MMC
Contrarian
Limited
ABN 83 106 248 248

Level 8, 34 Hunter Street
Sydney NSW 2000
GPO Box 4964
Sydney NSW 2001

Phone: +612 9224 0700
Fax: +612 9233 2275

Six months ended 31 December 2006
Dividend up 33% to 4.0 cents fully franked
Combined performance per share up 67%

The directors of MMC Contrarian are pleased to announce the results for the half year to 31 December 2006. The results do not include any contribution from MMC Asset Management Limited, which was acquired with effect 1 February 2007.

Highlights

	6 months ended 31/12/2006	***6 months ended 31/12/05***	***Change from previous half year %***
Combined after tax performance	$18.7 million	$11.1 million	+68%
Increase in portfolio before tax	$28.6 million	$18.2 million	+57%
Interim dividend	4 cents per share	3 cents per share	+33%

In summary:

- Combined performance of $18.7 million after tax (2005: $11.1 million), equal to 8.7 cents per share, up 67% from 5.2 cents per share in 2005.
- Profit from ordinary activities of $10.2 million after tax (2005: $16.6 million), equal to 4.75 cents per share (2005: 7.71 cents per share)
- Increase in revaluation reserve of $8.5 million after tax (2005: decrease $5.5 million), which represents an increase of 3.9 cents per share (2005: decrease 2.6 cents per share)

Ordinary activities include profits and losses from sale of investments as well as income from dividends and interest. The combined performance includes profit from ordinary activities plus the movement in the revaluation reserve. The revaluation reserve is not distributable as a dividend.

Before tax, the combined performance of the portfolio was an increase of $28.6 million (2005: $18.2 million), or 13.3 cents per share (2005: 8.2 cents per share).

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The principal objectives of the company are:

- For the investment portfolio to exceed the return of the All Ordinaries Accumulation Index over the medium term to long term;
- To preserve the capital of the company; and
- Pay an increasing rate of franked dividends.

In this six month period the portfolio has achieved an increase of 10.34% (2005: 6.7%) before tax and dividend payments. The All Ordinaries Accumulation Index increased by 14.13% (2005: 13.8%) in the same period. The equities component of the company's portfolio increased by 20.28% in the period.

At 31 December 2006 the capital of the company after provision for all taxes and the payment of a 3.0 cent fully franked dividend in September 2006 had increased to 115.2 cents per share from 110.3 cents per share at 30 June 2006. This meets the objective of preserving the capital of the company.

The directors have declared a 4.0 cents fully franked (2005: 3.0 cents fully franked) interim dividend to be paid on 23 March 2007. The record date will be 9 March 2007. The dividend reinvestment plan has been suspended and all shareholders will receive the interim dividend in cash.

In the absence of unforeseen adverse circumstances, the final dividend is expected to be at least 4.0 cents per share and would be payable in September 2007. This compares to the final dividend last year of 3.0 cents.

The company has also announced an intention (subject to shareholder approval and a favourable ruling by the Australian Tax Office) to make a capital repayment of 10.0 cents per share. If approved, that payment is expected to be received by shareholders in October or November 2007.

Total cash expected to be paid to shareholders during the calendar year 2007 is therefore expected to be at least 18.0 cents per share, comprising fully franked dividends of at least 8.0 cents and a capital return of 10.0 cents.

The merger of MMC Contrarian and MMC Asset Management is proceeding smoothly and the company is evaluating a number of opportunities.

The directors do not believe it is appropriate to forecast the future equities market, but the company is in a strong position to take advantage of all opportunities which would enhance shareholder value.

Simon Rowell
Chairman
22 February 2006

MMC Contrarian Limited
Half Year Financial Statements
for the six months ended
31 December 2006

MMC Contrarian Limited
ABN 83 106 248 248
Financial Statements
Directors' Report

The Directors submit the financial report of the company for the half year ended 31 December 2006.

Directors

The names of directors who held office during the half year and until the date of this report are:

Simon A. Rowell - Chairman
Erik L. Metanomski - Non-executive (Alternate: Peter C. Constable)
Kevin J. Eley - Non-executive

Post balance sheet event

On 29 January 2007 the shareholders of the company approved the acquisition of the company's manager, MMC Asset Management Limited. The consideration for the acquisition was 33,898,509 new shares in the company.

