MAGELLAN
FINANCIAL GROUP

Magellan Financial Group limited
ABN 59 108 437 592

Level 7, 1 Castlereagh Street,
Sydney NSW 2000 AUSTRALIA

P.O. Box R226, Royal Exchange NSW 1225

General: +61 2 8114 1888
Facsimile: +61 2 8114 1800
Website: www.magellangroup.com.au

3 October 2008

The Manager
Company Announcements Office
Australian Securities Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

ASX Release – Magellan Financial Group Alliance

Attached is an ASX release regarding a new strategic alliance for Magellan Financial Group.

Yours faithfully,

Leo Quintana
Company Secretary

MFG MAGELLAN
FINANCIAL GROUP

Magellan Financial Group limited
ABN 59 108 437 592

Level 7, 1 Castlereagh Street,
Sydney NSW 2000 AUSTRALIA

P.O. Box R226, Royal Exchange NSW 1225

General: +61 2 8114 1888
Facsimile: +61 2 8114 1800
Website: www.magellangroup.com.au

Magellan Financial Group announces strategic alliance with UBS Investment Bank

Sydney, 3 October 2008: Magellan Financial Group Limited (**Magellan**) is pleased to announce that it has formed a strategic alliance with UBS Investment Bank (**UBS**) to launch new fund initiatives which are positioned to take advantage of opportunities arising in Australia and New Zealand from the ongoing debt and equity market dislocations.

It is anticipated that the first fund will be launched in the first quarter of 2009. It will be an unlisted fund aiming to take advantage of the opportunities arising from the widening of spreads, credit rationing and equity market dislocations. It will target investment opportunities that are unable to access the IPO markets due to market conditions, as well as opportunities where private equity participants seek follow on debt or equity for their investee companies. The fund will be primarily developed for domestic and international institutional investors. A Chief Executive for this initiative will be appointed shortly.

Magellan has entered into the strategic alliance with UBS to access its market leading expertise in Australasia, including its access to pre-IPO investments through the UBS Alternative Capital Group and its strengths in originating, structuring and distributing investment opportunities.

Hamish Douglass Chairman of Magellan Financial Group said, “We believe that the current market dislocation is creating considerable opportunities for disciplined investors. UBS and Magellan both believe that there are few, if any, comparable investment vehicles targeting pre-IPO and follow on private equity opportunities in Australasia. Leveraging the strengths of both Magellan and UBS will enable the fund to access investment opportunities and generate attractive investment returns for investors.

“This fund initiative is an important step for Magellan as it complements our strong outperformance to date with our unlisted Magellan Global Fund and growing institutional interest in Magellan’s infrastructure securities business”.

Matthew Grounds, CEO, UBS Australia commented, “The ongoing dislocation of the global markets has created some interesting opportunities for patient and flexible capital that can invest across the capital structure and in pre-IPO opportunities. This strategic relationship leverages UBS’s investment banking services and Magellan's investment management expertise to take advantage of current and future opportunities for our clients".

Magellan expects the strategic alliance will contribute to profit for Magellan commencing in the 2008/09 financial year.

END

Enquiries:

Magellan – Hamish Douglass or Chris Mackay on +61 2 8114 1859

UBS – Stuart Barton + 61 2 9324 3286, 0404 054 857

About Magellan Financial Group
Magellan is a Sydney based, globally focused investment manager with its principal investment funds available through financial planners and on major wrap platforms.

About UBS
UBS is one of the world's leading financial firms, serving a discerning international client base. UBS is a leading global wealth manager, a leading global investment banking and securities firm, and one of the largest global asset managers. In Switzerland, UBS is the market leader in retail and commercial banking.

UBS is present in all major financial centers worldwide. It has offices in over 50 countries, with about 37% of its employees working in the Americas, 34% in Switzerland, 16% in the rest of Europe and 13% in Asia Pacific. UBS employs more than 80,000 people around the world. Its shares are listed on the Swiss Stock Exchange (SWX), the New York Stock Exchange (NYSE) and the Tokyo Stock Exchange (TSE).