



Mariner announces first property trust

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\$15 million retail property syndicate to invest in Melbourne's Powercor Building

Emerging financial services group Mariner Financial Limited [ASX: MFI] today announced that it proposes to launch the first in a series of uniquely structured property trusts designed to give investors a regular, significantly tax-deferred income stream.

The Mariner Property Trust No.1 will invest in a single property, the Powercor Building at 40 Market Street, just off Collins Street in Melbourne's central business district.

The building is leased to Powercor Australia, one of Victoria's main wholesale electricity suppliers and holds a 15-year lease with fixed rental increases.

The Trust is forecasting an average annual distribution return of 8.5 per cent per annum to 30 June 2008, based on a \$1.00 unit price. The interest rate on the debt raised has been fixed until 30 June 2008 – the expected term of the Trust.

According to Mariner Head of Property, Andrew Saunders, these Trust characteristics offer investors an unusual combination of 100% tax-deferred status and a high level of stable income, which is not subject to normal income risks such as re-leasing.

"We believe this combination of features makes the Trust a very attractive low risk investment for people wanting a very stable, highly tax efficient return," Mr Saunders said. "In essence, the Trust offers the equivalent characteristics of an investment grade bond but with a better rate of return."

100% tax-deferred income

The tax-deferred component of the Trust arises from the use of capital allowances in respect of depreciable assets forming part of the property, as well as deductible expenditure in raising equity, and debt establishment costs. Based on independent expert's advice, all cash distributions from the Trust will be treated as 100% deferred income, which means they aren't included in assessable income unless and until the total tax-deferred amounts received by investors exceeds the cost base of the initial investment. For CGT purposes, tax-deferred distributions will affect the CGT position of investors as it reduces the cost base of the units.

Mr Saunders said the Trust would be marketed via financial planners to the retail investment community, and would particularly suit long-term investors such as retirees or people with complying self managed superannuation funds.

The minimum investment amount is \$5,000.

The offer is fully underwritten by Mariner Financial Limited. The issuer of the units in the Trust is Mariner Securities Limited, which is part of the Mariner Financial group.

Launched in May 2003, Mariner Financial's primary activity is the distribution of a broad range of financial products. It will also provide strong branding and marketing, education and technical support, and a dedicated distribution capability to subsidiary company, Mariner Retirement Solutions [ASX: MRT].

Mariner Retirement Solutions will focus on the development and supply of innovative retirement income products, which will be backed by the income from property assets.

The group's property portfolio will comprise properties in Australia, the US and UK and will be housed in a range of separate unlisted trusts.

Property Summary

Details of the Powercor Building, the property to be purchased by the Trust, are summarised below.

Location	40 Market Street, Melbourne VIC 3000
Description	A modern office complex constructed in 1988 and refurbished in 1997, 100% occupied by Powercor Australia Limited under a lease expiring on 31 December 2018
Occupancy	100%
Land Area	2,309 square metres
Nett Lettable Area	11,659 square metres
Car Parking	85 car spaces
Replacement Cost	\$52,000,000
Valuation	\$40,000,000
Date of Valuation	21 November 2003
Purchase Date	It is expected that the Trust will complete the purchase of the property no later than 8 March 2004

A product disclosure statement (PDS) is expected to be available on 18 February 2004. Units in the Mariner Property Trust No.1 will be offered under the PDS. Investors must consider the PDS before deciding whether to acquire or continue to hold the units.

Note to the editors

Established in 2003, Mariner Financial Limited is an Australian-owned financial services company listed on the Australian Stock Exchange [ASX: MFI]. Mariner's primary focus is servicing Australia's growing superannuation market by providing uniquely structured investment and retirement income solutions. It also provides strong branding and marketing, education and technical support, and a dedicated distribution capability to its subsidiary company, Mariner Retirement Solutions [ASX: MRT].

For further information, please visit the Mariner website at
<www.marinerfunds.com.au>.

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