

Mariner Financial Limited

2009 Annual General Meeting

12 November 2009

► WHERE ARE WE?

Current Liabilities (\$000)

Payables	3,653
Con Notes	5,432
Lease at 40	1,853
	<u>10,938</u>

Non Current

Bank Loan	880
-----------	-----

All Liabilities	<u>11,818</u>
-----------------	---------------

Equity	2,235
--------	-------

All Funds	<u>14,053</u>
-----------	---------------

Current Assets (\$000)

Cash + Debtors	5,698
Investments	1,902
HUB Equity	3,957
	<u>11,577</u>

Non Current

Cash	2,496
------	-------

All Assets	<u>14,053</u>
------------	---------------

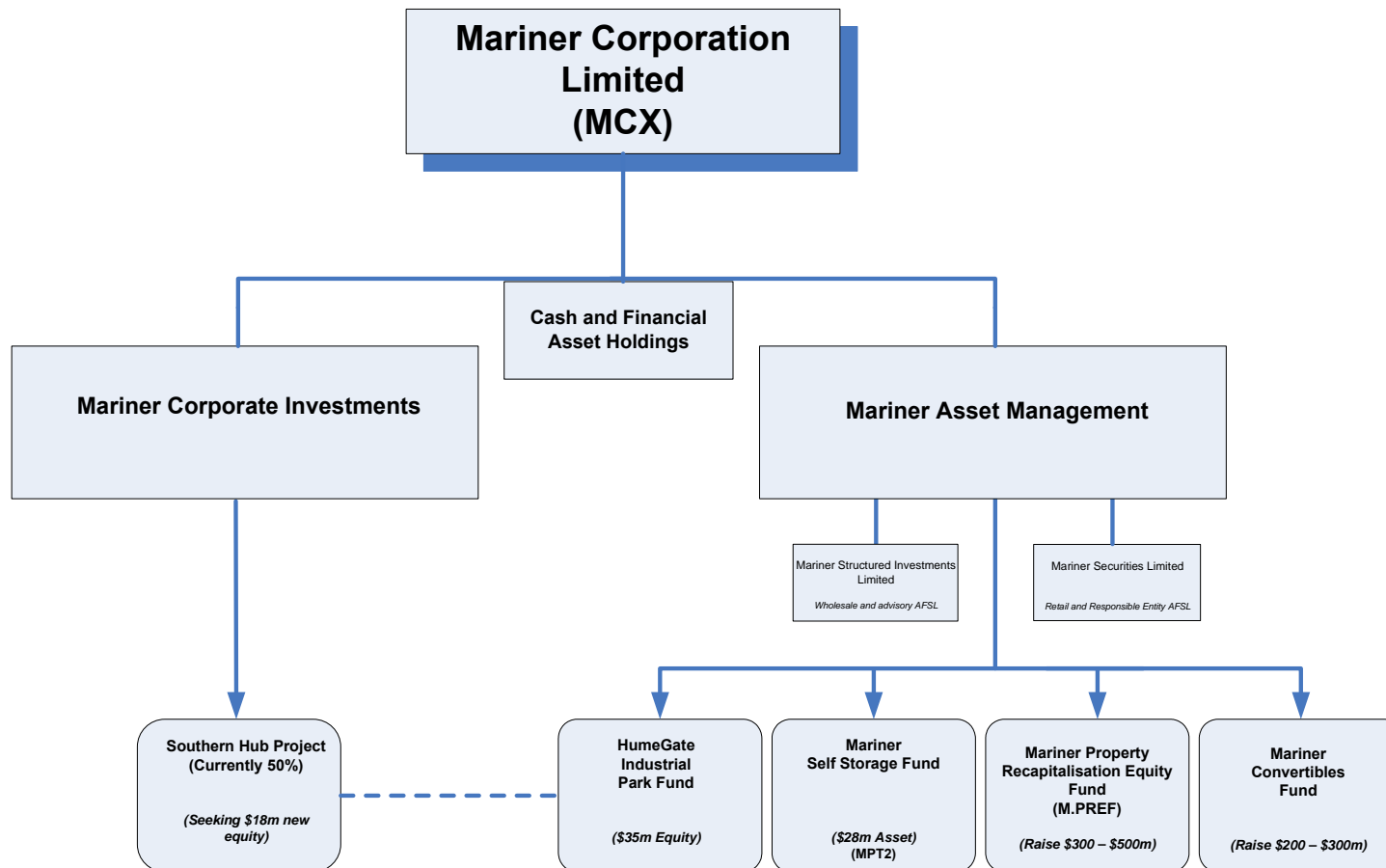
▶ Two years of financial volatility

- The GFC has caused a major disruption to retail funds management
- Investor confidence and appetite for risk badly shaken
- As a consequence Mariner's operations and focus has altered over the past 2 years:
 - Sold the majority of its assets
 - Reduced debt
 - Simplified its structure and operations
- Fully divested its core retail funds management business
- Now positioned to explore investment opportunities and growth sectors that have emerged as a result of changing market conditions.

► Moving beyond the GFC

- Future strategy: to maintain global funds management appetite by providing opportunities for overseas investors to invest into Australia and a source of capital for local investors.
- Future focus: on institutional and high net worth investors
- A new name to reflect new business – Mariner Corporation Limited (ASX: MCX)
- A global funds and asset management specialist providing a platform that offers licenses, premises, infrastructure and back office management skills.

► New structure



► Mariner Corporate Investments

Focus: Direct investments in companies, property assets and securities

- **Southern Hub** – a major infrastructure development strategically located on the main transport corridor linking Sydney, Melbourne and Canberra.
 - Mariner owns 50% of the project
 - Development approval (Part 3A) to construct 1.5 million square meters of industrial, distribution and logistics buildings
 - Positive level of land buyer and tenant interest
 - Project involves construction of major freeway interchange for Goulburn
 - Loan facility of \$18m (to be refinanced in April 2010)
 - Phase 1 of the project to cost \$30m and will take 2-3 years
