

Notice to clients

27 March 2012

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

Dear client

1. Court proceedings and client representatives

The Court Orders granted by the Supreme Court on 19 March 2012 have been posted to the Deloitte website at www.deloitte.com/au/mfglobal. In addition, the Court allocated a hearing date of 26 June 2012 for 4 days to hear the matter.

On 19 March 2012 a representative for non-client creditors was not appointed and the Liquidators have identified another representative for the non-client creditor class. Once confirmed with legal representation the Liquidators expect to have that representative joined to the proceedings as a representative party by the Court on 2 April 2012.

The Liquidators and their legal advisors met with the legal teams for each of the client representative parties on 21 March 2012. The purpose of the meeting was to:

- Commence providing the legal teams with copies of court material and evidence regarding the Proceedings
- Review and highlight the key list of issues requiring determination by Court as identified in the Amended Originating Process (AOP) and other documentation
- Discuss communication channels between the representatives and clients
- Administrative costs
- Tentative timetable

2. Communication

The Liquidators are acutely aware of the need for communication with clients regarding the Proceedings, in particular the arguments of each client representative. As outlined in previous updates, clients who are concerned their issues have not been considered by the Liquidators or will not be represented at the Proceedings can contact the Liquidators at the MFGA email

**MF Global Australia Limited
(In Liquidation)**
Level 21
225 George Street
Sydney NSW 2000
PO Box N699
Grosvenor Place NSW 1220
Australia
Tel + 61 2 8273 8822
Fax + 61 2 9247 3765
www.mfglobal.com.au

address (mfgaustralia@deloitte.com.au). To date we have received and responded to all emails and have confirmed no new issues have come to the attention of the Liquidators.

We have received a number of requests from clients with regard to contacting the legal advisors for the client representative parties. Whilst you are able to contact the various legal representatives we would highlight the following:

- The legal firms representing the client parties do not have the capacity or the communication systems to deal with the level of client queries that maybe received
- It would add significant cost to the process for the legal firms to respond and answer client queries. As detailed in the client update 20 March 2012, the Court ordered the legal expenses reasonably incurred by the appointed client representatives will be paid from the client segregated bank accounts (CSAs) and recoveries made from counterparties
- There is a significant amount of material required to be reviewed and interpreted over a short period of time. Responding to client queries may distract the parties from this task and delay the formulation of their case

Therefore the Liquidators have offered to work with the client representatives to act as a conduit for communication. If you have a question or issue which you wish to raise with the appropriate legal advisors please email the MFGA email address (mfgaustralia@deloitte.com.au) and use the following subject header:

“Client representatives – [insert as appropriate: CFD / Futures / Online FX / Margin FX/Creditor/other]”

The Liquidators will collate the correspondence and submit it to the legal representatives for their consideration. In addition, we are hopeful that client representatives’ positions and / or submissions maybe posted to our website.

3. Timetable and arguments

The Liquidators have requested initial arguments on the client representatives’ positions be received before 13 April 2012. This is an aggressive timetable we are placing on the legal firms and the representative parties however it is necessary so as to determine:

- Key issues have a client representative taking an appropriate position and
- If further client representatives and / or defendants are required, sufficient time is available to be joined to the Proceedings

Once the client representatives have been able to establish their position on the issues we will work with the representatives regarding communication of this information to all clients.

The timetable remains tight so that the provisional hearing date of 26 June 2012 is not deferred.



4. Updated statements and Online Client Claim Statement (OCCS)

There are a small number of client accounts that can be updated for:

- additional information from Deutsche Bank (DB) regarding realisation of same previously illiquid positions. There are a small number of outstanding illiquid positions held with DB that cannot be closed out; and
- A small number of database anomalies identified following a review and reconciliation process implemented by the Liquidators.

The amendments impact approximately 50 client accounts. The Liquidators will write to these clients individually advising them of the update and the impact on their Gross Liquidated Value (GLV).

At this stage it is not cost efficient to generate and issue new client statements until a significant amount of outstanding counterparty information is received and/or determinations are made by Court. It is also not efficient to distribute a new OCCS survey link at this time to those clients who did not complete the survey which closed on 29 February 2012. This will occur after the Court hearing.

Yours faithfully,

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