



KordaMentha
restructuring

Arrium Group Companies

Report to Creditors
pursuant to Section 439A of the Corporations Act 2001

26 October 2016

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Key terms

Term	Definition
ARITA	Australian Restructuring Insolvency and Turnaround Association
Arrium Group Companies	The companies as listed in Appendix 1 (all in Voluntary Administration)
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Corporations Act	Corporations Act 2001 (Commonwealth)
DOCAs	Deeds of Company Arrangement
DOXG	Deed of Cross Guarantee
Second Meetings of Creditors	Meetings of the Arrium Group Companies convened pursuant to Section 439A of the Corporations Act

1 Executive summary

1.1 Appointment of Administrators

We, Mark Mentha, Martin Madden, Cassandra Mathews and Bryan Webster were appointed as Administrators of the Arrium Group Companies, as listed in Appendix 1, on 12 April 2016 pursuant to an Order of the Federal Court of Australia.

Prior to our appointment, on 7 April 2016 the boards of directors of the Arrium Group Companies resolved that the Arrium Group Companies were insolvent or likely to become insolvent, and appointed Said Jahani, Matthew Byrnes, Paul Billingham and Michael McCann ('the First Voluntary Administrators') of Grant Thornton as Administrators of each of the Arrium Group Companies pursuant to Section 436A of the Corporations Act. Our appointment as Administrators took effect immediately upon the resignation of the First Voluntary Administrators.

1.2 Extension of the convening period

On 10 May 2016 the Federal Court of Australia granted an extension to the convening period for the Second Meetings of Creditors of the Arrium Group Companies to 28 February 2017. The extension of the convening period represents the latest date by which the Second Meetings of Creditors are required to be held. The date for the Second Meetings of Creditors has been brought forward to support the sale and recapitalisation process requirements. We have now convened the Second Meetings of Creditors because we have formed the view that doing so will best facilitate the sale and recapitalisation process, and maximise the proceeds for the benefit of creditors.

1.3 Second Meetings of Creditors

The Second Meetings of Creditors of the Arrium Group Companies will be held concurrently at SMC Conference & Function Centre, 66 Goulburn Street, Sydney on 4 November 2016 at 12:00pm (AEDST). Formal notice of the Second Meetings of Creditors accompanies this Report. Registration for the meetings will commence at 10:00am (AEDST).

In addition to the Sydney location an audio webcast of the Second Meetings of Creditors will be broadcast in Whyalla, South Australia and creditors attending at this location will be provided an opportunity to vote on the resolutions.

Further detail regarding the Second Meetings of Creditors, including audio webcast details is provided in Section 2.5 below.

1.4 Purpose of this Report

The purpose of this Report is to provide information regarding the Arrium Group Companies' business, property, affairs and financial circumstances, and to provide the Administrators' opinion regarding the future of the Arrium Group Companies.

This single consolidated Report deals with all of the Arrium Group Companies as opposed to a separate report being prepared and issued for each of the Arrium Group Companies. As it is not possible at this time to cover all matters required by the ARITA Code of Professional Practice guidelines, the Administrators obtained directions from the Federal Court of Australia that they were justified in sending this Report to creditors. The Court documents in relation to this direction may be downloaded from our website at <http://kordamentha.com/creditor-information/australia/164/creditors>.

1.5 Conduct of the administrations

On appointment we assumed control of the Arrium Group Companies' operations, businesses and assets. Our initial strategy was as follows:

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

1.5.1 Stabilisation of operations and continuation of trade

Since our appointment, the Arrium Group Companies' businesses have traded in line with expectations. To assist in stabilising operations, in conjunction with management, we have engaged with stakeholders at all stages of the supply chain, including employees, suppliers and customers.

1.5.2 Strategy for the Arrium Group Companies

Sale and recapitalisation strategy

It is the view of the Administrators that the optimal structure for realisation of the majority of Arrium Group Companies' assets would be by way of sale of shares of at least 13 key trading companies in administration. The Administrators are of the view the sale of shares is preferred to an asset sale given:

- it will allow for a smooth transition of contracts of employment and enterprise agreements for the over 6,000 employees across the Arrium Group Companies
- there are over 30,000 customers and 30,000 suppliers to the Arrium Group Companies; the sale of shares will require far less contract assignments or novations
- the majority of intellectual property assets of the Arrium Group Companies would not need to be assigned
- interested parties will be more attracted to acquiring Arrium Group Companies if assets can be moved in and out of them so that they may acquire the operating company and the assets required to carry on the relevant business divisions
- interested parties may not wish to pay for valuable assets owned by the Arrium Group Companies but which are not required to carry on the business division, providing flexibility to realise these assets for value separately
- sales of assets and businesses would be complex, more expensive and lengthy to complete.

The Transaction Support DOCAs will enable the sale of shares of at least 13 key trading companies in administration (discussed in Section 1.6 below). The Transaction Support DOCAs are designed to ensure the Administrators can maintain confidentiality in a competitive process and provide interested parties with certainty that a transaction can be consummated efficiently without undue risks.

Morgan Stanley has been appointed to act as financial adviser with regard to the sale and recapitalisation process for the businesses of the Arrium Group Companies, referred to as the 'Arrium Australia' sale and recapitalisation process. Interested parties submitted indicative offers for the Arrium Australia businesses during mid October 2016. After review and assessment of the indicative offers, a select number of parties were invited to progress to the second phase of the process. These parties have now commenced detailed due diligence.

Further detail regarding the Arrium Australia sale and recapitalisation process will be provided to creditors in due course, however given the price sensitivities and the need to maintain competitive tension surrounding the sale and recapitalisation process at this critical stage, additional information cannot be provided at this time.

A more detailed overview of the sale and recapitalisation process is provided in Section 6.1 of this Report.

Liquidation

Under the terms of the DOCA, the Deed Administrators are empowered to place any of the Arrium Group Companies into liquidation. The Deed Administrators will determine the appropriate strategy in respect of the remaining Arrium Group Companies, subject to approval of the Committee of Creditors, after the sale and recapitalisation process is complete.

1.6 Proposed Deeds of Company Arrangement

Based on our review of the businesses and operations of the Arrium Group Companies we have formed the view that it is more practical to sell the businesses maintaining the existence of the Arrium Group Companies.

The Administrators have not received a DOCA proposal from any party which complies with the terms of the Corporations Act or in a form capable of acceptance.

In order to enable the proposed sale structure, the following DOCAs have been proposed by the Administrators for the Arrium Group Companies:

- Transaction Support DOCAs (for 93 of the Arrium Group Companies)
- Arrium Distribution DOCA (for one of Arrium Group Companies).

The Transaction Support DOCAs and Arrium Distribution DOCA have been proposed for the purpose of facilitating the sale and recapitalisation of the businesses and operations of the Arrium Group Companies, and to aggregate and pay creditors. The key objectives of the proposed DOCAs are to:

- maximise the chances of as many of the Arrium Group Companies' businesses continuing in existence
- provide a better return to creditors of the Arrium Group Companies as a whole, than would result from winding up of the Arrium Group Companies
- provide flexibility for a sale and recapitalisation of the Arrium Group Companies in terms of the structure of the businesses and assets
- provide for a cost efficient and timely mechanism for the sale and recapitalisation of the businesses of the Arrium Group Companies, the novation of liabilities of the Arrium Group Companies and the management of proofs of debt, determination of claims and payment of distributions to creditors.

The DOCAs also provide that creditors can be no worse off than if the Arrium Group Companies were placed into liquidation

1.6.1 Key features of the DOCAs

Creditors should note the following key features of the DOCAs:

- they allow for the continuation of voluntary administration-like trading such that the effect on day to day operations is minimised, noting the Deed Administrators retain a priority for trading liabilities incurred in the distribution waterfall
- A successful sale or recapitalisation (which involves the transition of employees and is facilitated by the DOCAs) will result in a significantly reduced priority claims of employees against the Arrium Distribution Fund, to the benefit of the Arrium Group Companies' creditors
- the downside of placing any of the Arrium Group Companies into liquidation is avoided at this critical stage of the administrations and the sale and recapitalisation process
- the Committee of Creditors elected at the First Meetings of Creditors will continue, with the powers of the Committee of Creditors specified
- the Committee of Creditors will have the power to approve a sale of assets or shares of Arrium Group Companies where the consideration exceeds \$20 million so as to allow for a confidential and timely acceptance of bids when received

- where shares in an entity are to be sold, the process will facilitate completion of the sale of the shares contemporaneously with the conclusion of the DOCA, so entities are sold free of pre-appointment liabilities
- pre-appointment creditor claims may be extinguished or novated to The Arrium Creditor Distribution Company Pty Limited, aggregating all claims. Where they are extinguished, creditors will receive the right to make a claim against the Distribution Fund, consistent with pre-appointment rights
- creditors can be no worse off than if the Arrium Group Companies were placed into liquidation
- all sale proceeds will be directed to The Arrium Creditor Distribution Company Pty Limited
- distributions will be streamlined through The Arrium Creditor Distribution Company Pty Ltd, making the process more efficient and cost effective
- legal claims, including those available to a liquidator, will be preserved to the greatest extent possible.

The DOCAs defer the decision regarding the future of the Arrium Group Companies to a later time, in line with the sale and recapitalisation program, and those decisions are delegated to the Committee of Creditors which is representative of the creditor constituency.

A comprehensive discussion of the key features of the DOCAs is provided in Section 7 of this Report and in the affidavit of Bryan Webster sworn on 21 October 2016 available at <http://kordamentha.com/creditor-information/australia/164/creditors>.

1.7 Opinion and recommendation

In accordance with Section 439A of the Corporations Act, it is the Administrators' obligation to make a recommendation to creditors on which of the three options detailed below is in the best interests of creditors. In this regard, the Administrators are required to recommend one of the following for each of the Arrium Group Companies:

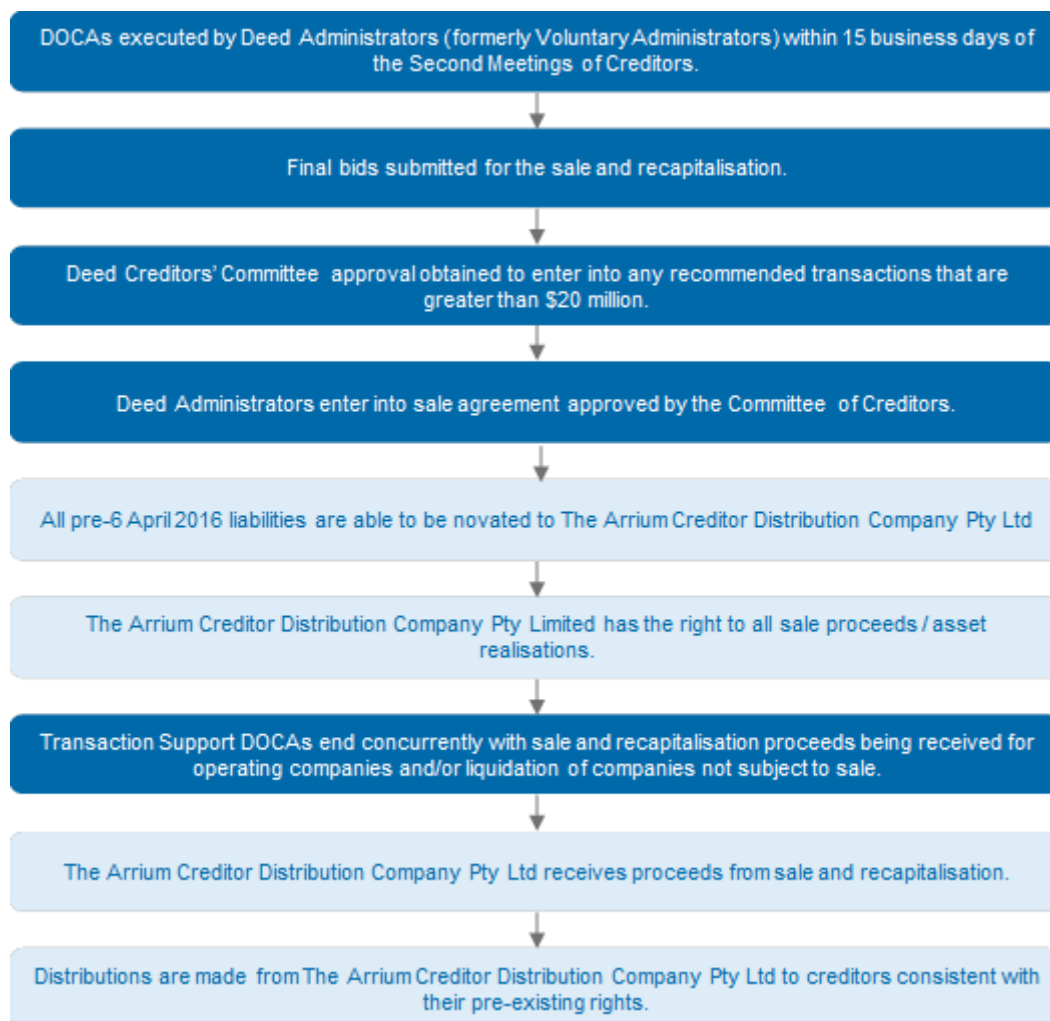
- the execution of a Deed of Company Arrangement, or
- the administration end, or
- the company be wound up.

