



KordaMentha
restructuring

First meetings of creditors

Arrium Group of Companies (Administrators Appointed)

19 April 2016

Arrium Group of Companies

94 companies in Administration

Company Name	ACN
A.C.N. 006 769 035 Pty Ltd	006 769 035
Akkord Pty Ltd	060 486 991
ANI Constructions (W.A.) Pty Ltd	008 670 871
Arrium Finance Pty Ltd	093 954 940
Arrium Iron Ore Holdings Pty Ltd	152 752 844
Arrium Limited	004 410 833
Atlas Group Employees Superannuation Fund Pty Ltd	060 568 998
Atlas Group Staff Superannuation Fund Pty Ltd	059 654 241
Atlas Group Superannuation Plan Pty Ltd	065 649 050
Australian National Industries Pty Ltd	000 066 071
Australian Wire Industries Pty Ltd	064 267 456
Austube Mills Holdings Pty Ltd	123 160 172
Austube Mills Pty Ltd	123 666 679
AWI Holdings Pty Ltd	004 157 475
B.G.J. Holdings Pty Ltd	004 859 536
Bradken Consolidated Pty Ltd	000 011932
Central Iron Pty Ltd	143 503 397
Cockatoo Dockyard Pty Ltd	000 025 918
Comsteel Pty Ltd	006 218 524
Coober Pedy Resources Pty Ltd	151599 905
Eagle & Globe Pty Ltd	000 122 305
Email Accumulation Superannuation Pty Ltd	065 263 658
Email Executive Superannuation Pty Ltd	065 263 818
Email Holdings Pty Ltd	092 348 555
Email Management Superannuation Pty Ltd	065 263 710
Email Metals Pty Ltd	004 574 681
Email Pty Ltd	000 029 407
Email Superannuation Pty Ltd	065 263 603
Emwest Holdings Pty Ltd	001992 123
Emwest Properties Pty Ltd	003 146 334
GSF Management Pty Ltd	064 116 874
J. Murray-More (Holdings) Pty Ltd	000 158 412

Company Name	ACN
John McGrath Pty Ltd	000 004 937
Kelvinator Australia Pty Ltd	007 873 734
Litesteel Products Pty Ltd	109 854 677
Litesteel Technologies Pty Ltd	113 101054
Metals Properties Pty Ltd	000 040 040
Metastores Pty Ltd	000 267 112
Metpol Pty Ltd	000 927 373
N.K.S. (Holdings) Pty Ltd	004 321313
O Dee Gee Co. Pty Ltd	004 208 191
OneSteel Americas Holdings Pty Ltd	147 067 016
OneSteel Building Supplies Pty Ltd	000 045 349
OneSteel Coil Coaters Pty Ltd	123 138 732
OneSteel Manufacturing Pty Ltd	004 651325
OneSteel MBS Pty Ltd	096 273 979
OneSteel NSW Pty Ltd	003 312 892
OneSteel Queensland Pty Ltd	010 558 871
OneSteel Recycling Holdings Pty Ltd	059 240 952
OneSteel Recycling Overseas Pty Ltd	105 479 356
OneSteel Recycling Pty Ltd	002 707 262
OneSteel Reinforcing Pty Ltd	004 148 289
OneSteel Stainless Australia Pty Ltd	004 610 851
OneSteel Stainless Pty Ltd	006 362 652
OneSteel Technologies Pty Ltd	096 380 219
OneSteel Trading Pty Ltd	007 519 646
OneSteel US Investments 1Pty Ltd	131211606
OneSteel US Investments 2 Pty Ltd	131211571
OneSteel Wire Pty Ltd	000 010 873
Overseas Corporation (Australia) Pty Ltd	004 242 086
P & T Tube Mills Pty Ltd	010 469 977
Palmer Tube Mills Pty Ltd	010 469 879
Pipeline Supplies of Australia Pty Ltd	008 573 475

