MMC
Contrarian
Limited

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ABN 83 106 248 248

ASX COMPANY ANNOUNCEMENT

Date: October 25, 2007

Chairman's Address to the MMC Contrarian Limited AGM

MMC Contrarian results were released on 27th August 2007. I hope most of you have taken the opportunity to read the latest Annual Report.

For those who have not had a chance to review the report I will quickly run through some of the highlights of what has been a good year for your company.

Highlights for the year

There has been a substantial improvement in the company's performance, with total net earnings increasing 63% to $25.6m. This enabled a fully franked dividend of 8 cents to be paid – a 33% rise over last year's dividend of 6 cents per share.

With in excess of 50% of the investment portfolio in cash your company achieved a return of 14.6% before tax. This represents an increase of over 55% when compared with last year's return of 9.4%.

In February 2007 MMC Contrarian acquired its manager MMC Asset Management Limited, resulting in the portfolio function being taken in house. This has enabled the company to enter the growing funds management industry, while at the same time significantly reduce costs.

MMC Asset Management manages four unlisted unit trusts and a substantial part of your portfolio. Brendan Burgess and Stephen Atkinson - two experienced and capable investment professionals - have recently joined the investment team. In conjunction with Peter Constable they will continue to develop this investment into a formidable funds management business concentrating in the value segment of the market.

In conjunction with Charles Heenan an experienced global value investor, Contrarian Global Asset Management Limited was established during the year and is based in the United Kingdom.

In July 2007 we launched the Contrarian Global Value fund. This fund is now open for Australian investors and has a world wide mandate for securities meeting MMC Contrarians' value criteria

Strategy

Since the acquisition of MMC Asset Management Limited the board and management of MMC Contrarian have carried out a comprehensive review of your company's strategy.

In reviewing the strategy your board took into account the company's key objectives and conservative foundations. These are to preserve the capital of the company, provide a minimum return on capital of 15% per annum over the long term and pay regular fully franked dividends

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We also took into account the dynamics of the funds management industry. There is a strong tailwind of growth due to a number of factors, such as the ageing population, compulsory superannuation and expanding investment products.

The funds management industry also has global scale, is not capital intensive and allows participants to generate high profits once they achieve scale.

With these important factors in mind the board and management have decided to expand the number of fund management businesses that it owns. This will be achieved through either seeding experienced fund managers wishing to establish their own boutiques or acquiring fund managers already in operation.

This will provide the company with a dual source of income whereby it will generate returns from its investment portfolio and recurring earnings from funds management businesses.

At the conclusion of my address Andrew Fairweather the Chief Executive officer of the company will expand on your company's strategy.

Board Changes

Shortly after the year end Simon Rowell and Erik Metanomski resigned from the board.

Simon was the company's founding chairman and on behalf of the board I thank him for his contribution towards the development of your company into its current excellent position.

Erik decided to resign as a director and to leave the company he founded and behalf of the Board I wish him well.

I am pleased to welcome two new board members. Ray Kellerman is a non executive director. He is a qualified lawyer and businessman with extensive experience in funds management. Peter Constable is the chief investment officer of the company and a previous alternate Director.

I am pleased to advise that we expect to appoint another independent Director to the board at the end of this month that has more than 25 years experience in the local and international equity markets.

Outlook

In the four month period since the year end the global share markets have experienced substantial volatility. This is due to the reassessment of risks associated with the credit markets and the potential for a down turn in the US economy. MMC Contrarian has continued to hold substantial cash during this period. Peter Constable, our Chief Investment Officer, will discuss later in the meeting the investment performance of our portfolio.

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In conclusion I believe the company is well placed for the future. There is more than $24 million of retained profits, as well as $9 million of unrealised profits.

In addition MMC Contrarian has a strategy that is consistent with the company's past.

It is highly cashed up, currently has two operating funds management businesses with invigorated investment teams, and is capable of becoming a major participant in a dynamic industry worldwide with significant growth opportunities.

Your Board is building on the company's strengths to position us for the future and we are confident about our strategy.

K J Eley
Chairman.

For further information please contact:

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About MMC Contrarian Limited

MMC Contrarian Ltd (ASX listing code: MMA) is a listed financial services company that:

- Creates and invests in unlisted boutique fund managers in various asset classes;
- Acquires strategic stakes in existing funds management business; and
- Generates income for shareholders from two sources (a) returns on a pool of listed equities, cash and funds that are managed by its investee companies and (b) recurring earnings from each manager that it creates or acquires.