



News Release

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FirstMac bond issue fully subscribed despite market turbulence

Brisbane, Australia (*October 24, 2007*) – FirstMac, a leading Australian-owned mortgage finance funder, will settle an AUD250 million prime domestic RMBS issuance tomorrow, October 25, 2007. The transaction, which is fully subscribed, is the company's first since the start of the global liquidity crisis.

The collateral pool for the FirstMac Mortgage Funding Trust Series 2-2007 deal is made up entirely of fully verified income mortgages. The transaction is a one-year soft bullet structure¹ and is lead managed by HSBC. Legal final maturity is October 2038, with an expected final payment date of October 20, 2008.

The deal does not include low doc loans and the securities will be repo-eligible with the Reserve Bank of Australia.

“Activity in Australian capital markets has been subdued since August and so we initially sounded out the market with a private offering to institutional investors. However, we found the deal well received and issued a public transaction. It has been fully subscribed, which is pleasing,” said Kim Cannon, managing director and founder, FirstMac Limited.

“While this deal is smaller than our previous transactions, and the margins are wider due to higher credit funding costs, we feel the market's response to the transaction indicates a tentative recovery may be underway in the Australian capital markets.”

The issuance comprises two tranches. The Class A tranche incorporates AUD230 million senior floating rate notes which have been given an AAA rating by Standard and Poor's, with an expected average life of 0.8 years, which priced at 0.40 per cent over the one month bank bill reference rate (BBSW). The Class B tranche includes AUD20 million subordinated notes, which have been given an AA rating by Standard and Poor's, with an average life of one year, which priced at 0.85 per cent over the one month BBSW.

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About FirstMac Limited

FirstMac Limited is part of the FirstMac Group, a leading financial mortgage lender in Australia. It delivers a comprehensive range of loan funding, loan servicing and portfolio management services. FirstMac's balance sheet is conservatively managed with the vast majority of long-term assets match-funded by long-term liabilities.

FirstMac has an above average Standard and Poor's servicer rating.

For further information on FirstMac visit www.firstmac.com.au.

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¹ Bullet structures return the principal to investors in a single payment. The most common bullet structure is called the soft bullet, meaning that the final bullet payment is not guaranteed on the expected maturity date. However, in the majority of cases with soft bullet structures, payment of outstanding principal is made at the call date prior to a margin set-up.