



Notice to clients

21 December 2012

MF Global Australia Limited (In Liquidation) (MFGA, the Company)

Dear Client

Further to the client notice dated 14 December 2012, which can be found on our website at <https://www.deloitte.com/au/mfglobal>, the Liquidators provide below an update on the main areas of the Liquidation of MFGA.

Court Proceedings

The hearing to determine the payment of costs in the proceedings and the Liquidation was heard on 10 October 2012. On 10 December 2012, Orders were issued by the Court in relation to both the Main Proceedings and the Singapore Proceedings. A copy of these orders has been uploaded to our website at <https://www.deloitte.com/au/mfglobal>.

Distribution of funds

The Liquidators commenced the first distributions to clients on 31 October 2012.

The Liquidators have now recovered approximately \$35.2million from the Australian Stock Exchange after settlement of the dispute between MFGA and MF Global UK Limited (in special administration) (MFGUK). The recovery of this amount enabled a second distribution to futures clients on 20 December 2012 of 18 cents in the dollar of futures clients' GLV as at 31 October 2011.

In addition, ongoing settlement of disputed client claims and other contingent matters enabled a second distribution to Online FX clients on 20 December 2012 of 15 cents in the dollar on Online FX clients' GLV as at 31 October 2011.

The table below shows total distributions made up to 21 December 2012.

Distributions Paid			
Product Pool	First	Second	Total
CFDs	78%	-	78%
Futures	57%	18%	75%
Margin FX	65%	-	65%
Online FX	65%	15%	80%

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Further recoveries

The most significant recoveries yet to be made are from MFGA affiliates with the largest being MFG Inc. in the USA where we reported to you on 27 November 2012 that the Trustee of MFG Inc. admitted the majority of MFGA's client omnibus accounts to rank as client claims in the MFG Inc. Bankruptcy.

By way of update, we advise that documentation for admission of the claim has been completed and the Trustee is in the process of preparing the documentation for Court approval. The time estimate to receive funds remains at 2 months.

With regard to other affiliate claims, we are in the process of agreeing the amounts and categories of claims. It may take some time to affect settlement of these claims. The Committee of Inspection is being kept apprised of these negotiations.

Ongoing communication

The Liquidators will continue to upload notices and other relevant documents to our website so clients are encouraged to check this regularly for any such updates.

All client enquires should be made via email to mfgaustralia@deloitte.com.au. However, please note that the Liquidators' office is closed between 22 December 2012 and 7 January 2013 and will therefore not be monitoring this email. Any enquiries made over this time will be responded to after 7 January 2013.

Yours faithfully,

Chris Campbell
Joint Liquidator of MF Global Australia Limited (In Liquidation)

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