



Notice to clients

21 November 2011

**MF Global Australia Limited (administrators appointed) (MFGA)
MF Global Securities Australia Limited (administrators appointed)
Brokerone Pty Limited (administrators appointed)
together, the "Companies".**

Below is a brief update on key developments since our last notice dated 16 November 2011:

Sale of business

In spite of a number of enquiries, no viable offers for the business as a going concern have been received and, as a result, the business will be wound down over the course of the coming months. As a consequence, 83 MFGA employees were advised on Friday 18 November 2011 of the termination of their employment for reason of redundancy. A small number of key employees in the finance and back office departments have been retained to assist with processing, reconciling client positions and company records.

A press release regarding the sale of business and the termination of employees will shortly be uploaded to our website: www.deloitte.com/au/mfglobal

Futures clients

1. Australian futures positions

Further to notice 238/11 issued by ASX24 on 18 November 2011, I confirm we have received from ASX, data containing transaction details regarding MFGA client futures positions that have been closed out by the ASX since the date of my appointment.

My team is in the process of reviewing and interrogating this information. As noted during the first meeting of creditors on Friday 11 November 2011, this is a complex matter and it will take some time to determine the methodology used to close out positions and the appropriateness of such methodologies. I also understand the ASX has provided the same information to the Special Administrators of MF Global UK Limited (**MFUK**), the Clearing Participant in respect of MFGA's Australian futures positions.

At the date of my appointment the ASX held c.\$36 million of MFGA client-related funds. The ASX has advised that after closing out client positions the balance is c.\$34 million and they are now in a position to return monies once it has received payment instructions from both the Administrators of MFGA and MFUK.

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On Wednesday 16 November 2011 I made a formal written request to the ASX to return MFGA client funds. I also requested the Special Administrator of MFUK to allow these funds to be returned to the Administrators of MFGA. On Friday 18 November 2011 the Special Administrators requested the ASX to remit the funds to the Special Administrator of MFUK.

As noted in the first meeting of creditors on 11 November 2011, this issue could become complex. We are now in dialogue with the Regulator and representatives of the Special Administrators.

2. USA futures positions

Bank of New York Mellon Clearing LLC (**BNYMC**) continues to cooperate with the Administrators with the close out of USA futures positions. Information regarding the close out of MFGA client positions has been provided to us, albeit we are awaiting for a full and final set of information.

3. All other futures positions

I have no further update to add to the notice to clients issued on 16 November 2011 with regard to positions held in Asia and Europe.

CFD clients

Deutsche Bank (DB) update

DB has indicated that information regarding the close out of MFGA positions will be provided shortly to the Administrators. DB advise all MFGA positions have been closed and they are now going through verification, legal processes and obtaining global sign off before providing the information and funds to the Administrators.

Extension of convening period for the next meeting of creditors

As raised in the first meeting of creditors on Friday 11 November 2011 the Administrators will be seeking a court order for a 90 day extension in relation to convening the second meeting of creditors. The application was heard in the Supreme Court of NSW on Monday 21 November 2011 and was successful. The convening period has been extended to 29 February 2012.

Yours faithfully,

Chris Campbell
Joint Administrator of the Companies