 - Total land to be developed over several years of 2.8 million square meters, gross realisation of circa \$264m from basic land sale

► Mariner Asset Management

Focus: Creating and managing wholesale funds in specific alternative investment classes

- **Humegate Industrial Park Fund** – will raise money to undertake the development of the Southern Hub
- **Mariner Property Equity Recapitalisation Fund** – providing equity gap funding for unlisted retail REITs
 - Strong demand for new equity funding for properties as valuations fall and banks wind back LVRs
 - Creating a 'once in a market-cycle' opportunity
 - Target raising of \$500m
- **Mariner Convertibles Fund** – unlisted wholesale investment unit trust targeting returns in excess of 20% IRR
 - Targeting small and mid cap ASX listed companies
 - Short investment duration between 12 months and 3 years
 - First fund size target is \$250m

► Sundry assets

- **Killalea:** We continue to look at joint funding arrangements.
- **Hub sale:** As outlined in the end of year accounts, we have accepted an offer for \$28m. However, the deal is yet to be concluded subject to payment from the buyers.
- **Millers:** We still have a major bank interested in taking over the management rights. However, following successful capital raise, Mariner may look at keeping this asset as part of its go-forward strategy.

► Recapitalisation

\$12m recapitalisation to fund wholesale funds management business

- Current issued capital 247m shares
- Current share price 1.2 cps
- Market Capitalisation \$3m
- Proposed capital raise \$12m (min. \$2.5m)
 - Share purchase Plan (max. \$15k per shareholder)
 - Offer Information Statement (max. \$10m; scale back if SPP >\$2m)
- New shares to be issued 1,000m
- Total shares in issue 1,247m
- At current issue price (1.2 cents) - Market Capitalisation - \$ 15m
- Proposal is to make provision for the outstanding Convertible Notes in 2011

► Summary

- Changed market conditions has seen the emergence of new investment opportunities
- Mariner Corporation Limited – established to capture new markets
- Business focus is on providing local and overseas investors with a source of capital and a source of investment opportunity
- Equity raising will provide the capital to build the business





MARINER

CORPORATION
LIMITED

Source of opportunity. Source of capital.



MARINER | FINANCIAL
INVESTMENT BY DESIGN