

Mariner Financial Announces Record Result 28 August 2007

- Net profit after tax of \$17.4 million, an increase of 70%
- Final dividend of 2.5 cents per share, brings total 2007 DPS to 5 cents
- NTA per share of \$0.55 at balance date, an increase of 45%
- Total assets under management (AUM) of \$1.1 billion at balance date, an increase of 27%
- During 2007, strengthened Board, management and capital position
- Clear strategy with strong transaction pipeline and scalable businesses

Mariner Financial Limited (ASX: MFI) announces a record annual net profit of \$17.4 million for the year to 30 June 2007, up 70% on the previous year. This result represents a fully diluted EPS of 13.9 cents per share, which was up 2% on 2006 EPS.

A final dividend of 2.5 cents per share has been approved by directors, which will be 9% franked. This brings the full year dividend to 5.0 cents per share. The final dividend will be paid on 15 October 2007. Shares trade ex-dividend from 3 September 2007. A dividend reinvestment plan will be available to shareholders.

'We are pleased to deliver another strong profit result, whilst also having significantly developed and expanded our business model during the year,' said Bill Ireland, the Executive Chairman of Mariner. 'During the past year we refined our origination, structuring, distribution and risk management processes in order to increase recurring income from asset management growth.'

Mariner's assets under management grew to over \$1.1 billion at 30 June representing 27% growth on the previous year.

'We have also taken important steps to enhance Mariner's Board, management and capital structure,' added Ireland. 'We enter 2008 with a strong pipeline of transactions and a demonstrated capability to source and execute on new investment opportunities across a range of sectors.'

Activity for the year

'This year we raised new capital on the listed market for the Mariner Pipeline Income Fund, Mariner American Property Income Trust and Mariner Bridge Investments. We also sourced significant unlisted inflows through our Mariner Mortgage Trust,' said Ireland.

The Mariner Mortgage Trust (MMT) grew total assets under management to over \$150 million, an increase of 130% on 2006. These funds were lent to residential, investment and commercial borrowers with Mariner funding over \$91 million in new mortgages during the period. MMT has been granted a four star investment rating by S&P, a 'Recommended' rating from Lonsec, and was upgraded to 'Attractive' by MIA VanEyk.

The listed Mariner American Property Income Trust (ASX:MRA) grew its total assets by 31% to A\$426 million, up from A\$326 million in 2006, invested across 6 properties in 5 US states with total NLA of 119,968 sqm and 99% occupancy. In March 2007 Mariner completed a third capital raising of \$75 million for MRA to fund the acquisition of the One Centennial Plaza office property in New Jersey, and the Higgins office property in Illinois.

'We have established a global property footprint increasing our pipeline of potential international transactions,' said Ireland. 'Our property team is acquiring global property as seed assets for new managed funds.' Mariner's reach spans the United States, Europe, Australia and Asia, through offices in London, Boston, Hamburg, Sydney, Melbourne Brisbane and Adelaide.

In March 2007 Mariner acquired a €48(A\$76) million portfolio of four German properties in Berlin, Kassel, Nuremberg, and Munich, with total NLA of approximately 33,000 sqm. Mariner also acquired a commercial property in Japan for \$19 million through its joint venture partnership with AXA REIM. Mariner plans to seed new managed funds with these assets.

Mariner acquired 4 coastal tourist resorts on the East Coast of Australia with a total value of \$70 million covering 39 ha of land in locations that have outperformed tourism growth in their respective states. These assets are being offered to investors through the new Mariner Coastal Investment Fund (MCIF). Mariner now manages 6 key coastal investment properties totaling over \$105 million in value on 52.8 ha of land through both MCIF and the Mariner Coastal Land Fund which holds investments in two Yamba coastal properties.

Mariner Land Limited, through which Mariner undertakes property development activity, is managing a number of land repositioning projects in New South Wales and Queensland for which Mariner is seeking the relevant planning approvals.

Mariner also launched its second infrastructure fund raising \$113 million in September 2006 for the Mariner Pipeline Income Trust (ASX:MIT). MIT's underlying asset is the 1,375km Moomba to Sydney Ethane Pipeline that supplies ethane to Australia's sole producer of polyethylene (of which ethane is critical), Qenos, who enjoy a dominant position with over 50% market share of the Australian polyethylene market.

In December 2006 Mariner listed Mariner Bridge Investments with a \$125 million capital raising, retaining a 14.2% interest in the listed investment company.

Strategy

Mariner has a clear strategy to become one of the leading providers of innovative investment products in Australia. To achieve this goal, the Company has developed: a global footprint through which it sources assets; a structuring division with funds management and investment banking expertise to add value to these assets and transform them into investment products for the local market; and a significant distribution reach through investment advice intermediaries, and direct distribution. In originating, structuring and managing these assets Mariner earns fees that contribute immediately to the overall profitability of the Company, and grows AUM generating recurring revenue streams from the Group's various managed investment vehicles.

Mariner's activity is supported by its strong distribution capability. 'Mariner has a national team of business development managers with access to more than 12,000 financial planners providing a powerful distribution platform for our investment products,' said Ireland. 'During the year, we added an institutional sales capability to our distribution team and will focus on developing this side of the business in 2008.'

Outlook

Mariner has a significant pipeline of projects that are currently being evaluated for new investment products, including: off-shore property; domestic property; infrastructure assets; real estate development projects; and structured retirement products.

Mariner is confident that it has the transaction pipeline, origination and distribution capabilities to achieve strong growth in earnings per share over the next two to three years.

As previously announced, Mariner confirms that it has no exposure to CDOs, CLOs, credit derivatives, bridge loans, hedge funds or any other structured credit transaction other than through a 14.2% shareholding in the separately listed and managed Mariner Bridge Limited (ASX code: MBR), which has previously disclosed a small percentage of its total assets are exposed to the US sub-prime mortgage markets.

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Mariner Financial

Mariner Financial Limited (ASX: MFI) was founded in 2003 to pioneer new investment opportunities for the Australian market. Mariner now manages over \$1.2 billion in assets. Mariner provides unique investments for the new and evolving financial needs of Australian investors seeking to build and preserve their wealth.