The company and the manager

During the six months to 31 December 2006 the company's investments were managed by MMC Asset Management Limited (MMC) (AFS Licence No. 230920). HGL Limited (ASX code: HNG) made available the services of several of its key executives to assist MMC with providing these management services.

Review and results of operations

The company has achieved the following results in the half year:

Profit of $10.2 million after tax (2005: $16.6 million)
Increase in revaluation reserve of $8.4 million (2005: Decrease of $5.5 million)

Dividends

The directors have declared a 4.0 cent fully franked interim dividend (2005: 3.0 cents fully franked interim dividend) to be paid on 23 March 2007. The record date will be 9 March 2007.

Auditor's independence declaration

The auditor's independence declaration is included on page 4.

Rounding of amounts

The company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order amounts in this report, and the financial report, have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors.

....

Simon Rowell, Chairman
Sydney, 22 February 2007

Deloitte

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1220 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
MMC Contrarian Limited
Level 8, 34 Hunter Street
Sydney, NSW 2000

Date: 22 February 2007

Dear Board Members

MMC Contrarian Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of MMC Contrarian Limited ("the Company").

As lead audit partner for the review of the financial statements of the Company for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants

MMC Contrarian Limited
Income Statement
for the six months ended 31 December 2006

	Note	6 months to 31 December 2006 $'000	6 months to 31 December 2005 $'000
Revenue	2(c)	6,126	4,836
Realised capital gains	2(c)	10,438	21,251
Expenses	6	(2,047)	(2,019)
Profit before income tax expense		14,517	24,068
Income tax expense		(4,299)	(7,423)
Net profit		10,218	16,645
Attributable to equity holders of the company		10,218	16,645
		Cents	**Cents**
Basic and diluted earnings per share		4.75	7.71

To be read in conjunction with the accompanying notes

MMC Contrarian Limited
Statement of Recognised Income and Expense
for the six months ended 31 December 2006

	Note	6 months to 31 December 2006 $'000	6 months to 31 December 2005 $'000
Increase / (decrease) in asset revaluation reserves, net of tax	8	8,447	(5,530)
Net income recognised directly in equity		8,447	(5,530)
Net profit for the period	8	10,218	16,645
Total recognised income and expense for the period		18,665	11,115
		Cents	Cents
Basic and diluted total recognised income and expense per share		8.68	5.15

To be read in conjunction with the accompanying notes

MMC Contrarian Limited
Balance Sheet
As at 31 December 2006

	Note	31 December 2006 $'000	30 June 2006 $'000	31 December 2005 $'000
Assets				
Cash and cash equivalents		22,975	17,515	26,492
Receivables		982	3,581	1,698
Fixed interest deposits		122,214	118,091	127,993
Equity securities		112,863	103,783	90,963
Total Assets		259,034	242,970	247,146
Liabilities				
Payables		419	992	1,003
Current tax liabilities		3,668	3,174	6,116
Deferred tax liabilities		5,199	2,428	1,508
Total Liabilities		9,286	6,594	8,627
Net Assets		249,748	236,376	238,519
Equity				
Contributed equity	9	212,717	211,580	211,827
Retained profits	8	24,321	20,533	22,635
Asset revaluation reserve	8	12,710	4,263	4,057
Total Equity		249,748	236,376	238,519

To be read in conjunction with the accompanying notes

MMC Contrarian Limited
Statement of Cash Flows
for the six months ended 31 December 2006

	6 months to 31 December 2006 $'000	6 months to 31 December 2005 $'000
Cash Flows from Operating Activities		
Dividends and trust distributions received	2,163	897
Interest received	4,942	3,927
Administration and other operating costs	(2,111)	(2,025)
Income taxes paid	(3,800)	(4,020)
Net cash provided by/(used in) operating activities	1,194	(1,221)
Cash Flows from Investing Activities		
Acquisitions of equity securities	(69,097)	(57,440)
Fixed interest deposits	(1,357)	(42,466)
Proceeds from sale of equity securities	80,008	84,641
Net cash provided by/(used in) investing activities	9,554	(15,265)
Cash Flows from Financing Activities		
Payment for share buy back	(46)	(2,113)
Dividends paid	(5,247)	(3,424)
Net cash used in financing activities	(5,293)	(5,537)
Net increase / (decrease) in cash and cash equivalents	5,455	(22,023)
Cash and cash equivalents at the beginning of the financial period	17,515	48,515
Effects of exchange rate changes on cash and cash equivalents	5	-
Cash and cash equivalents at the end of the financial period	22,975	26,492

