

MFS Limited

ABN 90 107 863 436



ASX & MEDIA ANNOUNCEMENT

MFS ACQUIRES REMAINING INTERESTS IN GERSH INVESTMENT PARTNERS

MFS Limited (ASX:MFS) today announced that it will acquire the remaining 70% of the shares that it does not currently own in Melbourne based, property investment and advisory firm, Gersh Investment Partners (GIP).

MFS currently owns a 30% share in GIP.

The deal terminates arrangements previously entered into by MFS and GIP which provided for a progressive increase in MFS' stake in GIP over a 5-year period.

The price being paid by MFS for the shares in GIP reflect an underlying enterprise value for GIP of \$97.95M*. Consideration for the transaction is to be 100% by way of MFS scrip, the issue of which will require shareholder approval at this year's AGM.

Head of Corporate & Investment Banking Group at MFS, Luke Gannon said, "We see this as a substantially accretive transaction, not only in terms of value but in terms of the intellectual and strategic contribution GIP stands to make to the wider MFS business."

"It became apparent to both parties fairly early on that considerable operational and strategic benefits could be obtained by bringing GIP's operations into the broader MFS group on an accelerated basis", said Gannon.

"Aside from being happy with the performance of our investment in GIP, we have been considerably impressed by the calibre of its people and their approach to business since embarking on our strategic alliance with them in September last year", according to Luke Gannon.

GIP will continue to expand its operations in the areas of funds management, structured finance and property investment and advisory work as part of the broader MFS real estate group. In addition, the merger plans envisage bringing together all of MFS' real estate investment banking operations under the leadership of GIPL Executive Chairman, Joseph Gersh AM.

"This merger is a reflection of not only the value of what we have achieved over the past 7 years within GIP, but of what we stand to achieve as part of the broader MFS family", Mr Gersh said.

For further information please contact

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"I am enthused about the opportunity to contribute to the ongoing success of the MFS business."

As part of the merger, GIP principals, Joseph Gersh and Adam Kaye and a number of key executives have signed 5 year employment contracts with the Company.

In addition, MFS also confirms the appointments of Guy Farrands (formerly the CEO of Investa Property Group) as CEO of the MFS Diversified Property Group and of MFS listed real estate products and Bill Grounds (formerly of Valad Property Group) as CEO of Unlisted Property and real estate Funds at MFS.

This substantial strengthening of the MFS property executive management group with key separate focuses on listed, unlisted and investment banking activities in the real estate sector fortifies MFS target of achieving at least 10 billion of fee paying AUM by 30 June 2008.

For further queries, please call:

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COMPANY SECRETARY

14 August 2007

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