



# Market Update

---

Presented by Craig White - CEO

Octaviar

## Name change

- MFS to transfer and assign to Massachusetts Financial Services of Boston, USA its Australian registered trademark “MFS”
  - Resolves ongoing litigation between the parties
  - MFS to receive a payment from Massachusetts of a confidential amount
- World branding agency was used to develop the new name “Octaviar”
  - New brand and corporate imagery to be launched following today’s shareholder approval
  - ASX Code to change to “OCV”

The logo for Octaviar, featuring the word "Octaviar" in a blue serif font. The letter "O" is stylized with a circular outline. The logo is set against a white rectangular background with a subtle grid pattern.

# Strategic Review – Purpose

- A range of material events impacted on MFS' previous growth strategy:
  - Downturn in global financial markets
  - Short selling of MFS shares
  - Lack of confidence in MFS' ability to repay short term debt commitments
  - MFS sought to respond with a strategy to structurally separate its major business groups to reduce perceived complexity. Proposed strategy was not well received by the market
- MFS therefore embarked on a strategic review to urgently address the detrimental impact on shareholder value caused by these events

# Strategic Review – Focus

- Strategic Review is focussing on:
  - i. stabilising the business
  - ii. realignment of corporate strategy to reflect changes in the current economic climate
  - iii. restoring shareholder value and underlying investor confidence
  - iv. building on existing core competencies

Octaviar

## Strategic Review – Progress made to date

- ✓ Sale of a number of non-core assets:
  - 65% of Stella Group (\$409.2m)
  - Interest in Domain Aged Care (\$43.5m profit)
  - Gersh Investment Partners to complete mid-April
  - Park Hyatt (\$5.2m performance fee)
- ✓ Freed up capital to repay short term debt obligations
  - \$200m loan facility repaid before the due date
  - All “margin loans” relating to MFS shareholdings in other companies have been repaid
  - All previous short term debt obligations repaid
  - Negative perceptions surrounding MFS has led to management of creditors becoming a key priority

The logo for Octaviar, featuring the word "Octaviar" in a blue serif font. The letter "O" is stylized with a circular cutout in the center.

# Strategic Review – Progress made to date (cont)

## ✓ Reduction in Costs

- Employee numbers and management structure previously reflected MFS' growth strategies. Revised strategic direction for Octaviar therefore reduced headcount needs and led to redundancies
- Consolidated offices
- Closed UAE office

## ✓ Appointment of 3 New Board Members

- Alignment of interests has been further strengthened through the appointment to the board of a major shareholder (C Scott)
- New board members have been briefed on recent events of the matters being considered by the review and are working together with MFS management and existing directors in addressing the review and shaping the future vision and direction

The Octaviar logo is displayed in a blue serif font within a white rectangular box. The background of the slide features a light blue grid pattern that is partially obscured by a diagonal shadow effect.

# Strategic Review – Progress made to date (cont)

- ✓ NZ Moratorium
  - Moratorium proposal for NZ business being finalised

The Octaviar logo is displayed in a blue serif font within a white rectangular box. The background of the slide features a light blue and white wavy pattern.

# Further business developments

- Half year accounts targeted for release in April 2008
- Octaviar continues to operate as an Investment Management business with a portfolio of businesses/assets.
  - Operating businesses in the leisure and childcare sectors
  - Real estate portfolio
  - 35% interest in the Stella Group
- The strategic review and creditor management is ongoing and the market will be updated as soon as practicable
- The Board are unified in seeking to restore value to shareholders, and in conjunction with management remain committed to rebuilding Octaviar

The Octaviar logo is displayed in a white rectangular box in the bottom right corner of the slide. The word "Octaviar" is written in a blue, serif font.



# Thank you

## Disclaimer

Although MFS Limited ("MFS") has made every effort to ensure the accuracy of information contained in this presentation, MFS makes no representations as to, and takes no responsibility for, the accuracy, reliability or completeness of the information contained in this presentation and disclaims all liability that may otherwise arise due to any information contained in this presentation being inaccurate, misleading or deceptive, except to the extent that liability cannot be lawfully excluded.

The material contained in this presentation is for information purposes only and does not constitute financial product advice. The information contained in this presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Before making any investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Any views expressed in this presentation are those of the individual presenter, except where specifically stated to be endorsed as the views of MFS Limited.

## Copyright

All information, text, material and graphics contained in the MFS Limited presentation ("Content") are Copyright 2008 MFS Limited. You must not reproduce, copy, modify, republish, upload to a third party, transmit, post or distribute this Content in any way except as authorised in writing by MFS Limited.