Company Name	ACN
Reosteel Pty Ltd	000 142 094
Roentgen Ray Pty Ltd	000 028 106
Southern Iron Pty Ltd	119 611068
SSG Investments Pty Ltd	085 490 526
SSG No. 2 Pty Ltd	087 840 720
SSG No. 3 Pty Ltd	087 840 515
SSGL Share Plan Nominees Pty Ltd	085 943 540
SSX Acquisitions Pty Ltd	090 574 520
SSX Employees Superannuation Fund Pty Ltd	064 431116
SSX Holdings Pty Ltd	087 813 116
SSX International Pty Ltd	084 990 947
SSX Pty Ltd	082 181726
SSX Retirement Fund Pty Ltd	064 431303
SSX Services Pty Ltd	083 090 831
SSX Staff Superannuation Fund Pty Ltd	064 431072
Tasco Superannuation Management Pty Ltd	071901712
The ANI Corporation Pty Ltd	000 421358
The Australian Steel Company (Operations) Pty Ltd	069 426 955
Tube Estates Pty Ltd	010 449 939
Tube Street Pty Ltd	004 785 157
Tube Technology Pty Ltd	010 469 986
Tubemakers of Australia Pty Ltd	000 005 498
Tubemakers Somerton Pty Ltd	004 595 546
Western Consolidated Industries Pty Ltd	001185 913
Whyalla Ports Pty Ltd	153 225 364
X.C.E. Pty Ltd	004 081903
XEM (Aust) Pty Ltd	004 158 025
XLA Pty Ltd	004 239 392
XLL Pty Ltd	006 301266
XMS Holdings Pty Ltd	008 742 014
Zintek Pty Ltd	010 474 790

- Formal meeting requirements
 - Opening of meetings
 - Chairman
 - Time and place convenient
 - Attendance/proxies
 - Voting Procedures
 - Deeds of cross guarantee
 - Quorum
 - Concurrent meetings
 - Prior involvement of KordaMentha
 - Confirmation/removal of Administrators
- Administrators' Address
- Questions
- Committee of creditors

Commencement of formal meetings

Opening of Meetings

- The Chairperson to declare the First Meetings of Creditors of the Companies, called pursuant to Section 436E of the Corporations Act, open.

Chairperson

- The Chairperson to be declared, in accordance with Regulation 5.6.17(1) of the Corporations Regulations.

Time and Place Convenient

- The Chairperson to table
 - Notice of Meetings and Notice of Appointment posted to all known creditors on 7 April 2016.
 - Copy of the advertisement of notice of meetings published on the ASIC Insolvency Notices Website on 8 April 2016.
 - The Chairperson to declare that, pursuant to Regulation 5.6.14 of the Corporations Regulations, the meeting has been convened at a time and place convenient to the majority of creditors of the Companies.

Attendance/Admission of Proxies

- All in attendance must have signed an attendance register. If you have not done so, as either a creditor or observer in Sydney or Whyalla, please do so at the conclusion of these meetings.
- Every creditor who seeks to vote should have lodged their proof of debt and any applicable proxies or powers of attorney prior to these meetings.
- Proofs of debt and appointment of proxies accepted by the Administrators for voting purposes, should not be taken as an acceptance or rejection of a claim. The Administrators reserve the right to re-examine any documents should a voting dispute arise.
- In the event that a difference arises between the amount recorded in the books of the Companies and the amount claimed by creditors, the Chairperson will treat the claim as disputed to enable the relevant creditors to reserve all of their rights with respect to these claims.

Voting Procedures

- Motions put to creditors today are to be resolved on a show of voting cards unless a poll is demanded.
- Voting will occur in two locations, Sydney and Whyalla.
- If a poll is demanded, a resolution is carried if:
 - a majority of the creditors voting (whether in person, by attorney or by proxy) vote in favour.
 - the value of the debts owed by the corporation to those voting in favour of the resolution is more than half the total debts owed to all creditors voting. The Chairperson may exercise a casting vote if no result is reached for or against.

