne Pharma’s acquisition is expected to be concurrent with the closing of Teva’s acquisition and is subject to the FTC approving that transaction and Mayne Pharma’s acquisition of the Portfolio.

### Rationale for the acquisition

Mayne Pharma’s CEO, Scott Richards, said: “The acquisition transforms Mayne Pharma’s Generic Products Division into a top 25 player in the U.S. retail generics market, diversifying Mayne Pharma’s earnings across a broad range of products, therapeutic areas and technologies. This attractive Portfolio spans multiple dosage forms and complements our expertise in higher-value niche, differentiated products. The on-market products have strong shares in stable, mature markets, while the pipeline products are expected to deliver additional growth in attractive markets as they are launched over the next couple of years.”

<sup>1</sup> IMS Health MAT gross sales April 2016, adjusted for recent acquisitions.



The transaction is expected to create multiple opportunities for further growth through leveraging existing relationships with customers and suppliers. Stronger and deeper relationships with customers will drive incremental portfolio selling opportunities for existing marketed products. The expanded supply chain network of active pharmaceutical ingredient providers and contract manufacturing organizations (“CMOs”) also is expected to unlock new portfolio and pipeline opportunities.

This Portfolio will strongly complement Mayne Pharma’s existing generic portfolio and lead to greater operational efficiencies due to economies of scale. Up to eleven of the acquired products will be transferred into Mayne Pharma’s commercial manufacturing facilities in Greenville, N.C., and Salisbury, South Australia. This will accelerate the use of existing and previously announced expansions to manufacturing capacity, and enable additional margin to be captured over time, improving overhead recovery and the return on recent capital invested to expand these facilities.

The acquired Portfolio is expected to add more than \$237 million to Mayne Pharma’s FY17 net sales with gross margins greater than 50 percent. The transaction is expected to be very significantly accretive to earnings per share (on both a cash and reported basis, excluding synergies) in FY17.

Mayne Pharma has been working closely with Teva and the FTC since December 2015 and has established supply agreements with Teva for the manufacture of certain products not currently outsourced to CMOs for up to five years. Following completion, execution risk will be mitigated by the FTC’s ongoing monitoring of compliance with a public Consent Order issued by the FTC, which aims to ensure market competitiveness. Typical obligations in a Consent Order include the seller to prioritize the supply of products to Mayne Pharma over products for its own use, provide certain transitional services and take all necessary actions to maintain economic viability and marketability of the divested products until they are transferred.

## Funding the acquisition

Mayne Pharma will fund the acquisition via a fully underwritten equity raising on the Australian Securities Exchange (ASX) and an extension of Mayne Pharma’s existing debt facilities secured in June 2015.

## For further information, contact:

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## 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 commercialized in numerous products that have been marketed around the world.*

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