By entering into the DOCAs, the Administrators and Morgan Stanley agree that the structure will result in the best sale price for the Arrium Group Companies. Having achieved maximum recoveries for the key assets and businesses, the streamlined distribution via an aggregated fund will deliver efficient distribution of proceeds to creditors, whilst ensuring rights to proceeds of individual creditors (as compared with liquidation) are protected.

It is our opinion that it would be in creditors' interests for each of the Arrium Group Companies to execute a DOCA. It is not in creditors' interests to bring the administrations to an end and it is not in the creditors' interests to wind up the Arrium Group Companies. As discussed in the analysis of the alternatives (see Section 8.3), the DOCAs will result in a return to creditors no less than if the Arrium Group Companies were liquidated.

1.8 Anticipated sequence of events

If creditors resolve that the Arrium Group Companies execute the DOCAs, the following will occur for the Arrium Group Companies which are sold through the Arrium Australia sale and recapitalisation process:



As noted above, there may be a number of Arrium Group Companies that are not sold or recapitalised. The Deed Administrators will assess the strategy in respect of each of these entities after the sale and recapitalisation process is complete.

1.9 Administrators' preliminary investigations

The Administrators have undertaken preliminary investigations into the affairs of the Arrium Group Companies. As our investigations are at a preliminary stage, we are not in a position to provide final comments about potential offences that may have been committed or amounts of money that may be recoverable in the event any of the Arrium Group Companies are placed into liquidation. However, we have identified a number of transactions entered into by the Arrium Group Companies that warrant further investigation by a liquidator, if appointed.

The Administrators' focus to date has been on business stabilisation and the sale and recapitalisation process, from which the distribution to creditors will largely be derived. In our view, there is still a significant amount of investigative work to be undertaken in respect to potential recoveries available to a liquidator. The required investigations will be continued by the Deed Administrators (if creditors resolve that the Arrium Group Companies execute the DOCAs) and the Deed Administrators will report to creditors in relation to their findings, including whether any of the Arrium Group Companies should be placed into liquidation so that claims may be pursued by a liquidator, if appointed.

1.10 Estimated return to creditors

As the sale and recapitalisation process is still underway, and because of the complexities and sensitivities associated with the sale and recapitalisation process and the incomplete investigations of potential claims, the Administrators are not currently in a position to provide creditors with an indication of the estimated distribution that will be paid by the Arrium Group Companies. However, we are of the view that creditors will achieve a better return under the DOCAs than from a liquidation of the Arrium Group Companies.

1.11 Further reporting to creditors

Eleven meetings of the Committee of Creditors have been held since our appointment, and we expect these meetings to continue on a fortnightly basis in the near term.

We will also continue to provide quarterly update reports to the ASX.

If creditors resolve that the Arrium Group Companies execute the DOCAs, the Deed Administrators will provide a report to creditors following completion of the Arrium Australia sale and recapitalisation process. This Report is expected to be released in the first quarter of 2017 and will include the following:

- update on the sale and recapitalisation process
- update on further investigations undertaken by the Deed Administrators
- estimated return to creditors of the Arrium Group Companies
- estimated timing of return to creditors of the Arrium Group Companies
- update on the intended strategy for the Arrium Group Companies which have not been sold.

2 Appointment of Administrators

2.1 Object of administration

Section 435A of the Corporations Act states that the objects of the administration provisions of the Corporations Act are to provide for the business, property and affairs of an insolvent company to be administered in a way that:

- maximises the chance of the company, or as much as possible of its business, continuing in existence, or
- if it is not possible for the company or its business to continue in existence, results in a better return for the company's creditors and members than would result from an immediate winding up of the company.

This Report has been prepared in accordance with Section 439A(4) of the Corporations Act.

This Report has been prepared from information obtained from the Arrium Group Companies' records and from our own enquiries. We have no reason to doubt the information contained in this Report. The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. Except where otherwise stated, we reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this Report and the date of the Second Meetings of Creditors.

Section 442A of the Corporations Act grants the Administrators qualified privilege in respect of any statements made, orally or in writing, in the course of exercising their duties, which includes publication of this Report.

Neither KordaMentha nor any member or employee thereof undertakes responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to us.

2.2 Prior involvement with the Arrium Group Companies

We have had no prior involvement with the Arrium Group Companies, its directors or any related party which precluded us from accepting the appointment.

Details of our dealings with Bilateral Financiers and Noteholders (collectively 'the Financiers') and the Australian Workers Union ('AWU') were detailed in the Declaration of Independence, Relevant Relationships and Indemnities ('DIRRI') included in our circular to creditors of 13 April 2016, a copy of which is included as Appendix 2. There has been no change to the position as stated in the DIRRI.

2.3 First Meetings of Creditors

Section 436E of the Corporations Act required us to conduct a meeting of the creditors of each of the Arrium Group Companies within eight business days of appointment of administrators ('the First Meetings of Creditors'). The First Meetings of Creditors were held on 19 April 2016.

2.4 Committee of Creditors

At the First Meetings of Creditors it was determined by the creditors, after approval by the Federal Court of Australia that it would be in the best interests of the Arrium Group Companies' creditors for only one committee of creditors to be formed.

2.4.1 Composition of the committee

A resolution was passed by the creditors present at the meetings to appoint a Committee of Creditors for Arrium Limited. Members of the Committee of Creditors are detailed below.

Creditor/Representative Group

Australia and New Zealand Banking Group Limited
 Australian Council of Trade Unions
 Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)
 BIS Industries Limited
 Commonwealth Bank of Australia Limited
 Commonwealth of Australia (Department of Employment)
 K & S Freighters Pty Limited
 Lucas Total Contract Solutions Pty Ltd
 Morgan Lewis as representative for US Private Placement Noteholders
 National Australia Bank Limited
 State Government of South Australia
 Steve Cook
 The Australian Workers' Union
 Westpac Banking Corporation Limited

2.4.2 Committee of Creditors meetings

Due to the commercially sensitive nature of information being provided to members of the Committee of Creditors, each member was required to sign a confidentiality agreement prior to any commercially sensitive information being distributed to them.

To date, there have been eleven meetings of the Committee of Creditors. Details of the meetings are as follows:

Date of meeting	Matters discussed
5 May 2016	Sale/recapitalisation strategy update Cash flow and forecasts Court application update Status of investigations Administrators' remuneration discussed
19 May 2016	Overview of steel business provided in relation to rod, bar and wire Update of Whyalla cost saving measures and capital expenditure Cash flow and forecasts Business budgets and forecasting Initial view of the sale and recapitalisation process of Arrium Australia businesses Court application update Approval of Administrators' remuneration
2 June 2016	Overview of steel business provided in relation to Distribution and Recycling Whyalla update Cash flow and forecasts Update on preparations of due diligence materials Method for allocation of Administrators' remuneration
16 June 2016	Overview of Mining business Whyalla update Cash flow and forecasts Update on the underlying EBITDA for the Voluntary Administration period Update on the sale and recapitalisation, and due diligence program for Arrium Australia businesses Approval of Administrators' remuneration and resolution for allocation in accordance with Arrium Group Companies' Remuneration Policy Manual dated June 2016
30 June 2016	Overview of the Whyalla Steelworks business Whyalla update Cash flow and forecasts Real property update
15 July 2016	Beneficiation plants update Whyalla update Overview of Arrium commercial function Cash flow and forecasts Approval of Administrators' remuneration
28 July 2016	Arrium Australia sale and recapitalisation update Cash flow and forecasts
11 August 2016	Arrium Australia sale and recapitalisation update provided by Morgan Stanley Proposed Deed of Company Arrangement overview Overview of proposed steps to manage conflicts throughout the sale and recapitalisation process Cash flow and forecasts Approval of Administrators' remuneration
8 September 2016	Arrium Australia update Strategy and business unit update Mining and Whyalla Steelworks update Government and major infrastructure Deed of Company Arrangement update Cash flow and forecasts Approval of Administrators' remuneration

Date of meeting	Matters discussed
6 October 2016	Arrium Australia update Whyalla update Deed of Company Arrangement and Second Meetings of Creditors update Cash flow and forecasts Approval of Administrators' remuneration
20 October 2016	Arrium Australia update Deed of Company Arrangement and Second Meetings of Creditors update Cash flow and forecasts

In addition to the above meetings, to date we have provided 29 written update reports to the Committee of Creditors covering off on matters including: cash flow forecasting, operations, remuneration, the Arrium Australia sale and recapitalisation process and other material matters.

2.5 Second Meetings of Creditors

We are required to convene a second meeting of creditors of each of the Arrium Group Companies pursuant to Section 439A of the Corporations Act to consider the future of each of the Arrium Group Companies.

Before the Second Meetings of Creditors, we must prepare a report on the business, property, affairs and financial circumstances of the Arrium Group Companies, and provide opinions on certain matters, which is the purpose of this Report. This Report allows creditors to be in a position to vote at the Second Meetings of Creditors on the options available to them. The options for each of the Arrium Group Companies are:

- the execution of a Deed of Company Arrangement, or
- the administration end, or
- the company be wound up.

We advise that the Second Meetings of Creditors will be held on:

Date: 4 November 2016
Time: 12:00 pm (AEDST)
Location: SMC Conference & Function Centre, 66 Goulburn Street, Sydney

Formal notice of the Second Meetings of Creditors accompanies this Report. Registration for the Second Meetings of Creditors will commence at 10:00am (AEDST).

An audio of the Second Meetings of Creditors will also be held in Whyalla, South Australia. KordaMentha staff members will be present in Whyalla and creditors will be provided an opportunity to vote on the resolutions. The details of this location are as follows:

Date: 4 November 2016
Time: 11:30 am (ACDT)
Location: Palms Function Centre, 100 Mcdouall Stuart Ave, Whyalla Norrie SA

Please arrive approximately one hour before to ensure there is sufficient time for registration prior to commencement of the meetings.