Arrium Group of Companies

1999 Deed of Cross Guarantee companies

Number	Company Name	ACN
1	Austube Mills Holdings Pty Ltd	123 160 172
2	Austube Mills Pty Ltd	123 666 679
3	Comsteel Pty. Limited	006 218 524
4	SSG No.2 Pty Ltd	087 840 720
5	SSG No.3 Pty Ltd	087 840 515
6	SSX Holdings Pty Ltd	087 813 116
7	The ANI Corporation Pty Ltd	000 421 358

Arrium Group of Companies

2008 Deed of Cross Guarantee companies

Number	Company Name	ACN
1	Arrium Finance Pty Ltd	093 954 940
2	Arrium Iron ore Holdings Pty Ltd	152 752 844
3	Arrium Limited	004 410 833
4	Litesteel Technologies Pty Ltd	113 101 054
5	Onesteel Americas Holdings Pty Ltd	147 067 016
6	Onesteel Coil Coaters Pty Ltd	123 138 732
7	OneSteel Manufacturing Pty Ltd	004 651 325
8	Onesteel MBS Pty Ltd	096 273 979
9	Onesteel NSW Pty Ltd	003 312 892
10	Onesteel Recycling Holdings Pty Ltd	059 240 952
11	Onesteel Recycling Overseas Pty Ltd	105 479 356
12	Onesteel Recycling Pty Ltd	002 707 262
13	Onesteel Reinforcing Pty Ltd	004 148 289
14	Onesteel Stainless Australia Pty Ltd	004 610 851
15	Onesteel Stainless Pty Ltd	006 362 652
16	Onesteel Trading Pty Ltd	007 519 646
17	Onesteel US Investments 1 Pty Ltd	131 211 606
18	Onesteel Wire Pty Ltd	000 010 873
19	Southern Iron Pty Ltd	119 611 068
20	SSX Acquisitions Pty Ltd	090 574 520
21	SSX International Pty Ltd	084 990 947
22	SSX Pty Ltd	082 181 726
23	SSX Services Pty Ltd	083 090 831
24	The Australian Steel Company (Operations) Pty Ltd	069 426 955
25	Whyalla Ports Pty Ltd	153 225 364
26	XMS Holdings Pty Ltd	008 742 014

Quorum

- The Chairperson to deem a quorum present for each of the meetings, pursuant to Regulation 5.6.16(2) of the Corporations Regulations.

