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MEDIA RELEASE

Arrium creditors elect committee

Creditors of the Arrium Group of companies (Administrators Appointed) attended the First Meeting of Creditors today and elected representatives to sit on a committee to liaise with KordaMentha Restructuring.

Creditors of the company include employees, banks and suppliers. About 300 attended the meeting in Sydney, which was webcast to venues in Whyalla and Newcastle.

Administrators Mark Mentha and Cassandra Mathews gave the creditors a summary of the Arrium operations and the challenges ahead and took questions from the floor. The meeting formally decided to continue the administration with KordaMentha Restructuring.

Mr Mentha said later there was tremendous support from all stakeholders to work hard to find solutions to the issues facing Arrium. The support was coming from employees, management, the banks, suppliers and all levels of government.

"We now have some clear waters to begin the task, knowing that everyone has a mutual interest in preserving these businesses and the jobs and communities which rely on them." The meetings were told Arrium was an international diversified mining and materials company with about 8,000 employees at 160 sites with 30,000 customers and 10,000 suppliers.

The Administrators said the top priorities in the early stages are to maintain the operations and supplies to customers while making sure Arrium remains a safe and healthy place to work. The other tasks in KordaMentha's three-point plan are to develop a strategy for Arrium's sustainable future and attend to the statutory reporting requirements of an administration, including investigations.

Ms Mathews said KordaMentha Restructuring would probably seek an extension of the timing of the Second Meetings of Creditors, originally scheduled for mid-May. The Second Meetings receive a detailed written report from the Administrators. "It is common in large and complex administrations to seek more time so that the creditors are better informed," she said.

Mr Mentha said: "We have been tremendously heartened by the support from all sections of the community. The task will not be easy or quick, but a good outcome is achievable when everyone is working together."

The people elected to the creditors committee include representatives of the non-unionised workers, the AWU, ACTU, BIS Industries, Lucas Group, K&S Freighters, a representative of the US noteholders, Westpac, NAB, CBA, the Spanish bank BBVA, Morgan Stanley, the South Australian Government and the Federal Government.

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About KordaMentha

KordaMentha is an advisory and investment firm with prominent Forensic, Real Estate, Turnaround and Restructuring practices. Established by Mark Korda and Mark Mentha in 2002, today the firm employs over 300 specialists across Asia-Pacific with diverse backgrounds including accounting, agriculture, real estate, law enforcement, data analytics, retail, investment banking, restructuring and the C-suite who apply their real world experience, together with rigour and creativity to help clients overcome complex commercial matters.