

MMC
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The Manager
Companies Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000
Dear Sir/Madam

UPDATE ON GPG TAKEOVER BID

The Independent Directors of MMC Contrarian Limited (**MMC**) note that the interest of the Guinness Peat Group of companies (**GPG**) in MMC has now increased to 61.9% as a result of the on-market takeover bid made by GPG subsidiary Ecurb Australia Pty Limited. The Independent Directors of MMC note that the Bidder's Statement sets out GPG's intentions in the event that it acquires more than 50% but less than 90% of the MMC shares on issue. GPG can only proceed to compulsory acquisition under Australian takeover law should it attain a holding of at least 90%.

As noted in the Target's Statement there are certain risks involved in remaining a minority shareholder of MMC. Shareholders who wish to take advantage of the liquidity afforded by GPG's offer of an unconditional cash price of \$0.50 per Share may consider selling their Shares for the best price available on market. The Independent Directors of MMC continue to recommend that shareholders do not accept the increased, final GPG offer by selling Shares at \$0.50. **The on-market bid closes on Friday, 6 November 2009.**

Deferred Tax Asset

As stated in section 6.2 of MMC's Target's Statement (released to ASX on 16 September 2009), there is a risk of impairment to the deferred tax asset if MMC fails to pass the "continuity of ownership" test as a result of GPG increasing its interest in MMC. As outlined, and depending on the final outcome of the on-market takeover bid, the Independent Directors will be in a position at conclusion of the bid, based on GPG's final shareholding, to finalise an assessment as to whether or not any impairment is required to the carrying value of the deferred tax asset. Accordingly, MMC shareholders should not assume that the deferred tax asset will be available to MMC after the close of the bid, given the risk of impairment as a result of the increased GPG shareholding.

The Independent Directors further note that they adopted an appropriately conservative approach in the Target's Statement and subsequent ASX announcements when comparing the bid value to MMC's cash backing, net tangible assets, and net assets per share on a "before tax" basis, meaning that no value was given to the deferred tax asset in the calculations. Accordingly, the most recent calculations set out in MMC's ASX release on 16 October remain correct even if the deferred tax asset is impaired.

For further information, please contact:
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