To be read in conjunction with the accompanying notes

1 Basis of preparation of the Half-Year Financial Statements

The half year condensed financial statements are a general purpose financial report which has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS"), the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half year financial report has been prepared on the basis of historical cost except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of the company as at 30 June 2006 and any public announcements made by the company during the half year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

Australian Accounting Standards include AIFRS. Compliance with AIFRS ensures that the financial report of the company, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The accounting policies set out below have been applied in preparing the financial statements for the half-year ended 31 December 2006 and the comparative information presented in these financial statements.

For the purpose of preparing the half year financial statements the half year has been treated as a discrete reporting period.

2 Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the half-year financial report:

(a). Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

The company's listed securities are classified as available for sale (AFS) under AASB 139. Under AASB 139 financial instruments classified as AFS are recorded at fair value with movements in their fair value being recorded directly in equity.

As at 31 December 2006, the market value of listed securities was determined using bid prices in accordance with AASB 139 "Financial Instruments : Recognition and Measurement".

Upon the sale of listed securities the difference between the assets' carrying amount and the sum of the consideration received and any cumulative gain which has been recognised directly in equity shall be recognised in profit or loss.

(b). Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability to the extent that is unpaid.

Deferred tax
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

2 Significant Accounting Policies (continued)

(c). Revenue Recognition

Realised capital gains
Proceeds from the sale of listed securities and the disposal of listed securities at cost are recognised net as realised capital gains in the income statement.

Dividend and Distribution Income
Dividend income is recognised on a receivable basis on the date the shares are quoted ex-dividend.

Distribution Income
Distribution income is recognised on a receivable basis as the date of unit value is quoted ex-distribution.

Interest Income
Interest from fixed interest and discount securities is recognised as income on the basis of the accumulated entitlement that would be received on the disposal of the security according to the trading practices accepted by the market for the relevant security. Interest on cash on deposit is recognised in accordance with the terms and conditions which apply to the deposit.

3 Events subsequent to Reporting Date

On 29 January 2007 the shareholders of the company approved the acquisition of the company's manager, MMC Asset Management Limited. The consideration for the acquisition was 33,898,509 new shares in the company.

The Directors declared on 21 February 2007 a fully franked interim dividend of 4.0 cents per share payable on 23 March 2007.

On 19 February 2007 the company also announced an intention (subject to shareholder approval and a favourable ruling by the Australian Tax Office) to make a capital repayment of 10.0 cents per share. If approved, that payment is expected to be received by shareholders in October or November 2007.

There have been no other events subsequent to reporting date that would materially affect the financial statements at the reporting date.

4 Contingent Assets and Liabilities

There are no contingent assets or liabilities at the date of this report that affect the financial statements.

5 Segment Reporting

The company operates in the financial investment industry. The economic entity operates in one geographic area being Australia.

6 Expenses	**31 December 2006 $'000**	**31 December 2005 $'000**
Management fees	1,602	1,589
Share registry and mailing costs	112	103
Custody and Accounting fees	75	78
Director's fees	38	38
Other costs	220	211
	2,047	2,019

7 Dividends Paid	**31 December 2006 $'000**	**31 December 2005 $'000**
Final fully franked dividends of 3.0 cents (2005: 2.0 cents) per share franked at the rate of 30%	6,430	4,321

$1,163,000 (2005:$897,000) of this dividend was reinvested under the dividend reinvestment plan.