A Form 532 – Appointment of Proxy ('Proxy Form') also accompanies this Report. If you intend to appoint another person to act on your behalf at the Second Meetings of Creditors, or you are a corporate creditor, you are required to complete the Proxy Form appointing your representative. Proxy Forms may be sent via facsimile at +61 2 9287 0309 or via email at arrium@linkmarketservices.com.au. Alternatively, forms may be sent via mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. Appointment of Proxy forms must be received by no later than 4:00pm on Wednesday 2 November 2016.

If you are representing a company, please ensure that your Proxy Form is executed pursuant to Section 127 of the Corporations Act or your representative is appointed pursuant to Section 250A of the Corporations Act, otherwise you will not be entitled to vote.

Creditors are required to have lodged Proofs of Debt no later than 4:00pm on Wednesday 2 November 2016, failing which they will be excluded from voting. A Form 535, Formal Proof of Debt or Claim, accompanies this Report. Proofs of Debt may be sent to via facsimile at +61 2 9287 0309 or via email at arrium@linkmarketservices.com.au. Alternatively, forms may be sent via mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

Those creditors who have already lodged a Proof of Debt are not required to lodge a further proof (unless they wish to amend their claim).

Instructions on how to complete both the Proof of Debt and Proxy Form accompany this report.

An audio webcast facility will also be available. Please note that creditors utilising the audio webcast facility will not be considered as attendees and will not be able to vote or participate. If you wish to vote or participate, you must attend in person or by proxy. Login details for the webcast can be obtained from Link Market Services at arrium@linkmarketservices.com.au or by phone on 1300 553 490.

For the convenience of creditors located in Newcastle, the audio webcast will be made available at a location in Newcastle to enable creditors to observe the Second Meetings of Creditors, the details of which are as follows:

Date: 4 November 2016
Time: 12:00pm (AEDST)
Location: Merewether Room
McDonald Jones Stadium, 294 Turton Road, Broadmeadow NSW 2292

As discussed in Section 4.9.2 below, an order from the Federal Court of Australia has been obtained that certain union representatives may vote at the Second Meetings of Creditors for members of those unions, other than those that attend the Second Meetings of Creditors in person or by proxy. If you would prefer to vote yourself, please attend the Second Meetings of Creditors in person at either the Sydney or Whyalla locations detailed above or submit a signed Proxy Form in accordance with the instructions above by no later than 4:00pm on Wednesday 2 November 2016.

A copy of this Report, together with other information relating to the Arrium Group Companies, can be found on the KordaMentha web site at <http://kordamentha.com/creditor-information/australia/164/creditors>.

2.5.1 Conduct of voting at the Second Meetings of Creditors

For the purposes of voting at the Second Meetings of Creditors, the Administrators have determined that creditors of any of the Arrium Group Companies which is a member of an ASIC DOXG, will be deemed to be a contingent creditor of all other companies within that DOXG and will be admitted for voting purposes as contingent creditors of those companies at the Second Meetings of Creditors.

The Administrators will inform the Second Meetings of Creditors that it will be assumed a quorum is present for each of the Arrium Group Companies. The Administrators will also invite any person aggrieved by this assumption of a quorum to inform us and we will then make a further application to the Federal Court of Australia after the Second Meetings of Creditors to resolve any disclosed concerns about the assumption of quorum.

The Administrators will also inform the Second Meetings of Creditors that they intend to deal with the 94 meetings concurrently for each of the Arrium Group Companies but if creditors of any one of the Arrium Group Companies takes objection to them doing so they will ask creditors of each objecting company to vote on whether they may continue with concurrent meetings and abide by the outcome of that vote. The Administrators will also invite any creditor aggrieved by this process to inform us and we will then make a further application to the Federal Court of Australia after the Second Meetings of Creditors to resolve any disclosed concerns about holding the 94 meetings concurrently.

The Administrators have also advised ASIC of the above matters and the Administrators will table at the Second Meetings of Creditors the email communications between ASIC and our lawyers.

While the Second Meetings of Creditors will be held concurrently, the Administrators will ask creditors who object to the DOCAs or wish to abstain, to record their objections and will assume all other creditors or owners of property have voted in favour of the DOCAs. **Owners or lessors of property or secured creditors should take steps to inform the Administrators if they oppose or are not in favour of the DOCAs.**

2.6 Administrators' comments on this Report

2.6.1 ARITA Code of Professional Practice

The ARITA Code of Professional Practice ('the Code') provides guidance to Insolvency Practitioners on a number of matters concerning the external administration of companies, including the contents of an Administrators' report to creditors pursuant to Section 439A of the Corporations Act.

Due to the size and complexity of the Arrium Group Companies, and the current stage of the sale and recapitalisation process, it is not possible at this time to cover all matters required by the Code. A summary of such matters is included in Appendix 3.

As stated above, we obtained a direction from the Federal Court of Australia that we are justified in sending this Report to creditors in this form.

2.6.2 Consolidated Report

The Administrators have determined it is appropriate to prepare and issue one consolidated report pursuant to Section 439A of the Corporations Act to all creditors of the Arrium Group Companies rather than preparing individual reports for each of the Arrium Group Companies as:

- The operational arrangements of the Arrium Group Companies are such that management and financial reporting is conducted on a consolidated basis, often by business division (e.g. Mining, Whyalla Steelworks), as opposed to legal entity.
- The existence of the 1999 DOXG and 2008 DOXG. The effect of the ASIC DOXG are to require each member of the DOXG group to guarantee the debts of each other member of the DOXG group upon its winding up (i.e. liquidation). Arrium Limited and the wholly owned subsidiaries who are parties to the DOXG or who have acceded to the DOXG would be recognised as a single legal entity upon winding up.

3 Background to the Arrium Group Companies

3.1 Corporate structure

The corporate structure of the Arrium Group Companies is complex and includes 136 entities in total, with 94 of the 136 entities in voluntary administration. A summary of the corporate structure is contained in Appendix 4. The holding company, Arrium Limited is listed on the ASX. On 6 April 2016 its shares were suspended from trading.

Of the Arrium Group Companies, there are 13 key trading entities which house the majority of the businesses and operations, and there are nine employing entities covering approximately 6,000 employees.

The 42 companies that are not in administration include 20 international entities that are involved in the Arrium Group Companies' operations and 22 companies involved in the Mining Consumables business ('Moly-Cop Entities').

3.1.1 ASIC Deeds of Cross Guarantee

In order for wholly owned groups of companies to obtain certain financial reporting relief from ASIC, a DOXG must be executed whereby each member of the DOXG is required to guarantee the debts of each other

member of the DOXG upon its winding up. Creditors of an insolvent company which is a member of a DOXG are provided access to claim against the assets of the holding company and each other member of the DOXG, and vice versa.

There are two separate ASIC DOXG in effect being:

- 1999 DOXG – includes key operating entities of the Austube Mills ('ATM') business, Commonwealth Steel Company Pty Limited and a number of other non-trading or dormant entities¹
- 2008 DOXG – includes all of the key operating entities and asset holding entities outside the 1999 DOXG. Note that the 42 companies not in administration are not part of the 2008 DOXG, including the Moly-Cop Entities.

Appendix 5 contains a listing of member companies for each of these DOXG. Of the Arrium Group Companies, all major operating companies are members of one of these DOXG. The relevant effect of the DOXG is that they essentially create two major groups of creditors; being creditors of 1999 DOXG and creditors of 2008 DOXG.

3.1.2 Corporate guarantees

The Arrium Group Companies' main debt facilities were provided by three groups of Financiers. These main debt facilities are supported by two guarantees provided by certain members of the Arrium Group Companies:

- 'OneSteel Group Guarantee Deed Poll' dated 28 March 2011
- 'Deed of Guarantee' dated 9 July 2008.

Contained in Appendix 6 is a listing of companies which are party to each of these guarantees ('the Guarantors'). The Guarantors include companies which are subject to voluntary administration as well as a number of companies not in voluntary administration, including certain Moly-Cop Entities. These guarantees are not supported by a security interest over the assets of the Guarantors and therefore, the Financiers are unsecured creditors of the Guarantors.

3.2 History of the Arrium Group Companies

The Arrium Group Companies commenced as a domestic steel and long products manufacturer and distributor of steel products throughout Australia and New Zealand following separation from BHP Limited in 2000. OneSteel Limited (now Arrium Limited) was listed on the ASX in October 2000.

A brief history of the Arrium Group Companies is summarised below:

Financial year

FY00-03	Due to the initial debt structure of the Arrium Group Companies, the focus over 2000-03 was debt reduction through reducing costs and cash generation. These measures led to increased earnings and a reduction in net debt from \$857 million at 30 June 2001 to \$470 million at 30 June 2003. In April 2001 the Arrium Group Companies acquired the steel distribution business known as Email Metals via a joint bid with Smorgon Steel Group.
FY04	The Arrium Group Companies commenced a diversification strategy into the resource sector through Project Magnet, a \$400 million investment to convert the Whyalla Steelworks to magnetite iron ore feed. This investment created a new revenue stream for the Arrium Group Companies by freeing up hematite ore for export sales and led to initial sales of approximately four million tonnes per annum ('mtpa'), later increasing to six mtpa in the financial year ended 30 June 2010.
FY08	The Arrium Group Companies acquired Smorgon Steel Group in August 2007 which was the only other manufacturer of long steel products in Australia. The assets acquired in this transaction included the Laverton Steel Mill, grinding media sites in Australia, USA and Indonesia, and recycling businesses in Australia and USA.

¹ It is noted that an issue has arisen in relation to the technical validity of the original Deed of Assumption by which the ATM businesses were joined to the 1999 DOXG. Steps are being taken with ASIC to resolve the technical error.

Financial year

FY11	The Arrium Group Companies acquired the Moly-Cop business for USD\$932 million from Anglo American on 31 December 2010, which included facilities in Canada, Mexico, Peru and Chile. Following acquisition, the Arrium Group Companies were positioned as the global leader in grinding media with participation in some of the worlds' largest and most attractive mining consumables markets. In 2011, the Arrium Group Companies divested their interest in Donhad Pty Limited which was acquired as part of the Moly-Cop transaction.
FY12	Acquisition of iron ore assets of WPG Resources Limited (renamed Southern Iron) in South Australia for approximately \$320 million in October 2011. This acquisition included high grade hematite ore and magnetite ore resources. Investment of \$200 million to double capacity of Whyalla Port from six mtpa of iron ore to 12 mtpa. The expansion of the iron ore business would lead to the Arrium Group Companies being one of the largest iron ore exporters in Australia.
FY13	Rebranding and change of name from OneSteel Limited to Arrium Limited in July 2012 to better reflect its mix of mining and material businesses. There was a strategic focus on reducing debt following completion of the Mining business growth investments. To assist with debt reduction, an asset divestment program was commenced which focussed on non-integrated steel businesses. A single steel business was formed (Manufacturing and Distribution) to reduce costs and improve efficiencies.
FY14	Andrew Roberts replaced Geoff Plummer as Managing Director and CEO in July 2013. Asset divestments in the financial year ended 30 June 2014 totalled approximately \$240 million. Iron ore prices reduced to an average of USD\$123 per tonne compared to USD\$151 per tonne in the 2012 financial year.
FY15	Asset divestments in the 2015 financial year totalled approximately \$200 million. Iron ore prices reduced to an average of USD\$72 per tonne in the financial year ended 30 June 2015. The Arrium Group Companies commenced a substantial cost reduction program and strategic review to assess options for providing appropriate structure and level of debt in a low iron ore price environment. The Mining business was restructured in January 2015 (with Southern Iron in care and maintenance) and again in June 2015. Asset impairments of \$1.8 billion were recorded by the Arrium Group Companies, predominantly in the Mining business. A fully underwritten capital raising of \$754 million was used to reduce debt levels.
FY16	Further decline in iron ore prices to an average of USD\$51 per tonne, with a low of US\$38 per tonne in December 2015. There was also a decline in international steel prices to 12 year lows. A \$100 million cost reduction program was announced for the Whyalla Steelworks in October 2015. Further information regarding the events leading up to the appointment of Administrators in April 2016 is contained in Section 3.8 below.

