

ASX Announcement & Media Release

MDS Financial Group Limited

ACN 091 744 884

Level 37
Rialto South Tower
525 Collins Street
Melbourne VIC 3000
T: +61 3 9617 0600
F: +61 3 9617 0699
asx@mdsfinancial.com.au
www.mdsfinancial.com.au

ASX Code: MWS

Directors

Sean Rothsey

Chairman and Non Executive Director

Wayne Johnson

Deputy Chairman and Executive Director

Damian Isbister

Executive Director and CEO - Trading

Richard Symon

Executive Director and CEO - Software

Jamie Khoo

Independent Non-Executive Director

Secretary

Tony Iremonger

Company Secretary and CFO

312.3 million listed shares

87.6 million unlisted options

Conclusion to Binding Offer

MDS Financial Group Limited (ASX: MWS) announces that Zurich Australia Limited, on the finish line, has declined the Company's bid to purchase Lonsec Limited; this resulted following a meeting with Zurich and the final three remaining bidders.

This acquisition would have been MDS Financial Group's largest purchase to date, having recently acquired stockbroker D2MX and a number of strategic assets of MINC Financial Services.

MDS Financial's CEO – Trading, Damian Isbister, is disappointed by Zurich's decision not to accept the Company's offer, having got to the final bidders stage.

"Lonsec is an award-winning research house, widely acknowledged as being the best in its field. We are disappointed not to have been successful in the final bid and been able to carry out the integration plans we had for the company."

Mr Isbister said the desire to secure value for shareholders was fundamental to today's result. "Unfortunately we were unable to see how we could extract enough value for our shareholders to justify paying a higher price."

Mr Isbister said that despite being unsuccessful in this bid the Company's plans for growth remain on track. "In addition to continuing our search for growth opportunities through acquisition, we will further strengthen and expand our wholesale broking business organically, while also remaining focussed on the institutional broking and support business which is growing exponentially. We will continue this growth through the recruitment of revenue generating staff with strong experience in third-party wholesale broking, research and corporate advisory services."

Chairman Sean Rothsey also expressed his regret. "The Company's board and entire team did an impressive job to bring MDS Financial to the final stage of the process, especially given we were clearly the smallest company in the bidding process. Nonetheless, it is testament to the evolving dynamic, depth and maturity of the Company to get this far in the bidding process, only to be runner up to the successful purchaser."

Mr Rothsey is upbeat about the future of MDS Financial Group. "We are continuing to search for and evaluate opportunities which provide the business growth which deliver shareholder value. We have attracted significant interest not only in Australia but also from new strategic alliances, potential investors and stakeholders in financial markets in Europe, Asia and North America, which have a momentum now that the company intends to exploit to its fullest potential."

ASX Announcement & Media Release

ABOUT MDS FINANCIAL GROUP LIMITED

MDS Financial Group Ltd is one of Australia's premier suppliers of online trading, charting and analysis software, share market data, wholesale trading and corporate advisory services. Now with D2MX (acquired March 2011) MDS Financial is an independent Australian owned trading participant in the ASX, specialising in execution (and subsequent clearing through Penson Financial Services) of cash equities and exchange-traded options for wholesale clients. MDS Financial also provides wholesale and intermediary Direct Market Access (DMA) broking services in Australia.

www.mdsfinancial.com.au
www.traderdealer.com.au
www.boursedata.com.au
www.marketmood.com.au
www.d2mxinstitutionalequities.com.au



Sean Rothsey
Chairman

END

For more information please contact:

Sean Rothsey
Chairman
MDS Financial Group Limited
Phone: +61 7 5442 6080
Mobile: +61 419 712 685

Wayne Johnson
Executive Deputy Chairman
MDS Financial Group Limited
Phone: +61 2 8226 3330
Mobile: +61 411 544 449

Damian Isbister
Executive Director and CEO - Trading
MDS Financial Group Limited
Phone: +61 3 9617 0605
Mobile: +61 404 028 114