8 Movements in reserves	**6 months to 31 December 2006 $'000**	**12 months to 30 June 2006 $'000**
Retained profits		
Balance at the beginning of the period	20,533	1,504
Transfer from capital profits reserve on adoption of AASB 139	-	8,807
Restated balance at beginning of the period	20,533	10,311
Net profit attributable to members of the entity	10,218	20,977
Dividends paid	(6,430)	(10,755)
Balance at the end of the period	24,321	20,533
Asset revaluation reserve		
Balance at beginning of period	4,263	10,054
Adjustment in respect of AASB 139, net of tax	-	(467)
Restated balance at beginning of period	4,263	9,587
Revaluation of listed securities, net of tax	8,447	(5,324)
Balance at end of period	12,710	4,263

9 Issuances and Repurchase of Equity

During the half-year reporting period, MMC Contrarian Limited issued 1,268,158 shares for $1,183,065 under the Dividend Reinvestment Plan. In addition 50,000 shares were purchased on market by the Company for $45,500 as part of the Company's Share Buy Back Program. Below is a reconciliation of the contributed equity:

	31 December 2006 No of shares	31 December 2006 $'000	30 June 2006 No of shares	30 June 2006 $'000
Contributed equity at the beginning of the period	214,386,326	211,580	216,086,972	213,166
Shares issued under Dividend Reinvestment Program	1,268,158	1,183	2,379,354	2,243
Shares cancelled under the Share Buy Back Program	(50,000)	(46)	(4,080,000)	(3,829)
Contributed equity at the end of the period	215,604,484	212,717	214,386,326	211,580

MMC Contrarian Limited
A.B.N. 83 106 248 248
FINANCIAL STATEMENTS
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of MMC Contrarian Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the company:
   (i) give a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and

   (ii) comply with Accounting Standards and the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S303(5) of the Corporations Act 2001.

On behalf of the Board

....

Simon Rowell, Chairman
Sydney, 22 February 2007

Deloitte

Deloitte Touche Tohmatsu

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1217 Australia

DX 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of MMC Contrarian Limited

Report on the Half -Year Financial Report

We have reviewed the accompanying half-year financial report of MMC Contrarian Limited, which comprises the balance sheet as at 31 December 2006, and the income statement, cash flow statement, statement of recognised income and expense for the half-year ended on that date, selected explanatory notes and the directors' declaration for MMC Contrarian Limited as set out on pages 5 to 11.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of MMC Contrarian Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MMC Contrarian Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

S Alexander
Partner
Chartered Accountants
Sydney, 22 February 2007

Appendix 4D
Half Year Report
Period Ended 31 December 2006

1. Name of Entity:

Name of Entity:	**MMC Contrarian Limited**
ACN:	106 248 248
Half year ended ("reporting period")	31 December 2006
Half year ended ("previous corresponding period")	31 December 2005

2. Results for announcement to the market
(Amount and percentage change up or down from the previous corresponding period)

	% change	$ 000
2.1 Revenues from ordinary activities	27%	6,126
2.2 Net profit	-39%	10,218
2.3 Net profit for the reporting period attributable to members	-39%	10,218

2.4 Dividends

	Amount per security	Franked amount per security
Final dividend - record date 7 September 2006, paid 21 September 2006	3.0 cents	3.0 cents
Interim dividend - record date 9 March 2007, payable 23 March 2007	4.0 cents	4.0 cents
Previous corresponding period - record date 10 March 2006, paid 23 March 2006	3.0 cents	3.0 cents

2.5 Record date for determining entitlements to the dividends: 09-Mar-07

2.6 Explanation of the results for the current half year period

See directors' report and Chairman's statement.

3. Net tangible assets per security

	Reporting period	Previous corresponding period
Net tangible asset backing per ordinary security	1.158	1.111

4. Control gained over entities having a material effect

There was no gain or loss of control of entities during the current period.

5. Dividends

An interim dividend of 4.0 cents a share fully franked will be paid on 23 March 2007.

6. **Details of dividend reinvestment plan in operation and the last date for the receipt of an election notice for participation in any dividend reinvestment plan.**

A dividend reinvestment plan is in operation in respect of ordinary shares in the company. However, the Director's have decided to suspend the plan in relation to the interim dividend payable 23 March 2007 and until further notice. Accordingly the dividend payable on 23 March 2007will be paid in cash as will all future dividends unless the DRP is reactivated.

7. **Details of associates and joint venture entities**

There were no associates or joint venture entity holdings in the current period.

Compliance Statement

8. The information provided in this report has been prepared in accordance with AASB standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

9. The MMC Contrarian Limited Financial Report for the financial half year ended 31 December 2006 has been subject to review. A copy of the independent review report to the members of MMC Contrarian Limited is attached.