

Press Release:



TSX SYMBOLS: XMF, XMF.PR.A

M SPLIT CORP.

Announces Proposed Reorganization

TORONTO, ONTARIO – December 3, 2008 / Marketwire: As previously reported in the press release dated November 24, 2008, due to the dramatic and volatile drop in the price of Manulife common shares, M Split Corp. (“the Company”) was required to sell the majority of its holdings in Manulife. The proceeds of these sales have been used to purchase fixed income securities under the Priority Equity Protection Plan as per the prospectus. The reduced exposure to Manulife common shares will decrease the ability of the Company to generate income from dividends and its covered call option writing program. The Class A share dividend has already been eliminated and the ability to maintain the Priority Equity share dividend has been severely impaired. As a result, this has left the Company with limited ability to meet the goals of the Class A shareholders and the Priority Equity shareholders.

The Company has reviewed the options available to enhance shareholder value and provide shareholders with the opportunity to meet their objectives. To this end, the Company is recommending to shareholders that the Company be reorganized. The Company, subject to all necessary Board and regulatory approvals, expects to send out the full details of this proposal to all shareholders through a Management Information Circular sometime in January, 2009 with a shareholder vote to follow in February, 2009. The key aspects of the proposal are discussed below.

The Plan will recommend the fixed income instruments purchased under the Priority Equity Protection Plan be liquidated and the proceeds be re-invested in common shares of Manulife.

The Plan will propose that each Priority Equity share be exchanged for the following three securities: i) one new \$5 preferred share to yield 7.5% per annum; ii) one \$5 par value equity share that will receive dividends of 7.5% per annum if and when the Company's net asset value exceeds \$12.50; and also iii) one half warrant to purchase a full unit (consisting of one new preferred share, one new equity share and a Class A share) of the Company at a price of \$10 at specified times during the first two years subsequent to the approval date. The warrant will effectively provide upside potential on the performance of Manulife shares. The Company believes that the proposed package of securities will provide Priority Equity shareholders with substantial value added compared to their existing investment.

The Class A shares will remain the same except that the threshold for reinstatement of dividends on the Class A shares will only occur if the net asset value per unit reaches \$15.00 per unit (current threshold is \$12.50 net asset value per unit.) Increases in the net asset value per unit above \$10 (current net asset value per unit was \$9.63 as at November 28, 2008) will continue to accrue to the Class A shareholder. The value of this opportunity is that it is similar to an option on Manulife and the Company believes this provides substantial shareholder value relative to Class A shareholders' existing investment.

The Company believes these proposed changes are in the interest of all shareholders in light of the unprecedented and rapid decline in the price of Manulife shares and overall market and economic conditions.

In addition to the reorganization Plan discussed above, the Company will, subject to regulatory approval, be instituting a share buyback to buy units of the Company when deemed appropriate in order to benefit remaining shareholders.

For further information please contact Investor Relations at 416-304-4443, toll free at 1-877-4-Quadra (1-877-478-2372), or visit www.M-Split.com.