



Notice to clients

6 February 2012

MF Global Australia Limited (administrators appointed) (MFGA)

Dear client

1. Client account statements issued in January 2012

At the time of writing this update all known clients of MFGA have been issued account statements, either electronically where an email address is held by MFGA or by post where no email address is recorded.

We are aware some clients have not received account statements. This is likely to be the result of an out-dated email addresses held by MFGA. We are in the process of amending MFGA's client contact details and reissuing statements where clients have provided the Administrators with updated contact details.

Clients who have not yet received their account statement should email the Administrators immediately with their account details to mfgaustralia@deloitte.com.au. An Advertisement will be published shortly in a number of national and international newspapers to this effect.

2. Proving Process

Approximately 30% of client statements issued with an Online Client Claim Statement (OCCS) link have submitted their claim either by confirming or not-confirming their GLV balance.

We encourage all clients to complete the OCCS as soon as possible. The account holder or authorised person must complete the OCCS within 28 days of the date of the email attaching the statement issued in January 2012. After this date the link will no longer be active.

Those clients who were issued with a Manual Client Claim Statement (MCCS) should return this form to the Administrators in the return prepaid envelope provided, within 28 days of the date of the letter attaching the MCCS.

In addition to the Frequently Asked Questions (FAQs) attached to the Explanatory Statement issued with client account statements, a further set of FAQs following client feedback was

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uploaded onto our webpage on 2 February 2012 and can be found at the following link:
<http://www.deloitte.com/au/mfglobal>

IT issues regarding the OCCS should be directed to the MFGA hotline: +61 2 8273 8851 (9am-5pm weekdays). However we urge clients to refer to the IT related questions answered in the FAQs dated 2 February 2012 prior to calling the hotline as in the majority of cases this will resolve client issues.

3. Court Applications - directions

As clients will be aware from previous updates, the Administrators filed an application to Court before Christmas with a return date of 6 February 2012.

On 1 February 2012, at the third meeting of the Committee of Creditors, the Committee unanimously passed the following resolution in support of the Administrators' proposed application in the Supreme Court:

"The Committee of Creditors note the Administrators' update on the progress following the filing of an application in the Supreme Court of New South Wales for orders and directions in relation to the entitlement of clients of MFGA to funds held in Client Segregated Accounts (CSA Funds) and recoveries (Recoveries) made by the Administrators since the date of their appointment.

The Committee of Creditors resolve that they endorse the Administrators applying to Court in the proceedings for appropriate orders and /or directions, and request that the Administrators seek such orders and/or directions as may be necessary so as to permit an interim distribution to clients of MFGA in respect of moneys the subject of the CSA Funds."

The Administrators and their legal counsel attended Court at hearing before the Corporations List Judge at 11.15am on 6 February 2012 in the Supreme Court of New South Wales. The matter has been "stood over" until **27 February 2012**. Practically this means the Administrators' evidence will be compiled during the period to 27 February 2012 at which date we expect the Judge will advise on a date and proposed timing to hear the case.

The Court process involves the submission of evidence by the Administrators. Our legal and forensic teams will continue to gather and finalise evidence that will be attached to the Administrators' affidavit.

The timing for a distribution of funds to clients is subject to the determination of the Court. We expect to have a clearer indication regarding the Court's timetable to hear the matter and eventually make the necessary Orders on 27 February 2012.



4. Section 439A Report and Meeting

The Administrators anticipate delivering a Section 439A Report to Creditors (“the Report”) and holding a Second Meeting of Creditors in early March 2012. The date and venue of the meeting is still subject to confirmation by the Administrators and will be communicated to all clients and creditors in due course.

At a minimum, clients and creditors will be given 5 business days’ notice ahead of the Second Meeting of Creditors. Court approval has been received to send the Section 439A report via an email link.

5. Client Positions

Client positions have not altered from the position set out in the client update dated 20 January 2012.

Yours faithfully,

Chris Campbell
Joint Administrator of MF Global Australia Limited (Administrators Appointed)