3.3 Operations of the Arrium Group Companies

The Arrium Group Companies operate as a fully integrated steel manufacturer and the leading distributor of steel products in Australia. Operations comprise five core divisions:

- Mining and Port
- Whyalla Steelworks
- Manufacturing and Integration
- Distribution and Recycling
- Mining Consumables (Moly-Cop) (not subject to voluntary administration).

3.3.1 Mining and Port

The Mining division produces iron ore for export sales and feedstock to the Whyalla Steelworks (in the form of pellet and lump). The business has two key mining operations, the Middleback Ranges and Southern Iron (currently on care and maintenance). The Middleback Ranges currently operates as four mine areas:

- South Middleback Ranges ('SMR')
- North SMR
- Iron Baron Mining Area
- Iron Knob Mining Area.

Mining leases include export quality hematite ore and a magnetite resource with development potential. The division has its own infrastructure that includes a rail network from the Middleback Ranges to Whyalla, and a wholly owned multi-user port at Whyalla.

3.3.2 Whyalla Steelworks

The Whyalla Steelworks is located at Whyalla, South Australia, approximately 400 kilometres north-west of Adelaide. It is an integrated steelworks using feedstock sourced from the Mining division. Whyalla Steelworks produces common and special grade billet as feedstock for the downstream Manufacturing and Integration division, as well as producing rail and structural steel products for sale; sales of slab and billet are made to external customers on an opportunistic basis.

Whyalla Steelworks has the capacity to produce approximately 1.2 mtpa of raw steel. Billets produced from Whyalla Steelworks and the Sydney and Laverton electric arc furnaces are rolled into a wide range of long products that are sold directly to external customers, as well as to the Distribution business.

3.3.3 Manufacturing and Integration

The Manufacturing and Integration business is Australia's only manufacturer of steel long products, with steelmaking capacity of approximately 2.1 mtpa.

Manufacturing and Integration facilities consist of two electric arc furnaces (Sydney, New South Wales and Laverton, Victoria) and several rolling mills and wire mills. It also includes the ATM business.

The Rod Bar Wire business produces a wide range of products and services for a diverse range of markets including the construction, rural, mining and manufacturing segments. Products include bar and rod for the reinforcing market, merchant bar, and rod feed for the wire industry. These products are produced from facilities in Sydney and Newcastle, New South Wales and Laverton, Victoria. The electric arc furnaces and billet casting facilities at the Laverton and Sydney steel mills have a combined capacity of approximately 1.4 mtpa. Additionally, approximately 0.7 mtpa of billet is supplied from the Whyalla Steelworks.

The Wire business consists of wire mills in Newcastle and Jindera, New South Wales, and Geelong, Victoria. The business predominantly services the rural fencing markets (via its Waratah and Cyclone brands) and domestic reinforcing and manufacturing segments.

3.3.4 Distribution and Recycling

Distribution

The Distribution business includes The Australian Reinforcing Company, OneSteel Reinforcing and OneSteel Metalcentre, providing the distribution network through which Arrium steel is sold into its various markets.

The business distributes steel products sourced from its Manufacturing and Integration division and is complemented by externally sourced products.

- OneSteel Metalcentre – is a steel distribution business that processes and distributes a broad range of structural steel and related steel products, servicing a wide range of markets through its extensive network of branches, covering all major cities and regional areas
- The Australian Reinforcing Company – provides high quality Australian-made steel reinforcing products to residential building and commercial construction projects targeting mid-tier construction projects
- OneSteel Reinforcing – offers a range of innovative reinforcing solutions, using high quality Australian made steel to customers, particularly in the commercial and civil construction and mining sectors.

Recycling

The Recycling business is the 2nd largest steel recycling business in Australia, collecting and processing both ferrous and non-ferrous scrap materials for use as feed supply to the Whyalla steelworks, electric arc furnaces and overseas export markets. The Recycling business also operates an Asian trading business that performs international sales and brokerage of scrap metals in South East Asia. The business is a core component of the integrated steel value chain, providing feed supply and market insight. The business operates 22 sites in Australia and 9 in Asia, with a combination of physical operations in the form of collection sites and trading offices that supply raw materials to foundries, smelters and steel mills in Australia and globally.

3.3.5 Mining Consumables (Moly-Cop - not subject to voluntary administration)

Mining Consumables supplies resource companies with a range of key mining consumables, including grinding media and rail wheels. Through its Moly-Cop brand, it is the largest supplier of grinding media in the world with leading market positions in North America, South America and Australasia.

Moly-Cop has the capacity to produce approximately 1.6 mtpa of grinding media, including both roll formed and upset forged, in a range of different sizes.

3.4 Historical financial performance

Arrium Limited was required to release consolidated audited financial reports (which include the Arrium Group Companies) to the ASX on a half-yearly and yearly basis. The last financial statements released to the ASIC and ASX were the half-yearly audited financial statements prepared as at 31 December 2015.

Detailed below is a summary of the consolidated profit and loss, balance sheet and cash flow statements of Arrium Limited, as reflected in the audited financial reports for the years ended 30 June 2014 and 30 June 2015, and for the half-year ended 31 December 2015. The below included financials are on a consolidated basis and include Arrium Limited and all of its subsidiary entities including those which are not subject to voluntary administration ('Arrium Limited Consolidated Group'). Detailed financial reports for the periods up to 31 December 2015 are available on the website: <http://www.arrium.com/investor-centre/reports-presentations>.

Profit and loss statement	FY14 \$ million	FY15 \$ million	1H16 \$ million
Sales revenue	6,502.0	5,896.3	2,764.7
Cost of sales	(5,290.7)	(5,452.8)	(2,435.6)
Gross profit	1,211.3	443.5	329.1
Other income	111.8	90.5	16.4
Gross income	1,323.1	534.0	345.5
Operating expenses	(829.2)	(2,282.0)	(555.8)
Finance costs	(117.5)	(93.2)	(39.6)
Share of net profit of investments accounted for using the equity method	0.7	2.5	0.3
(Loss)/profit from continuing operations before income tax	377.1	(1,838.7)	(249.6)
Total income tax benefit/(expense)	(110.4)	28.0	14.2
(Loss)/profit from continuing operations after tax	266.7	(1,810.7)	(235.4)

Loss from discontinued operations after tax	(60.1)	(106.7)	-
Net (loss)/profit for the year	206.6	(1,917.4)	(235.4)

Balance sheet

	FY14	FY15	1H16
	\$ million	\$ million	\$ million
Current assets			
Cash and cash equivalents	650.5	194.8	303.6
Receivables	627.4	617.6	559.9
Inventories	1,234.5	1,025.0	1,043.0
Other current assets	158.1	116.9	18.6
	2,670.5	1,954.3	1,925.1
Non-current assets			
Property, plant and equipment	2,672.2	2,113.8	2,064.1
Mine development expenditure	539.4	106.6	92.0
Other intangibles and goodwill	1,964.1	1,746.9	1,738.3
Other non-current assets	156.1	319.5	377.4
	5,331.8	4,286.8	4,271.8
Total assets	8,002.3	6,241.1	6,196.9
Current liabilities			
Payables	1,175.0	1,008.7	839.7
Interest-bearing liabilities	120.6	67.9	20.2
Provisions	333.6	307.4	312.0
Other current liabilities	151.9	113.1	25.6
	1,781.1	1,497.1	1,197.5
Non-current liabilities			
Interest-bearing liabilities	2,237.6	1,877.1	2,359.3
Provisions	201.1	238.9	228.3
Other non-current liabilities	51.6	73.1	83.4
	2,490.3	2,189.1	2,671.0
Total liabilities	4,271.4	3,686.2	3,868.5
Net assets	3,730.9	2,554.9	2,328.4

Cash flow statement

	FY14	FY15	1H16
	\$ million	\$ million	\$ million
Cash flows from operating activities			
Receipts from customers	7,663.7	6,642.1	3,080.2
Payments to suppliers and employees	(6,833.7)	(6,629.4)	(3,187.1)
Interest and other finance costs paid	(108.3)	(84.1)	(27.2)
Income taxes paid	(43.0)	(40.7)	(21.8)
	678.7	(112.1)	(155.9)
Cash flows from investing activities			
Purchases of property, plant and equipment, mine development expenditure and other intangibles	(253.3)	(255.3)	(138.6)
Mine development expenditure	(182.0)	(168.9)	4.7
Proceeds from sale of property, plant and equipment	142.5	103.9	-
Proceeds from sale of businesses	97.1	96.0	-
Other cash flows from investing activities	-	4.8	-
	(195.7)	(219.5)	(133.9)

Cash flows from financing activities

Proceeds from issue of shares	-	727.7	-
Net proceeds from (repayment of) borrowings	(158.3)	(833.8)	393.7
Dividends paid	(108.6)	(41.0)	-
Other cash flows from financing activities	(3.5)	(2.7)	(0.7)
	(270.4)	(149.8)	393.0
Net increase/(decrease) in cash and cash equivalents	212.6	(481.4)	103.2
Cash and cash equivalents at the beginning of the half year	438.3	650.5	194.8
Effect of exchange rate fluctuations on cash and cash equivalents held	(0.4)	25.7	5.6
Cash and cash equivalents at the end of the period	650.50	194.80	303.60

The following commentary provides a high level overview of the financial performance of the Arrium Limited Consolidated Group during the period 1 July 2013 to 31 December 2015:

- The Arrium Limited Consolidated Group experienced a \$2,124.0 million year on year reduction in earnings from a reported net profit after tax of \$206.6 million for the year ended 30 June 2014, to a net loss after tax of \$1,917.4 million for the year ended 30 June 2015.
- This performance deterioration is principally as a result of:
 - 41% decrease in the Platts average iron ore index price (62% Fe) from US\$123/dmt in FY14 to US\$72/dmt in FY15
 - asset impairment loss of \$1,410.5 million recognised during FY15 primarily relating to the impact of low iron ore prices and Southern Iron being placed on care and maintenance in March 2015
 - restructuring costs of \$146 million associated with cost reduction initiatives including the costs related to Southern Iron being placed on care and maintenance.
- The Arrium Limited Consolidated Group continued to experience negative earnings during the six months to 31 December 2015 ('1H16') with a net loss after tax of \$235.4 million reported for the period.
- The Arrium Limited Consolidated Group's performance during 1H16 was impacted by:
 - continued weakening in iron ore prices with the Platts average iron ore index price (62% Fe) falling to US\$51/dmt
 - further asset impairment loss recognised for the half-year of \$141.7 million (\$104.9 million in Mining and \$36.8 million in Recycling)
 - reduction in mining volumes, partially as a result of Southern Iron being placed on care and maintenance.
- During 1H16 the Arrium Limited Consolidated Group experienced an improvement in the gross margin to 11.9% from 7.5% achieved during FY15, principally due to cost reduction initiatives.
- The net asset position of the Arrium Limited Consolidated Group deteriorated substantially from a net asset position of \$3,730.9 million at 30 June 2014 to a net asset position of \$2,328.4 million at 31 December 2015, largely as a result of significant asset impairments. We note that the balance sheets summarised above were prepared on a going concern assumption.

The Arrium Limited Consolidated Group experienced cash outflows during the period 1 July 2014 to 31 December 2015 of \$378.2 million. This comprised net operating cash outflows of \$268.1 million and net investing cash outflows of \$353.4 million, which was partially offset by net financing cash inflows of \$243.2 million principally derived from new borrowings and share issuance.

