KordaMentha
Restructuring

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MEDIA RELEASE

Arrium sale proceeds start to flow

The first distributions from proceeds of the sale of the Arrium companies started to flow today when former employees of the mining and steel group were paid their entitlements.

A total of more than $7.1 million was paid to 402 employees who departed the company after KordaMentha Restructuring was appointed Voluntary Administrators in April last year.

Today's payments come less than a week after the completion of the sale of the Arrium businesses to the GFG Alliance headed by the Gupta family.

Administrator Mark Mentha said the payments represented 100 cents in the dollar for the employees' accrued leave, superannuation and other entitlements. Mr Mentha said other distributions would be announced soon.

Mr Mentha said distribution of the sale proceeds was the next step for KordaMentha after one of the most complex and biggest administrations in Australian corporate history.

"Arrium and Whyalla have a bright future under a new ownership ready to make the necessary investment for Australia to have an internationally competitive long steel industry," he said.

"The company was on the brink of collapse several times during the administration and it was saved by an incredibly powerful team effort by employees, managers, suppliers, the local community and the local, State and federal governments.

"It is appropriate, therefore, that the first distributions are going to people who worked at Arrium."

Mr Mentha said the Arrium administration involved $4 billion of debt, 6000 employees and thousands of suppliers, 40,000 customers, 60 banks and 30 bondholders and noteholders. During the administration, there were volatile prices for electricity, gas, coal and iron ore prices, a severe blackout that almost shut down the furnaces and a fire on the barge that carried 10,000 tonnes of iron ore per year.

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About KordaMentha Restructuring

KordaMentha Restructuring is the distressed business division of KordaMentha, an advisory and investment firm that helps clients to grow, protect and recover value.

KordaMentha Restructuring works with companies in financial distress – to restructure and to stabilise the business or to recover value on behalf of stakeholders. They have over 170 professional staff with diverse backgrounds and deep experience from accounting and agriculture to mining and real estate.