Concurrent Meetings

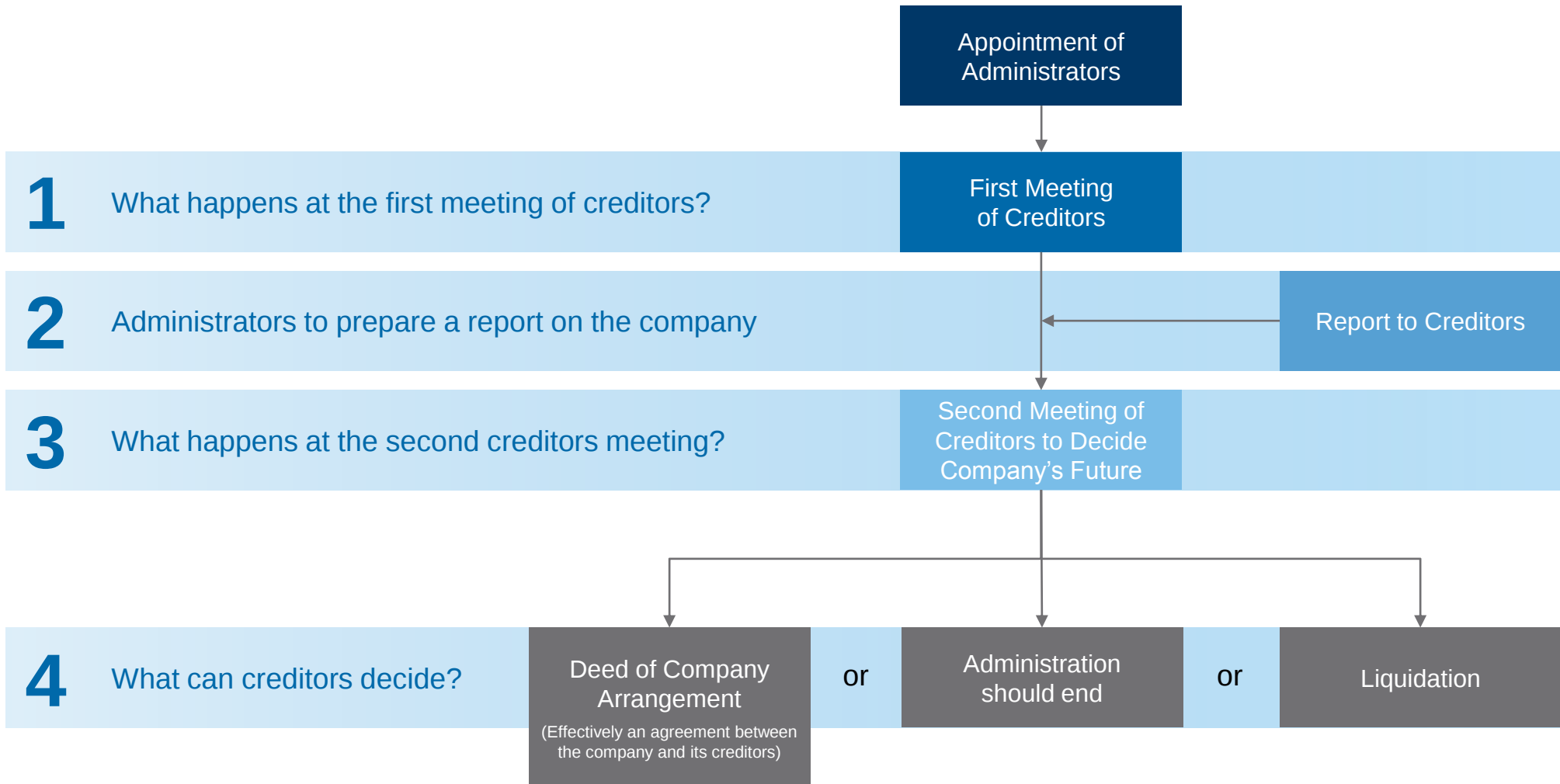
- Concurrent meetings vs 94 separate meetings.

Prior involvement of KordaMentha

- Our involvement did not commence until 7 April 2016, after the companies had already been placed in administration.
- The Chairperson to table a copy of the Declaration of Independence, Relevant Relationships and Indemnities.

Confirmation/Removal of Administrators

- The creditors may replace the Administrators of the Companies at the First Meetings of Creditors, pursuant to Section 436E of the Corporations Act.
- The Administrators have not received any nominations for an alternative administrator.
- Therefore their appointment as Administrators stands.