Specifically, in relation to the Arrium Group Companies, we provided the following divisional commentary:

Mining

- Mining experienced a 90% reduction in EBITDA from \$685.9 million in FY14 to \$90.2 million in FY15. Reported revenue across the same period fell by 43% from \$1,569 million to \$889 million.

- The deterioration in performance was predominantly attributable to a 47% reduction in the average FY15 iron ore price received by Mining of US\$59/dmt from US\$111/dmt achieved in FY14.
- Performance continued to decline during 1H16 with revenue of \$253.1 million and an EBITDA loss of \$20.4 million reported for the period. The average iron ore price received continued to fall to US\$42/dmt during this same period.

Whyalla Steelworks, Manufacturing and Integration, and Distribution

- EBITDA of \$61.8 million was achieved in FY15, a 22% increase in EBITDA from FY14. The performance improvement was driven by increased sales volumes, cost reductions and lower prices for steelmaking raw materials.
- Despite an improvement in EBITDA, an EBIT loss for FY15 of \$33.2 million was reported.
- In the six months to 31 December 2015 reported EBITDA was \$44.1 million and EBIT was \$3.7 million.

Recycling

- Recycling EBITDA was \$8.3 million for FY15, a decrease of 31.4% from FY14 EBITDA of \$12.1 million. The FY15 performance was impacted by a deterioration in ferrous prices and volumes.
- The continued decline in ferrous prices from FY15, continued to affect earnings for Recycling during 1H16 with zero EBITDA achieved for the period and an EBIT loss of \$5.1 million.

On 12 September 2016, ASIC granted the Arrium Limited Consolidated Group deferral relief with respect to its obligations under Part 2M.3 of the Corporations Act in relation to the financial year ending 30 June, or half-year ending 31 December, during the deferral period to 7 October 2018. Accordingly, the Administrators are not required to prepare, audit and lodge financial statements with ASIC or the ASX.

3.5 Directors and officers

Detailed below is information regarding the directors and secretaries of Arrium Limited for the past 12 months, which was obtained from ASIC.

Director name	Appointment date	Cessation date
Peter Graeme Nankervis	1 December 2004	21 October 2016
Rosemary Warnock	1 September 2010	21 October 2016
Robert Bryan Davis	1 December 2004	21 October 2016
Andrew Gerard Roberts	18 February 2013	6 May 2016
Jeremy Charles Roy Maycock	19 August 2014	21 October 2016
Douglas Campbell Walter Ritchie	28 May 2015	21 October 2016
Denise Goldsworthy	28 September 2015	21 October 2016
Colin Robert Galbraith	23 October 2000	22 December 2015
Graham Joseph Smorgon	17 September 2007	17 November 2015

Secretary name	Appointment date	Cessation date
Naomi Margaret James	16 March 2009	6 May 2016
Mark Edler	18 December 2015	29 July 2016
Louise Karen Hicks	15 June 2015	18 December 2015

Appendix 7 includes a listing of directors and secretaries for the Arrium Group Companies.

3.6 Shareholders

As at 30 April 2016 there were 79,334 shareholders of Arrium Limited holding a combined total of 2,937,293,755 shares.

The following were the largest 20 shareholders in Arrium Limited as at 6 April 2016.

Shareholder name	Number of shares held	%
CITICORP NOMINEES PTY LIMITED	491,737,073	16.7
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	171,872,535	5.9
UBS NOMINEES PTY LTD	75,490,022	2.6
J P MORGAN NOMINEES AUSTRALIA LIMITED	69,061,624	2.4
NATIONAL NOMINEES LIMITED	47,302,334	1.6
MR HONGGUI QU	21,070,000	0.7
MR JAMES HOWARD NIGEL SMALLEY	20,000,000	0.9
Y S CHAINS PTY LTD	18,000,000	0.6
MR JUN TAN	15,000,000	0.5
MR JIMMY THOMAS & MS IVY RUTH PONNIAH	13,000,000	0.4
CPU SHARE PLANS PTY LTD	12,077,107	0.4
HISHENK PTY LTD	11,850,000	0.4
MR JISI LIU	10,583,000	0.4
MR YUNSONG ZHANG	10,000,000	0.3
WARBONT NOMINEES PTY LTD	8,824,565	0.3
PINCIN FUND PTY LTD	8,503,000	0.3
MR DILIP MEHTA ²	8,500,000	0.3
INVIA CUSTODIAN PTY LIMITED	8,347,155	0.3
MR DILIP MEHTA ²	7,481,611	0.3
SEVEN SANDS PTY LTD	7,137,510	0.2
	1,035,837,536	35.3

Arrium Limited was a publicly traded company and changes in the composition of the shareholders occurred regularly.

3.7 Registered security interests

At the time of our appointment there were 3,147 security interests registered on the Personal Properties Security Register ('PPSR') against property in possession of various Arrium Group Companies.

Registrations relate to retention of title stock as well as leased assets including motor vehicles, heavy equipment and machinery and office equipment.

A high level summary of the types of registrations is provided below.

Collateral class	Number of registrations
Account	37
All present and after acquired property	9
Chattel paper	28
Document of title	1

² Shares held separately

Collateral class	Number of registrations
General intangible	30
Livestock	1
Motor vehicle	1,876
Other goods	1,165
	3,147

There is no creditor with a valid security interest over the whole, or substantially the whole, of the property of any of the Arrium Group Companies.

3.8 Events leading up to the appointment of Administrators

In the two years leading up to the appointment of Administrators, the Arrium Group Companies were adversely affected by declining iron ore and steel prices which had a negative impact on revenues and margins.

Bank loans and US private placement ('USPP') notes liabilities increased from \$1,866 million at 30 June 2015 to \$2,349 million at 31 December 2015.

Cash outflows for the Arrium Group Companies of \$331 million comprised operating cash out flow of \$156 million, capital expenditure of \$139 million and foreign translation costs of \$36 million. Proceeds from the sale of assets was \$5 million. Of the total cash out flows, the Whyalla Steelworks and Mining businesses accounted for approximately \$230 million.

Management undertook various restructuring and cost reduction initiatives, including simplifying the organisational structure and addressing loss making businesses. The Southern Iron operations were put on care and maintenance in FY15 after significant capital expenditure in FY14.

Financiers' debt was maturing in 2017, and the Arrium Group Companies' draft business plan indicated that refinancing may be difficult. The Arrium Group Companies undertook various strategic review initiatives beginning from early 2015 in an effort to ensure an appropriate structure and level of debt in a low iron ore price environment.

Strategic initiatives considered and explored included the following:

Option considered	Outcome
Engaging with existing Financiers on the possible extension of debt maturities and covenants	The Arrium Group Companies approached Financiers, however this option was not pursued.
Sale of the Mining Consumables business	No acceptable offers were received.
Sale of various Whyalla assets	No acceptable offers were received.
Recapitalisation options	Recapitalisation agreement was reached with GSO, however was rejected by Financiers. This is discussed further below.

On 17 February 2016, Arrium Limited released its FY16 half-year financial report to the ASIC and ASX. The report was prepared on a going concern basis, but included additional disclosures in Note 1 in respect of its ability to continue as a going concern. Further, KPMG as auditor, expressed an unmodified review opinion with an emphasis of matter in relation to the existence of a material uncertainty regarding going concern.

The half-year FY16 results on a statutory basis, including asset impairments, restructuring and other costs, showed a net loss after tax of \$236 million. The net loss from ordinary operating activities after tax was \$24 million. The performance of the Mining and Whyalla Steelworks operations, reflecting extremely difficult conditions in iron ore and steel markets at that time, adversely affected the first half financial results.

Following release of the results, liquidity was impacted by the following:

- the withdrawal of 'uncommitted lines' by Financiers
- suppliers tightening credit terms
- unfavourable foreign exchange movements.

The Arrium Limited share price fell from 6 cents on 1 February 2016 to 2 cents on 28 February 2016.

Arrium Limited - ASX Share Price



On 22 February 2016, Arrium Limited announced that a recapitalisation agreement had been signed with GSO Capital Partners LP ('GSO'), which included the following key elements:

- GSO providing up to USD\$927 million in funding
- payment of approximately \$1,411 million in exchange for debt with a face value of \$2,880 million (representing a return of approximately 49 cents in the dollar)
- an additional USD\$140 million senior secured stand-by loan facility to provide additional liquidity if required while the recapitalisation plan was progressed.

This proposal was contingent on, amongst other things, existing Financier support.

The proposal was rejected by the Financiers on or around 1 April 2016 and after further consideration by the Arrium Group Companies and discussion of alternate options, was again formally rejected by certain Financiers on 6 April 2016.

3.9 Winding up applications

We are not aware of any winding up petitions having been made against any of the Arrium Group Companies at 7 April 2016.

3.10 Report as to affairs

The directors of each of the Arrium Group Companies have provided a Report as to Affairs ('RATA') as required by the Corporations Act. A RATA provides information on the financial position of each company as at the date of the appointment of the First Voluntary Administrators.

Given the number and size of the RATA's, they are not included in this Report. Should any creditor wish to view the RATA of any of the Arrium Group Companies for which they are a creditor, please refer to Section 11 (Further Information).

3.11 Dealings between Arrium Group Companies

3.11.1 Asset holdings

The Arrium Group Companies are structured so that management and financial reporting is conducted on a consolidated basis, often on a Divisional basis (i.e. Mining, Manufacturing and Integration) as opposed to a legal entity basis. This practice is not uncommon in large corporate groups. However, this results in certain assets, leases and contracts for a Division being held across one or more legal entities. For example, OneSteel Manufacturing Pty Limited holds assets that are integral to the operation of the following businesses:

- Mining
- Whyalla Steelworks
- Manufacturing and Integration.

The implications of this structure are discussed further in Section 7 (Proposed Deeds of Company Arrangement) and the affidavit of Bryan Webster dated 21 October 2016 available at <http://kordamentha.com/creditor-information/australia/164/creditors>.

3.11.2 Financial dealings

The Arrium Group Companies managed cash and cash reserves within Australia at a consolidated level. This was primarily facilitated through the use of intercompany loan accounts that were managed by the internal Treasury team.

There were three main entities that were used by Treasury to facilitate intercompany funds transfers between the businesses:

- Arrium Finance Pty Limited – used for intercompany funding and trading transactions between Australian domiciled entities
- Arrium Iron Ore Holdings Pty Limited – used for USD denominated intercompany funding related transactions between Australia and overseas domiciled entities
- OneSteel US Group Holdings Inc. (not in voluntary administration). – used for USD denominated intercompany funding related transactions between US domiciled and Australian entities.

A loan agreement exists for all loans between the above entities and the other subsidiaries of the Arrium Group Companies. Intercompany loans are interest bearing at a market rate of interest as determined by Treasury in accordance with the loan agreement. Interest is calculated and accrued semi-annually and capitalised to the loan balance, except where required to be cash settled.

The Australian entities use intercompany loan accounts to settle transactions with other Australian entities in the Arrium Group Companies (in lieu of cash settlement). Trade intercompany receivables and payables between trading counterparties are cleared to the Arrium Finance Pty Limited loan account on a monthly basis.

The intercompany loan account with Arrium Finance Pty Limited is also used to charge the business directly for items that are non-trade related, for example, foreign exchange gains/losses incurred on derivative instruments held by Arrium Finance Pty Limited and corporate recharges are passed back to the business directly via the intercompany loan account.

Since the date of administration, transactions between the Arrium Group Companies and those that are not subject to external administration have been cash settled.

