

MFS DIVERSIFIED GROUP
COMPRISING:

MFS DIVERSIFIED TRUST ("Trust")

ARSN 104 482 206

(RESPONSIBLE ENTITY: MFS DIVERSIFIED GROUP MANAGEMENT LTD

ABN 77 116 506 882, AFSL 304866)

MFS DIVERSIFIED LIMITED ("Company")

ABN 38 117 546 326

ASX Code: MFT



ASX ANNOUNCEMENT/MEDIA RELEASE

SECURITYHOLDER COMMUNICATION

The following letter from the Board Chairman, Richard Anderson, will be circulated to all securityholders today.

Media enquiries to:

Guy Farrands
Managing Director and CEO
MFS Diversified Group

Date: 18 March 2008

Sydney	Gold Coast	Melbourne	SHARE REGISTRY
Level 21, Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000	Ground Level 9 Ouyan Street Bundall Qld 4217	Level 2 600 Victoria Street Richmond Vic 3121	Computershare Investor Services Pty Ltd Level 19, 307 Queen Street Brisbane QLD 4000
Tel 02 8259 7251	Tel 07 5588 8888	Tel 03 8412 3333	Tel: 03 9415 4638

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SHARE REGISTRY
Computershare Investor Services Pty Limited
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Brisbane QLD 4000
Telephone: 03 9415 4638

Securityholder Queries:

Email: securityholder@mfsdg.com.au

Telephone: 1300 552 434

What is the current state of the debt facility?

While the above negotiations continue, the Directors would like to confirm:

- No restrictions have been imposed on the Multi-Option Facility by the syndicate of banks and draw downs continue to be made in the ordinary course of business.
- The syndicate of banks have agreed in principle that the existing breached covenant is inappropriate based on the current organisation of the Group.
- Except for this breach no other covenant breach or event of default has occurred under the Multi-Option Facility Agreement, or in relation to any other indebtedness of the Group.
- There are no market capitalisation related debt covenants.
- BOS International, the leader of the syndicate, has recently provided further financing in the form of debt and equity to a newly created joint venture with MFT in respect of a project in Gladstone.
- There is significant net tangible asset backing of \$0.79 per MFT stapled security as at 31 December 2007. This increases to \$0.91 per security if the internal estimate (unaudited) of the current mark to market value adjustments to the land bank are included.

How were the financial results for the half ended 31 December 2007?

As a result of the breach of covenant the drawn interest bearing liabilities relating to the facility have been classified as current as at 31 December 2007, in accordance with the requirements of AASB 101 Presentation of Financial Statements.

The Group reported Net Profit After Tax (NPAT) of \$7.0 million for the six months to 31 December, 2007, an increase of 17% on the same period last year, and representing 1.7 cents per security (EPS). Cash available for distribution for the period was 4.9 cents per security, after unwinding the fair valuation adjustments on development inventory arising from the acquisition of Villa World and excluding net valuation uplift on the investment portfolio.

We are generally pleased with the operating performance of the business in the first half and we have achieved strong presales. The outlook for the remainder of 2008 looks sound, subject to negotiations with our banks proceeding as expected and the overall position of the economy (especially the housing market, which we expect may to some degree be effected by recent interest rates rises).

Will the March distribution be paid?

A distribution of 2.225 cents per security will be paid on 15 April 2008. The Dividend Reinvestment Plan (DRP) has been suspended pending the outcome of negotiations regarding the debt covenant.

Do directors have pressure to sell their securities?

The Board has sought, and obtained, an assurance from each Director that no Director is under any financial pressure to sell any MFT stapled securities

What is happening with the change of name?

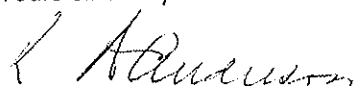
The Group also convened a Special General Meeting of MFS Diversified Limited on 27 March, 2008, to seek securityholder approval to change the name of the company to GEO Property Group Limited. It is also intended to change the name of MFS Diversified Trust to GEO Property Trust and the Group will be known from then as GEO Property Group. The name will reflect the Group's independence from MFS Limited, following the sale of MFS' own holding in the Group in January¹.

Where can I get more information?

What is set out above is a summary of the position as at today. The Group has made more detailed releases to ASX, which are available on the Group's website, www.mfsdiversified.com.au.

I look forward to providing securityholders with further updates when appropriate.

Yours sincerely



Richard Anderson OAM
Chairman

¹ A fund managed by MFS still owns approximately 10% of the Group's stapled securities.