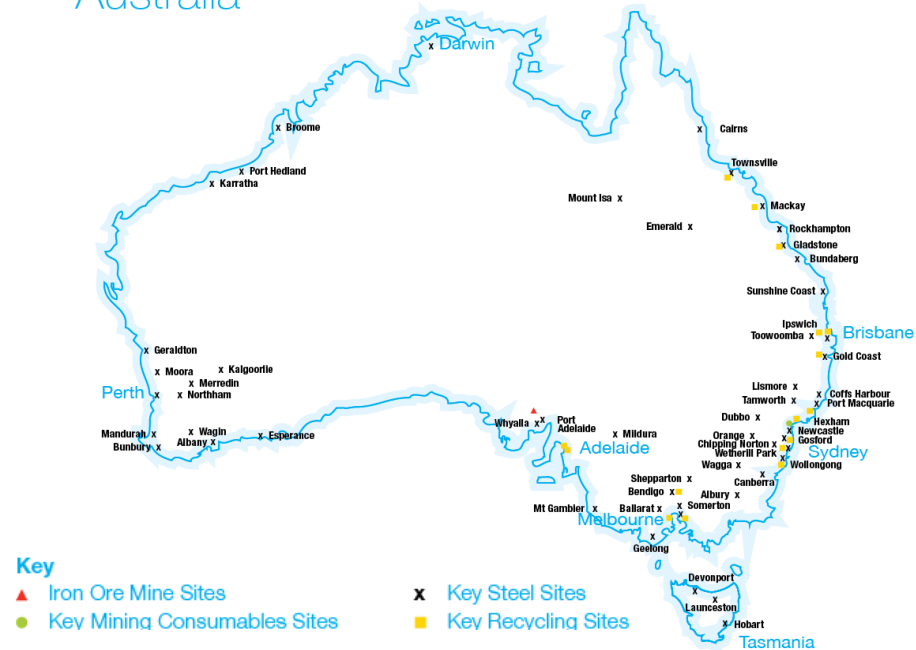


- An international diversified mining and materials company
- ~8,300 employees
 - Over 80% of workforce based in Australia
 - ~1,500 employees in Whyalla region and a further ~1,600 contractors
- ~30,000 customers and ~10,000 suppliers



Included in Voluntary Administration

Australia



arrium
STEEL

- Steel
- Recycling

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MINING

- Middleback Ranges
- Whyalla Port

Excluded from Voluntary Administration

Asia



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MINING CONSUMABLES

- Moly-Cop
- AltaSteel

North and South America



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STEEL

- Recycling Asian operations

	1H16 \$m	FY15 \$m	FY14 \$m
Profit & Loss			
Sales revenue	2,765	6,086	7,007
EBITDA	115	351	864
Operating cash flow (statutory)	(156)	(112)	679
Balance Sheet			
Total assets	6,197	6,241	8,002
Total liabilities	3,869	3,686	4,271
Net assets	2,328	2,555	3,731
Net debt	2,076	1,750	1,708
Inventories	1,043	1,025	1,235
Funds employed	4,404	4,305	5,439

Results are on an underlying basis unless otherwise stated.

Following our appointment, the Administrators have focussed on a number of issues (with the benefit of an effective handover from Grant Thornton). These issues include:

Business As Usual message

- Maintaining Arrium's commitment to a safe and healthy workplace.
- Working with creditors, customers and employees to address issues raised by the administration process.
- Ensuring ongoing trading is impacted as little as possible.
- Employee, supplier, customer and lender interests are aligned.

Media and Government Relations

- Conducted numerous media interviews to communicate key messages to company and community stakeholders.
- Meetings with Federal, State and Local Government leaders to discuss the administration process and opportunities to maximise potential outcomes for creditors and the wider community.

Employees

- KordaMentha staff were briefed and mobilised to a large number of sites to address employees and contractors directly following our appointment.
- Regular communications with all employees.

Suppliers and Customers

- With the support of the lenders, all transactional banking facilities have been re-instated.
- Many discussions with suppliers and customers around the country seeking a return to business as usual.

Cash flow forecasting

- Modelling Arrium's future cash flows while under administration is a critical step in understanding the options available to restructure the businesses.

Mining Consumables

- Moly-Cop is not in administration.
- Morgan Stanley action highlights complexities of the administration process.

Statutory Requirements

- Creditor, employee and customer circulars and notifications.
- Notifications to ATO, ASIC, ASX.
- Requested Reports as to Affairs from company directors.
- Preparation for first meetings of creditors.

1. Business as usual – continuation of trade and stabilisation of operations.
2. Develop strategy for Arrium
3. Attend to statutory reporting and investigations

QUESTIONS

- The functions of a Committee of Creditors are:
 - to consult with the Administrators about matters relating to the administrations
 - to receive and consider reports by the Administrators

- Nominations already received:
 - Steve Cook
 - AWU
 - ACTU
 - BIS Industries
 - Morgan Lewis as agent for the US Noteholders
 - Westpac
 - NAB
 - CBA
 - ANZ
 - Morgan Stanley
 - State Government of South Australia

- Resolution: “That a composite Committee of Creditors comprising [list members] be appointed for Arrium Limited (In Administration).”

- This now completes all formal business of the meetings
- Being no further business, the Chairperson to declare the meetings closed