3.11.3 Review of related party creditor balances

The Administrators have undertaken an analysis of the Arrium Group Companies' intercompany loans to determine the balances at the date of appointment. Due to the structure of the Arrium Group Companies, which is discussed in Section 3.1 above, companies which are a member of either DOXG have been

grouped when reviewing intercompany loans. A summary of related party creditor balances is included in Appendix 8.

In order to present an accurate representation of the related party creditor balances, for related party creditors that are not subject to voluntary administration, we have offset relevant debtor balances to present a net creditor balance.

The Administrators have reviewed primary documents supporting the intercompany loan balances which include:

- balance sheets at 6 April 2016
- intercompany general ledgers at 6 April 2016
- intercompany loan accounts for subsidiaries not subject to voluntary administration at 30 June 2016
- balance sheets for subsidiaries not subject to voluntary administration at 30 April 2016
- related party loan agreements.

Reconciliations between these sources have been undertaken and variances greater than \$5,000 per entity have been investigated to determine the correct balance. Whilst we have taken steps to verify the related party creditors, related party claims have not yet been adjudicated.

4 Conduct of the administrations

On appointment we assumed control of the Arrium Group Companies' operations, businesses and assets. Our initial strategy was as follows:

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

An update of the actions undertaken by the Administrators is provided below.

4.1 Operations

4.1.1 Business stabilisation

Customers

Together with management and employees, the Administrators have engaged with customers to understand their needs and concerns regarding security of supply. Providing clarity to customers regarding the ongoing viability of the businesses and ability to continue providing high quality and ongoing uninterrupted supply commenced on appointment and will remain ongoing.

Suppliers

We worked with suppliers to ensure ongoing supply of materials and services to the businesses. Engagement with suppliers has predominantly related to re-negotiation of contracts and trading terms including re-establishment of commercial trading terms with a number of suppliers who had placed the Arrium Group Companies on cash on delivery or other unfavourable terms prior to, or following appointment. The Administrators have also been focused on resolving PPSR concerns. Throughout these negotiations, we have been focussed on minimising risks within the supply chain and reducing costs where possible.

Business overview

We have undertaken a review of management controls and internal approval processes across each of the divisions and corporate functions. It was important that we understood existing controls so that these could

be utilised by the Administrators to enable the businesses to operate as usual with minimal interference and additional approval processes.

We have continued to work with management and employees throughout the administrations to ensure that any adverse impact on business performance and ability to meet targets is minimised.

4.1.2 Cost saving initiatives

The administration process has provided an opportunity to reduce operational costs which will assist with long term viability. In conjunction with management, a review of cost saving initiatives which had been and were scheduled to be implemented prior to our appointment, was undertaken. We then considered additional cost saving initiatives which could be pursued.

In order to achieve cost savings targets, negotiations were held with a number of contractors and suppliers regarding contractual terms and conditions. Material cost reduction support has been provided by a number of suppliers.

Labour cost reduction strategy

Mining and Whyalla Steelworks

During our review of the Mining and Whyalla Steelworks businesses, it became apparent that labour cost reductions were required to enhance the prospects of sale and recapitalisation. As a result, we undertook a review of benchmarking data and Mining and Whyalla Steelwork's employment data. Based on the results of our investigations and what was best for the business, it was determined that cost reductions should be achieved through a wage restructure, rather than through redundancies.

Prior to implementation of any wage restructure measures, broad communications were undertaken with key stakeholders including the 830 employees covered by the two EA's, union officials and delegates, leadership groups, community leaders, politicians and affected creditor groups. Proposed amendments to the EAs were negotiated which included a 10% wage reduction.

Employees covered by the Mining EA voted in favour of the amendments on 24 August 2016. Employees covered by the Whyalla Steelworks EA voted in favour of the amendments on 29 September 2016 (after the amendments were initially voted down). The Fair Work Commission has ratified both the Mining EA and Whyalla Steelworks EA, with implementation to commence in November 2016.

Manufacturing and Integration, Distribution and Recycling and Head Office

A review has been undertaken of the existing workforce and labour cost structure. This includes ongoing discussions in relation to EAs, implementation of a wage freeze across the rest of the Arrium Group Companies' businesses, cancellation of bonuses and a reduction in the number of positions held, particularly in head office.

4.1.3 Business investment

Key business investment initiatives which have been pursued during the administration period are outlined below.

Beneficiation plants

In the Mining division, we have executed works contracts for two beneficiation plants at Iron Knob and Iron Baron. This investment is funded by a Commonwealth Government loan of \$49.2 million. Investment in the two beneficiation plants will allow the Mining division to sell additional tonnes at a higher quality going forward.

Pedestal cranes

New pedestal cranes have been installed at the Laverton and Hexham Recycling and Distribution sites. These cranes provide significant operational efficiencies in feeding the shredders, and improve safety as replacements for numerous mobile machines.

Investment in Distribution

The Distribution businesses expect key market growth over the course of FY17. Accordingly, investment in capacity expansions has been a key focus of the Administrators. A capital expenditure allowance of \$19 million is provided for in the FY17 budget, to be spent on mesh and bar capacity expansions.

4.1.4 Cash position

Upon appointment, the Arrium Group Companies had cash on hand of approximately \$117 million. During the first weeks of appointment, we worked with management and Treasury to develop cash flow forecasts for each of the business divisions and at consolidated level. These cash flow forecasts are a critical control for the Administrators.

During the period 7 April 2016 to 14 October 2016, receipts in the Arrium Group Companies have totalled \$2,283.4 million and payments during the same period have totalled \$2,127.9 million.

4.1.5 Property

Leased property

During the administrations, leases considered to be uncommercial or surplus to ongoing business requirements have been disclaimed which will result in gross rent savings of approximately \$8.5 million per year.

Owned property

A review of the 79 properties owned by the Arrium Group Companies was undertaken to identify assets which may be realised for a higher value outside of the Arrium Australia sale and recapitalisation process.

There have been 12 properties identified for realisation independently of the Arrium Australia sale and recapitalisation process. Steps are being taken to maximise sale proceeds for these properties.

4.1.6 Other operational matters

South Australian power outage

The Mining and Whyalla Steelworks operations suffered a major power outage due to significant storm and wind damage to power transmission infrastructure on 28 September 2016. This power outage led to a number of operational challenges across the Whyalla sites. With limited power availability, there was ongoing active coordination to sequence and allocate power between Mining and Whyalla Steelworks.

The total financial cost of the power-outage will not be known until a detailed analysis is completed.

Whyalla Steelworks

There are a number of external factors that have impacted operations at the Whyalla Steelworks since the administrations commenced, including the following:

- issues with the forward supply of coal due to an increase in coal prices since April 2016
- significant cost of purchasing electricity from the grid in South Australia due to a high dependence on solar and wind generation in comparison to other states in Australia
- gas supply was severely restricted for the month of October 2016 due to a Force Majeure incident at the source.

We are continuing to work with suppliers and other stakeholders to manage risks associated with the above.

4.2 Employees

There are approximately 6,000 employees employed across nine entities. Approximately 55% of employees are covered by one of the 35 EAs in place across the Arrium Group Companies.

Following appointment, we visited employees at a number of sites across Australia and spent considerable time answering questions to ensure understanding of the voluntary administration process and ongoing trading arrangements. In addition to face to face meetings and briefings, frequent electronic updates have been circulated to employees and employee drop in centre sessions were established at a number of locations. To date, the Administrators have issued nine formal update reports to employees and now provide monthly updates through an employee newsletter. These update reports have focussed on various matters concerning employees, including: the voluntary administration process, impact of the voluntary administration on wages payments, superannuation, leave and other employment arrangements, safety, employee entitlements, the Fair Entitlements Guarantee ('FEG') program, the sale and recapitalisation process and the extension to the convening period.

4.2.1 Workplace health, safety and environment ('WHSE')

One of the key focusses of the Arrium Group Companies is the safety of employees. In addition to internal reviews, an external review of the WHSE system was commissioned. These reviews confirmed the Arrium Group Companies had a high performance WHSE program across all divisions and functions, and that there was a culture of safety across all employees and operations.

To ensure that the Administrators are kept informed of serious WHSE incidents, we have worked with management to implement amendments to the procedure for reporting incidents. WHSE incidents are also reported to the Committee of Creditors on a regular basis.

The ATM business received a number of awards at the Australian Steel Institute National Health and Safety Excellence Awards which were presented at the Australian Steel Institute Convention in September 2016.

4.3 Creditor engagement

Throughout the administrations we have had communication with creditors which has been facilitated through a number of channels, including the following:

- First Meetings of Creditors
- Arrium enquiry email and phone lines (provided by both KordaMentha and Link Market Services) – to date, the number of responses to creditor enquiries through these channels exceeds 15,000
- direct responses by KordaMentha to creditor questions
- quarterly ASX reports.

4.4 Government and community engagement

Since our appointment we have held many meetings and site visits with external stakeholders of the Arrium Group Companies. Meetings with both Federal and State Government members have been focussed around securing financial assistance to invest in the future of the operations of the Arrium Group Companies, and understanding key infrastructure programmes to assess how the Arrium Group Companies' businesses could be positioned to participate in major projects.

In order to drive community engagement in Whyalla, a committee has been formed to facilitate liaison with local businesses and political leaders. This committee has met on a monthly basis since May 2016.

4.4.1 Whyalla - Government financial support

On 9 June 2016 the South Australian Premier announced the State Government would commit \$50 million of funding towards investment in Whyalla. In addition, the State Government also committed to providing assistance in obtaining further Commonwealth Government support.

On 18 June 2016, the Federal Government announced its support for the Mining business with a funding commitment of \$49.2 million, by way of a loan for the construction of two beneficiation plants at Iron Knob and Iron Baron. Before the loan from the Federal Government was obtained, it was necessary to seek and obtain orders from the Federal Court of Australia confirming the Administrators were justified in entering into the loan, and the liability of the Administrators was limited as the loan was being provided to assist Mining only.

4.5 Media engagement

Communications with media have been significant due to the high level of public interest, particularly in the initial weeks following the appointment of the Administrators, and the more recent power outage in South Australia which affected both Mining and Whyalla Steelworks and to a lesser extent, the Distribution and Recycling businesses in South Australia.

4.6 Refinance of GSO facility

As discussed in Section 3.8 above, prior to appointment of Administrators, the Arrium Group Companies were pursuing a recapitalisation with GSO. Whilst the recapitalisation plan was progressed, GSO had provided an interim facility of USD\$140 million ('GSO Facility') which had been drawn down by USD\$100 million in the period 17 March 2016 to 6 April 2016. The appointment of Administrators to certain companies triggered an Event of Default under the GSO Facility. This facility was secured against certain Moly-Cop Entities.

Shortly after our appointment as Administrators, the four major Australian trading banks refinanced the GSO Facility on substantially the same terms and conditions, with the exception that the interest margin was reduced by 50%.

4.7 GSO proceedings

Arrium Limited, Arrium Finance Pty Limited and Arrium Iron Ore Holdings Pty Limited are the plaintiffs in proceedings, with GSO, BTA Institutional Services Australia Limited, BNY Trust Company of Australia Limited and BNY Trust Company of Canada, the named defendants. The Administrators, on behalf of the plaintiffs, are seeking declaratory relief that if granted, would have the effect that certain fees and expenses are not secured monies and therefore not payable.

The defendants in the proceeding have also filed cross claims which, amongst other things, seek payment of fees and expenses.

The matter is listed for hearing in the Federal Court of Australia in Melbourne in late October 2016.

4.8 Mining Consumables (Moly-Cop) (not subject to voluntary administration)

4.8.1 Standstill agreement

As referred to in Section 3.1.2, the Arrium Group Companies' borrowings were guaranteed by a range of wholly owned subsidiaries including certain of the Moly-Cop Entities. To enable the continued trading of businesses not in administration and progression of the agreed sale process for the Mining Consumables

division, a formal standstill agreement between the Financiers, the Administrators and those relevant companies not in voluntary administration has been negotiated ('the Standstill').

