MMC
Contrarian
Limited

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The Manager
Companies Announcements Office
Australian Stock Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

DISPOSAL OF MMC ASSET MANAGEMENT LIMITED AND SHAREHOLDING IN NEW BOUTIQUE FUNDS MANAGEMENT BUSINESS

Disposal of MMC Asset Management Limited

MMC Contrarian Limited (MMA) and Valuestream Investment Management Limited (VIML) today announced that they have entered into a Share Sale and Purchase Agreement (SPA) to effect the sale and purchase of 100% of the shares in MMC Asset Management Limited (MMC Asset Management).

MMC Asset Management is a fund manager and the appointed Responsible Entity (RE) for the MMC Australian Share Fund (ASF), MMC Small Companies Fund (SCF) and MMC Value Growth Trust (VGT). VIML is a specialist outsourced RE provider that provides a low cost solution to a range of schemes for boutique fund managers, large institutions and international managers.

Completion of the SPA is subject to the fulfilment of a number of Conditions Precedent including but not limited to the following:

- The execution and Completion of an Investment Management Agreement to be entered into between VIML and Huon Capital Pty Limited (Huon);
- The execution and Completion of the Share Subscription Deed to be entered into between MMA and Huon; and
- Completion of a capital reduction in MMC Asset Management immediately prior to Completion.

The capital reduction will result in the return of approximately $6 million of capital to MMA by the settlement of cash and inter company loans. The return of capital exceeds the carrying value of the investment in MMA books in the amount of $5.7 million. These amounts are based on the unaudited results of MMC Asset Management for the year ended 30 June 2009.

MMC Asset Management's AFSL financial licence conditions will be supported at Completion by VIML drawing on its existing financial resources to capitalise MMC Asset Management with the amount required to satisfy the capital regulatory requirements of the AFSL.

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Shareholding in New Boutique Funds Management Business

MMA has entered into a Share Subscription Deed with Huon that will result in MMA owning a passive 10% interest in a new boutique fund manager that is headed by Michael Birch, the current Portfolio Manager of the MMC Asset Management investment team. The 10% equity stake will be issued to MMA on Completion of the sale of MMC Asset Management to VIML.

The Investment Management Agreement entered into between Huon and VIML effects the appointment of Huon as the investment manager of ASF, SCF and VGT. VIML is in the process of authorising Huon as a corporate authorised representative.

Funds Management Update

In line with the Chairman's Statement included in the half year results announcement, the Company has continued to review its strategic initiatives for its funds management operations in conjunction with its strategy of developing a broader presence in the wealth management industry. Despite top quartile performance by MMC Asset Management in the 2009 financial year, the market downturn and related fund outflows has resulted in a further decline in funds under management which no longer makes ownership of the funds management business cost effective. MMC Asset Management will report a loss for the 12 months ended 30 June 2009. The Board has therefore decided that in this instance it is in the interests of MMA to participate in this component of the wealth management value chain through partnering with Huon.

The decision to restructure its involvement in funds management allows MMA to focus on growing ComCorp Financial Advice Pty Limited (a wholly owned subsidiary of MMA acquired in April 2009) (ComCorp). It further allows ComCorp to provide a robust and transparent structure for its financial planners and materially reduces any structural conflicts of interest through the ownership of both product and advice segments of the financial services value chain. The 10% stake in Huon is considered by MMA to be a passive investment and totally independent of the ComCorp business. MMA will not seek to play an active role in the business of Huon but views the investment in the boutique funds manager as an investment opportunity obtained through the appointment of Huon as the investment manager to ASF, SCF and VGT.

The sale of MMC Asset Management is expected to complete by the end of July 2009.

For further information, please contact:

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