



## **Mariner posts record financial results - announces significant corporate restructure**

29 August 2006

The innovative financial services group Mariner Financial [ASX: MFI] has posted pre-tax and after-tax profits of \$15.9 million and \$10.2 million respectively for the 12 months to June 30 2006 – record results in its three-year history.

Shareholders have been rewarded with a 10-cent final dividend that will be 65% franked. It will be paid on October 18 and the stock will trade ex-dividend on September 21.

The executive chairman of Mariner Financial, Mr Bill Ireland, said “The 2006 financial year has been a particularly rewarding one for the group. Significant progress has been made towards our goal of becoming a leading provider of innovative investment products.”

“We continued to invest in the core origination and retail distribution capabilities that are the real strengths of the Mariner business model to ensure our long-term success. Mariner now has a national team of business development managers with access to more than 12,000 financial planners, giving it a powerful distribution platform for financial products,” he added.

Mariner also plans to enlarge its offshore operations to complement its U.S. property operation, the listed Mariner American Property Income Trust (MAPIT) [ASX: MRA]. An office has been opened in London to source assets for a proposed European property trust, and discussions are underway with a substantial partner to get access to Japanese property assets to include in a listed trust.

In the financial year 2006 new products delivered to investors increased Mariner’s assets under management to more than \$800 million.

### **Restructuring initiatives**

Mariner today also announced a restructuring of the Mariner Group of Companies which it believes will position the Company to best capture the significant strategic opportunities currently available in the funds management industry.

Under the restructuring proposal, Mariner’s 47% owned listed associate, Mariner Wealth Management Limited (MWM), will pursue a strategy of providing innovative asset backed and mezzanine financing facilities.

To implement this strategy, MWM intends to increase its capital base by issuing \$125 million of new equity capital through a placement and public offering. Mariner Financial will support this share issue through subscription for shares on the same terms as all other investors and will be the largest shareholder with an investment of approximately \$20million and ownership of approximately 15% of MWM.

It is also proposed that the name of MWM be changed to Mariner Bridge Investments Limited, to reflect better the activities of the Company and to create a distinct corporate identity for the new business.

Reflecting the importance of this strategic initiative for the Mariner Group of Companies, Mr Mark Philips, the current Managing Director of Mariner Financial, has been invited to become Managing Director of Mariner Bridge Investments and will step down as Managing Director of Mariner Financial. Mr Philips is the former managing Director of Record Investments and is uniquely qualified to manage an entity of this type.

It is also intended that Ms Irene Lee, currently a non executive director of Mariner Financial, will step down from that role and be appointed the Executive Chairman of Mariner Bridge Investments. The Company will appoint three non executive directors with direct experience in the types of transactions and activities being proposed.

### **Proposal to make a Takeover Offer for Mariner Retirement Solutions Limited**

Mariner Financial today also announced that it proposes to make an off market takeover offer for all the shares it does not own in Mariner Retirement Solutions Limited (MRS). Mariner Financial currently owns approximately 80% of the issued shares of MRS and has the majority of seats on the MRS Board.

Under the bid, Mariner Financial will offer MRS shareholders one Mariner Financial share for every seven MRS shares. Based on the closing price of Mariner Financial shares on 28 August 2006, this represents an effective purchase price of approximately \$0.19 per MRS share, which provides MRS shareholders with a significant premium to the last traded price of MRS shares on the ASX and the Net Tangible Asset backing of the MRS shares.

### **Outlook**

Mariner's strategy is to become a leading provider of innovative investment products in Australia. To achieve this goal, the Company has developed a demonstrated capability to acquire high quality assets and distribute interests in those assets to investors in the form of managed funds. The creation of Mariner Bridge Investments as a pool of designated independent capital should enable Mariner to accelerate growth through acquiring more and larger assets.

### **About Mariner Financial**

Mariner Financial Limited is a diversified financial services company listed on the Australian Stock Exchange [ASX: MFI]. Mariner specialises in delivering products that offer investors real opportunities to build and preserve their wealth, through originating, structuring and distributing truly unique products. It offers a range of investment solutions that cover Retirement Solutions, Superannuation Solutions, Income Products, Equity Funds, Property, Alternative Equity Products and Private Equity.

For further information, please visit the Mariner website at  
<[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>.

Or contact:

**Shed Enterprises**

Sheridan Lee/Simrita Virk

Tel: 02 9247 8533 / 0411 101 492 (SL) or 0405 441 373 (SV)

Email: [shed@ozemail.com.au](mailto:shed@ozemail.com.au); [svirk@shed-ent.com.au](mailto:svirk@shed-ent.com.au)