4.8.2 Steering Committee

Following execution of the Standstill, a lender steering committee was formed with respect to the ongoing trading and sale processes for the Mining Consumables division ('the Steering Committee'). The Steering Committee is comprised of representatives of the Administrators and the Financiers. The Administrators have reported to the Steering Committee on the Mining Consumables transaction planning including appointment of advisers, sale structuring and sale timeframes.

4.9 Court applications

4.9.1 Ability to notify creditors via electronic communications

Section 439A of the Corporations Act requires an administrator to provide 'written notice' of a meeting to as many of a company's creditors as reasonably practicable; this notice is to be accompanied by a report by the administrators (this Report). Due to the significant number of creditors of the Arrium Group Companies, the costs associated with providing written notice to creditors, together with this Report, would be excessive due to printing and postage charges.

To reduce costs associated with providing a notice of meeting, the Administrators sought orders from the Federal Court of Australia to allow for electronic communication with creditors. These orders were granted on 10 May 2016 and have the effect that notice of the Second Meetings of Creditors will be validly given to creditors of the Arrium Group Companies by:

- a. sending the notice by email ('the Email') to the email address of each creditor at such email address as is recorded in the books and records of the Arrium Group Companies
- b. where an email address is not recorded in the books and records of the Arrium Group Companies, sending by post the notice of meeting ('the Letter') to the postal address of each creditor at such postal address as is recorded in the books and records of the Arrium Group Companies
- c. causing the notice of meeting to be published in The Australian newspaper at least five days before the date of the Second Meetings of Creditors
- d. publishing the notice on the websites maintained by:
 - i. the Administrators at www.kordamentha.com
 - ii. the Administrators' lawyers at www.abl.com.au(collectively, 'the Websites') at least five business days before the Second Meetings of Creditors
- e. providing in the Email, Letter and the notices to be published in The Australian newspaper and on the Websites:
 - i. notice of the date, time and location of the Second Meetings of Creditors
 - ii. notice that the reports required to be given to creditors of the Arrium Group Companies pursuant to s. 439A(4) of the Corporations Act ('the 439A Reports') are available for download on the Websites
 - iii. details of a telephone hotline number by which any creditor may contact the Administrators to request a paper or electronic copy of the 439A Reports.

In accordance with the orders, this Report is validly given to creditors of the Arrium Group Companies by making them available for download from the Websites and providing the Report to creditors upon request.

Further, all future notices, reports and communications that the Administrators must or may give or send to creditors of the Arrium Group Companies may be given and/or sent in accordance with the above procedure.

4.9.2 Second Meetings of Creditors

We have obtained orders and directions from the Federal Court of Australia in relation to the Second Meetings of Creditors as follows:

- an order that each employee of any of the Arrium Administration Group Companies who is a member of one of the Unions in the below table has duly appointed the person noted in the below table to be her or his attorney pursuant to Regulation 5.6.31A for the purpose of those meetings save for:
 - any employee who attends any meeting in person; and
 - any employee who signs a proxy appointing some other person to attend the meeting on his or her behalf.

Union	Duly appointed proxy
AWU	Mr Scott McDine or Mr Daniel Walton
Australian Manufacturing Workers' Union	Mr Glenn Thompson
Communications Electrical Electric Electronic Energy Information Postal Plumbing and Allied Services Union of Australia	Mr Matthew Murphy or Mr John Adley
National Union of Workers	Ms Monique Segan or Mr Paul Richardson
Construction Forestry Mining and Energy Union	Mr David Noonan
Professionals Australia	Ms Sarah Andrews

- an order that the Corporations Act provision that requires separate reports for each company (Section 439A) be modified so that the Administrators may send Arrium Group Companies' creditors a composite Report
- a direction that the Administrators are justified in sending this Report to Arrium Group Companies creditors.

A copy of the Court documents is available on the KordaMentha website at <http://kordamentha.com/creditor-information/australia/164/creditors>.

4.9.3 Approval of remuneration

Section 449E(1) of the Corporations Act allows remuneration to be determined by agreement with the committee of creditors of each company. Orders were granted by the Federal Court of Australia which enable the Committee of Creditors to approve remuneration of the Administrators in relation to any and/or each of the Arrium Group Companies.

4.9.4 Transition agreement with the Former Administrators

The Federal Court of Australia has also made orders sought by the Administrators in relation to the transition agreement implemented with the First Voluntary Administrators which related to their debts and liabilities, remuneration, costs and expenses.

5 Preliminary investigations

5.1 Administrators' preliminary investigations

Under the Corporations Act, we are required to investigate the business, property, affairs and financial circumstances of the Arrium Group Companies. Pursuant to Regulation 5.3A.02 of the Corporations Act, we are also required to investigate and report to creditors on any possible recovery actions that would be available to a liquidator, if creditors resolve to place any of the companies into liquidation.

Our investigations are at a preliminary stage and we are not in a position to provide final comments regarding potential offences that may have been committed or amounts of money that may be recoverable in

the event of any of the companies being placed into liquidation. It should be noted that further detailed investigations will need to be undertaken by us or a liquidator, and independent legal advice sought in order to determine the likely success of any actions contemplated in respect to the matters detailed below.

5.2 Overview of Administrators' investigations

Our investigations to date have focused on the following matters:

- breaches of duty and other offences under the Corporations Act by the directors
- potential actions available to a liquidator (if appointed).

5.3 Approach to preliminary investigations

Throughout our preliminary investigations, we undertook the following steps:

- to identify and locate sources of electronic data
- to understand processes and procedures applied to preserve and protect electronic data. Where appropriate we implemented processes to protect the electronic data
- utilised forensic technology processes to secure devices including servers, cloud based data stores, desktop and laptop computers, mobile phones and USB storage media.
- performed processes to collect, extract and process relevant electronic documents into a review platform
- provided support to document reviewers to enable the use of technology assisted review, where feasible, together with customised review workflows, to make the process of reviewing information more efficient and cost effective.
- analysed and where required, maintained the integrity and security of the IT systems of the Arrium Group Companies.

In addition to the forensic technology aspects outlined above, we also:

- held discussions with a number of stakeholders
- identified, reviewed, reconstructed where required, and analysed financial information in both hard copy and electronic form
- undertook searches of various publicly available databases, including ASIC and Office of State Revenue records.

5.4 Offences by directors

Section 438D of the Corporations Act requires an administrator to lodge a report with ASIC if it appears that:

- a past or present officer, or member, of a company may have been guilty of an offence in relation to the company, or
- a person who has taken part in the formation, promotion, administration, management or winding up of a company may have misapplied money or property of the company or may have been guilty of negligence, default, breach of duty or trust in relation to the company.

We set out below our comments as to whether investigations are warranted in relation to particular offences.

5.4.1 Books and records

Failure to maintain adequate books and records may be relied upon by a liquidator in an application for compensation for insolvent trading and other actions for recoveries pursuant to Division 2 of Part 5.7B of the Corporations Act. From our investigations to date, we consider that the Arrium Group Companies have maintained books and records in accordance with the requirements of the Corporations Act.

5.4.2 Care and diligence and duty to act in good faith

Under the Act and at general law, directors and officers have duties:

- to act with care and diligence (Section 180)
- to act in good faith in the best interests of the company and for a proper purpose (Sections 181 and 184)
- to act honestly
- to exercise powers in the interests of the company
- to avoid conflicts of interest
- to use their position properly (Sections 182 and 184)
- to use information only for its proper purpose (Sections 183 and 184).

From our investigations to date, there is evidence which warrants further investigation as it suggests that the Arrium Group Companies may have traded whilst insolvent for a period, and entered into certain transactions that may be voidable against a liquidator. It may also be that some of the duties listed above at general law and under the Corporations Act may have also been breached; that is the directors may not have acted in the interests of the Arrium Group Companies to which they were appointed. Ultimately, a determination of whether the directors have breached these duties would be made by a court.

We continue to investigate whether finance facilities were continued to be drawn down either when the Arrium Group Companies were insolvent or when they were aware that the GSO proposal, if accepted, would result in the Financiers receiving a substantial discount on the face value of the debt advanced. To the extent that this can be established, there may be claims against the directors. The evidence to establish any claims will likely need to be tested by public examination of the relevant directors and advisers by a liquidator. To the extent that any Arrium Group Companies are wound up, further investigations would be undertaken by the liquidator.

As outlined in Section 7.2 below, the proposed DOCAs preserve any potential legal claims that may be available.

5.5 Insolvency of the Arrium Group Companies

Under the Corporations Act, a director is personally liable to the company if the director fails to prevent a company from incurring a debt when, at the time of incurring that debt, the company is insolvent, or becomes insolvent by incurring the debt, and there existed reasonable grounds to suspect that the company was or would become insolvent. This insolvent trading claim must be proved by the liquidator against each individual director. Creditors should be aware that a successful claim for insolvent trading requires extensive analysis and would generally require one or more legal proceeding to be commenced. Further, we would point out to creditors that such proceedings may often be drawn out and involve significant cost.

The Corporations Act provides a number of possible defences for directors to a claim for insolvent trading. These defences are:

- at the time the debt was incurred the directors had reasonable grounds to expect and did expect that the company was solvent and would remain solvent if it incurred that debt and any other debts that it had incurred at that time
- at the time the debt was incurred the directors had reasonable grounds to believe and did believe that a competent and reliable person was responsible for providing information about the company's solvency and that the directors expected, on the basis of this information, that the company was solvent and would remain solvent
- the directors through illness or some other good reason were not taking part in the management of the company at the time the debt was incurred
- the directors took all reasonable steps to prevent the company from incurring the debt.

It is crucial to note that, with the exception of unfair loans, in order for a liquidator to be able to set aside a transaction or obtain compensation from a director for insolvent trading, the liquidator must first be able to show that at a relevant point in time the company was insolvent.

The Corporations Act states a company is considered to be solvent if, and only if, the company is able to pay its debts as and when they become due and payable. A company that is not solvent is insolvent. Accordingly, the test for insolvency is not a balance sheet test but rather a cash flow test.

5.5.1 Indicators of insolvency

The following evidence has been used in assessing the solvency of the Arrium Group Companies and is discussed in detail in the sections below:

- the proportion of creditors outside of normal trading terms
- declining sales and available cash
- pressure from creditors including special payment arrangements with suppliers
- deficiency in assets
- low and declining availability of current assets to satisfy current liabilities.

Strategic review

From about early 2015 the Arrium Group Companies commenced a strategic review of the businesses in order to implement a leaner management structure and reduced level of debt in a low iron ore price environment.

Arrium Limited made an ASX announcement on 15 June 2015 that it was undertaking a strategic review. Over the next nine months a number of initiatives were explored in relation to the debt and capital structure of the Arrium Group Companies including asset sales, renegotiation of debt maturities and recapitalisation alternatives.

As indicated by the above strategic review initiatives, it is apparent that the Arrium Group Companies were concerned for some time about their ability to repay or refinance debt maturing in 2017. As at September 2015, the Arrium Group Companies had been unable to negotiate an extension to the maturity of this debt.

As a consequence, our investigations have focused on the actions taken to explore alternative options to repay or refinance debt maturing in 2017 and whether or not those actions meant there were reasonable grounds for the directors to believe the Arrium Group Companies would be able to pay their debts as and when they became due and payable. Our investigations have also considered defences available to the directors.

From September 2015 through to February 2016, extensive work was undertaken to explore the options to restructure the financial position of the Arrium Group Companies. These initiatives were supported by external financial and legal advisers.

