

For immediate release:

Friday, March 26, 2010

ACQUISITION OF BUPA AUSTRALIA'S LIFE INSURANCE AND WEALTH MANAGEMENT BUSINESSES

\$135 MILLION UNDERWRITTEN CAPITAL RAISING

SUMMARY

- MMC Contrarian Limited (MMC) has signed an agreement to acquire Bupa Australia's Life Insurance and Wealth Management businesses (MBF Life and ClearView Retirement Solutions) for \$195 million
- Transforms MMC into a highly focused life insurance and wealth management business
- Excellent distribution capabilities with 10 year exclusive alliance with Bupa Australia to market life and wealth management solutions to its 2.9 million private health insurance customer base
- Attractive price which represents a 22.6% discount to embedded value (including future franking credits) or an 8.5% discount to embedded value (excluding future franking credits)
- Substantial cost and revenue synergies expected to be achieved progressively over the first year of acquisition
- Appointment of a new Managing Director of MMC, Mr Simon Swanson. Mr Swanson is a former CEO of CommInsure and has 30 years experience across life, general and health insurance as well as funds management. Our previous Managing Director, Mr Alex Hutchison, will become the CEO of MMC's Wealth Management and Advice business with responsibility for the expanded businesses of ComCorp and ClearView
- Funded by existing cash and a \$135 million fully underwritten capital raising (Conditional Placement and Entitlement Offer) at a price of \$0.50 per share
- Guinness Peat Group (GPG) has agreed to take up its full entitlement of 68% under the Entitlement Offer and to vote in favour of the Conditional Placement
- Change of company name with effect from completion of the acquisition to "ClearView Wealth Limited" to reflect its new focus

Acquisition

MMC Contrarian Limited (**MMC**) (ASX: MMA) has signed agreements to acquire Bupa Australia's Life Insurance business (MBF Life) and Wealth Management business (ClearView Retirement Solutions) for \$195 million.

As part of the transaction, MMC has entered into an exclusive alliance with Bupa Australia to market its life insurance and wealth management products to Bupa Australia's 2.9 million private health insurance customers for a period of 10 years.

New Managing Director, Simon Swanson

MMC also announces that, in conjunction with the acquisition, the Board has appointed Mr Simon Swanson as the new Managing Director of MMC. Mr Swanson is a former CEO of Commlnsure and has 30 years experience across life, general and health insurance as well as funds management. Our previous Managing Director, Mr Alex Hutchison, will become the CEO of MMC's Wealth Management and Advice business with responsibility for the expanded businesses of ComCorp and ClearView.

MMC's newly appointed Managing Director and CEO, Mr Simon Swanson, said: "The acquisition of Bupa Australia's Australian life insurance and wealth management businesses represents a major opportunity to transform MMC into a significant, independent wealth management company in the Australian market place. The exclusive alliance with Bupa Australia represents a key growth platform for the medium term. We are delighted to be partnering with an organisation of Bupa's capabilities and look forward to delivering financial products and services to Bupa's customers"

Acquisition Funding

MMC's acquisition of MBF Life and ClearView, together with associated costs, will be fully funded through:

- Existing cash resources of MMC of \$69.2 million;
- A fully underwritten institutional placement conducted on Thursday 25 March 2010 to raise \$61.7 million which is conditional on shareholder approval at a meeting on 30 April 2010 (the "Conditional Placement") (refer below); and
- A fully underwritten non-renounceable pro-rata entitlement offer to raise A\$73.3 million (the "Entitlement Offer")

Commonwealth Securities Limited will underwrite the Conditional Placement and the Entitlement Offer.

The Entitlement Offer will be made under a prospectus (the **Prospectus**) which was lodged today with ASIC. A copy of the Prospectus follows this announcement, together with a copy of an Investor Presentation and Appendix 3B for the Entitlement Offer.

Strategic Rationale

The acquisition provides a compelling opportunity to create significant value for MMC shareholders.

The acquisition price for MBF Life and ClearView represents an attractive discount of 22.6% to the assessed embedded value of \$252 million (inclusive of the value of future franking credits) or an 8.5% discount to the assessed embedded value of \$213 million (excluding the value of future franking credits).

Synergies from the acquisition are likely to be substantial. The acquired businesses represent an ideal platform from which to grow the combined products and services of MBF Life, ClearView and ComCorp. In addition, MMC estimates that annual cost savings of approximately \$6.5 million will be achieved progressively over the first year.

MMC will remain debt-free post acquisition and will be in a strong capital position with approximately \$36.5 million of surplus capital above regulatory requirements and residual cash of approximately \$11.7 million, before settlement of any one-off integration and restructure costs associated with the acquisition.

Conditional Placement

As noted above, MMC is pleased to announce that it has raised a total of \$61.7 million of ordinary equity via a Conditional Placement to institutional investors at a price of \$0.50 per share. The Conditional Placement is fully underwritten and is subject to shareholder approval at a meeting scheduled for 30 April 2010.

Mr Swanson has also committed to subscribe for \$1 million of shares under the Conditional Placement.

Conditions to completion

Completion of the acquisition and the Conditional Placement are subject to MMC shareholder approval at a general meeting to be held on 30 April 2010. The general meeting documents will be released to ASX separately, and include the material terms of Mr Swanson's employment contract.

Completion of the acquisition is also subject to regulatory approvals, including from APRA and FIRB under applicable legislation. MMC expects the regulatory approval process to be finalised by the end of June 2010.

MMC's largest shareholder, GPG, supports the transaction and has stated that it intends to vote its 68% shareholding in favour of all resolutions including the Conditional Placement. GPG has also committed to take up its full entitlement in the Entitlement Offer.

ENTITLEMENT OFFER

Under the Entitlement Offer, MMC will raise \$73.3 million of equity through a fully-underwritten non-renounceable entitlement offer.

Eligible shareholders will be invited to subscribe for 1 new MMC share ("New Share") for every 1 existing share held as at 7.00pm (Australian Eastern Standard Time "AEST") on Wednesday 7 April ("Record Date"), at an Offer Price of A\$0.50 per New Share.

The Offer Price represents a 10.6% discount to the pro forma net asset value of the combined group of \$0.56.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlements will not receive any value in respect of entitlements they do not take up and their percentage shareholding will be diluted.

Eligible Shareholders can choose to take up their entitlements in whole, in part or not at all. Eligible Shareholders who take up their Entitlement in full can also apply for New Shares in excess of their entitlements. Eligible Shareholders are not assured of being allocated any New Shares in excess of their Entitlement and MMC retains final discretion to scale back applications as appropriate to ensure equity for all shareholders.

Key Dates

Lodgement of Prospectus with ASIC	Friday, 26 March 2010
Entitlement Offer Ex-rights date	Tuesday, 30 March 2010
Record date for Entitlement Offer	7.00pm, Wednesday, 7 April 2010
Entitlement Offer opens	Tuesday, 13 April 2010
Entitlement Offer closes	5.00pm, Tuesday, 27 April 2010
EGM to approve Placement	Friday, 30 April 2010
Settlement for Entitlement Offer and Placement	Tuesday, 4 May 2010
New shares under Entitlement Offer and Placement allotted	Wednesday, 5 May 2010
Holding Statements for New Shares despatched	Wednesday, 5 May 2010
Commencement on normal T+3 trading	Thursday, 6 May 2010

Shareholder Enquiries

Eligible Shareholders who have questions regarding the Entitlement Offer should read the Prospectus in full and if they require further information, call the MMC Entitlement Offer Information Line on 1300 160 481 (from within Australia) or +61 3 9415 4218 (from outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the Offer Period.

Investment Market and Media Enquiries

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