After development and consideration of the options available over the period from September 2015 to February 2016, the Arrium Group Companies announced that the initiative which gave the best ongoing prospects was a recapitalisation proposal from GSO. An ASX announcement dated 22 February 2016 stated that:

Arrium Limited (ASX: ARI) today announced that it has entered into an agreement with GSO Capital Partners LP (on behalf of funds managed by it and its affiliates) (GSO) in relation to a recapitalisation plan for the company.

The recapitalisation plan is a result of the company's Strategic Review which had the objective of achieving an appropriate structure and level of debt in a low iron ore price environment.

GSO and Arrium have also entered into a USD 140 million senior secured stand-by loan facility agreement, to provide the company with additional liquidity if required while the recapitalisation plan is progressed.

If the recapitalisation plan is implemented:

- GSO will provide up to USD 927 million in funding to Arrium;*
- Arrium's debt will be significantly reduced, allowing the company to retain its world-class Mining Consumables business which continues to perform well;*
- Arrium will have funding to use towards turning around or restructuring its steel and mining businesses to make them more sustainable; and*
- Arrium shareholders will have the opportunity to participate in a renounceable pro-rata rights issue.*

The funding to be provided by GSO if the recapitalisation plan is implemented will comprise:

- A new 6 year senior secured term loan of approximately USD 665 million; and*
- A renounceable pro-rata rights issue to Arrium's shareholders to raise approximately USD 262m which will be fully underwritten by GSO and/or a professional underwriter. These funds would primarily be used to retire outstanding debt of the company at the time the recapitalisation is implemented.*

As part of the recapitalisation, Arrium would also seek to obtain secured working capital facilities of A\$500 million.

Whilst the ASX announcement provided an overview of the GSO recapitalisation plan, a key requirement for implementation of the plan was agreement from the Financiers to compromise their debt claim against the Arrium Group Companies by accepting payment of approximately \$1,411 million in exchange for debt with a face value of \$2,880 million (representing a return of approximately 49 cents in the dollar).

Given the requirement for the Financiers to accept a substantially discounted repayment, it has also been necessary to assess whether or not from 22 February 2016, or earlier, the directors held a reasonable belief that the GSO recapitalisation proposal, or any negotiated variation to the proposal, would be agreed to by the Financiers. From 22 February 2016 to 6 April 2016, the Arrium Group Companies and representatives of the Financiers engaged in discussions regarding the GSO proposal. These discussions included external financial and legal advisers retained by the Arrium Group Companies, and financial and legal advisers retained by the Financiers.

We have undertaken an extensive review of the records of Arrium Group Companies covering the period from September 2015 to April 2016. However, determination of whether the companies traded whilst insolvent will require further work, including possible public examination of the directors and advisers.

Cash flow management

Cash flow became a key focus of the Arrium Group Companies in the months leading up to the appointment of Administrators. As Financiers withdrew uncommitted financing facilities, cash was closely managed.

Cash flow forecasts were prepared and monitored. Advisers were engaged in November 2015 to initially assess the process of preparing the treasury cash flow forecast and to determine its appropriateness for managing liquidity. The advisers subsequently provided further cash flow modelling forecasts and monthly process and weekly variance analysis reporting was implemented. At an 18 December 2015 Board Meeting of Arrium Limited, it was noted that management would provide the Board of Arrium Limited ('the Board') with weekly treasury cash flow forecasts.

Subsequently, at certain Board meetings, the then Chief Financial Officer provided liquidity updates. The updates included comment on the cash flow forecast, compliance with lender covenants, availability of interim funding and consideration of the GSO recapitalisation proposal and the Financiers' potential response.

The directors also obtained independent legal advice.

The last Board meeting at which the Board noted that debts could be paid as they fell due was on 30 March 2016. Administrators were subsequently appointed on 7 April 2016. In the event of a winding up of any Arrium Group Companies, further investigations will be undertaken to determine the date of insolvency.

Availability of uncommitted facilities

A number of committed finance facilities and uncommitted finance facilities were available. During FY16 Financiers provided uncommitted facilities including foreign exchange, commodities and swaps lines. These facilities were gradually withdrawn or limited throughout FY16 as follows:

Number of facilities	30 June 2015	31 December 2015	17 February 2016 (results)	29 March 2016
Available	46	30	28	7
Limited	-	1	6	6
Withdrawn	-	10	10	30

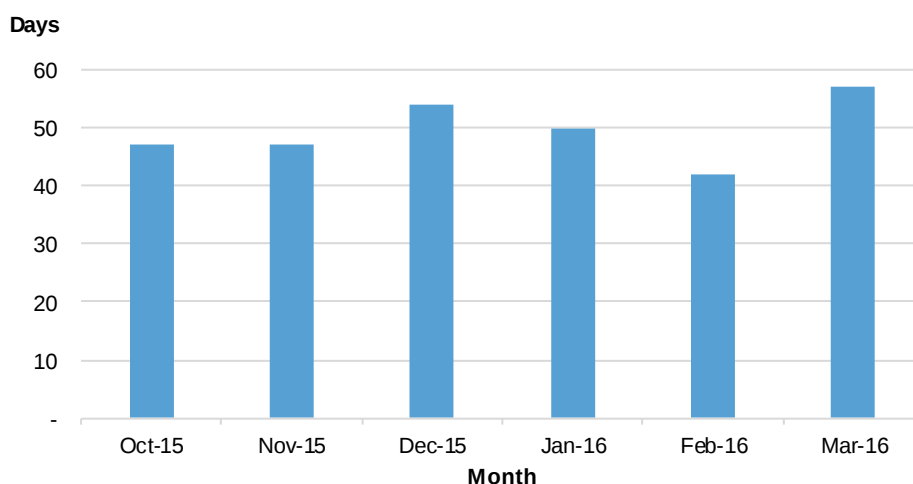
We note that some facilities expired over the period and others were made available.

Aged creditors

Our investigation and review of the ageing of trade creditors, including discussions with management, indicates that almost all creditors were paid in accordance with the normal trading terms being month end plus 62 days. A substantial number of creditors had shorter payment terms ranging from month end plus 7 days to month end plus 45 days. Due to the transaction volume of invoices and creditors, further investigation is required to establish the actual creditor position on 7 April 2016 and the ageing of creditors.

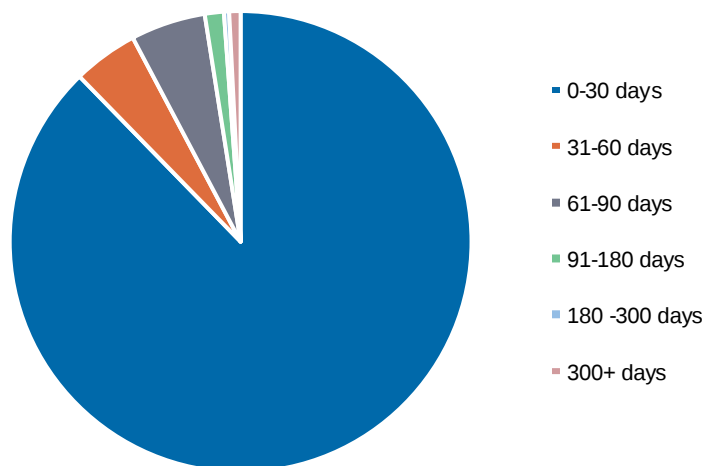
The graph below shows that creditor days remained relatively steady throughout the six months prior to the appointment of Administrators. Trade creditors were mostly within terms.

Creditor days



The aged trade creditor position at the date of appointment of Administrators, being 7 April 2016, is shown below.

Creditor ageing



Creditor pressure and payment arrangements

From our discussions with management and the finance team as well as our review of creditor payment transactions in the lead up to the administrations, it does not appear the Arrium Group Companies were under pressure from creditors to make payments on overdue accounts. Following the announcement of the FY16 half yearly results on 17 February 2016, several suppliers tightened credit terms and, as a consequence, the balances owed to these creditors reduced from February 2016.

FY16 half year financial report

The FY16 half year financial report contained a review report by the Arrium Group Companies' auditors, KPMG. The review report, which was not an audit, contained an *Emphasis of Matter – Going Concern* statement. KPMG referred to the directors' assessment of Going Concern Note 1 in the Financial Statements. KPMG expressed the view that the information contained in Note 1 indicated 'the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report'.

Concluding remarks

Whether or not the Arrium Group Companies were insolvent at any time prior to the appointment of Administrators will take considerable further work to determine. It also requires consideration of matters including the financial reports and information provided to the Arrium Group Companies, the advice that the Arrium Group Companies received as well as the steps the directors of the Arrium Group Companies took to consider and act on that information.

Any claim for insolvent trading against the directors would need to be assessed on commercial grounds, including:

- likelihood that pursuing a claim of insolvent trading would be successful, taking into account the defences available to directors
- cost of any litigation
- likelihood of recovery against the directors
- insurance policies both as to type and quantum.

5.6 Potential recovery actions available to a liquidator

5.6.1 Voidable transactions

Unfair preferences

If a company is placed into liquidation, various provisions of the Corporations Act enable the liquidator to recover certain payments that were made by the company to a creditor prior to the company being placed into voluntary administration, referred to as unfair preferences. These are transactions where the payment results in a creditor receiving more than it would have received in the winding up of the company. A liquidator is able to review transactions between 7 October 2015 and 6 April 2016.

In order to prove a creditor received an unfair preference payment, the liquidator must first show that the company was insolvent at the time of the payment.

The creditor has a defence to an unfair preference claim by a liquidator if it proves that it entered into the transaction in good faith and, at the time the benefit was received, the creditor had no reasonable grounds for suspecting that the company was insolvent or would become insolvent through entering into the transaction and valuable consideration was given, nor would a reasonable person in the creditor's position have suspected that the company was insolvent or would become insolvent.

In addition, the extent of any preference claims will be impacted by the extent to which the company and the creditor had a continuing business relationship which would require assessment of the movement in the net indebtedness of the company and the creditor rather than the gross payments to that creditor.

A preliminary review of the Arrium Group Companies' records indicates that certain payments may be preferential in that creditors imposed reduced trading terms and consequently the net indebtedness owed to these creditors reduced, particularly from February 2016 to April 2016. However, the recoverability of these payments depends on establishing that the Arrium Group Companies were insolvent at the time these payments were made. As we have not established a date of insolvency, we are not able to calculate the value of these potential recoveries.

Additionally, a payment is only an unfair preference payment to the extent that it results in a reduction in the unsecured debt of the creditor. Where a creditor was otherwise a secured creditor, potentially through registration of a valid security interest against the Arrium Group Companies through the PPSR, it may be that the payment would not constitute an unfair preference to the extent that it can be shown that the creditor held valid security over assets of the Arrium Group Companies.

Uncommercial transactions

A transaction of a company is an uncommercial transaction if the following elements are established by a liquidator:

- the transaction was entered into or given effect to within two (2) years of the date of appointment of the administrator
- at the time the transaction was entered into, or when given effect to, the company was insolvent or became insolvent as a result of the transaction
- a reasonable person in the company's circumstances would not have entered into the transaction having regard to the benefits and detriments to the company in entering into the transaction and the respective benefits to other parties.

The defences available to a party involved in an uncommercial transaction claim are, in effect, the same as those for an unfair preference.

We are unaware of any uncommercial transactions entered into by the Arrium Group Companies however further investigation would be required once a date of insolvency has been established.

Unfair loans

An unfair loan is a loan agreement where the interest or charges are considered to be extortionate. Unfair loans made to a company any time prior to the appointment of the Administrators may potentially be overturned by a subsequently appointed liquidator, whether or not the company was insolvent at any time after the loan was entered into. From our investigations, we are not aware of any unfair loans entered into by the Arrium Group Companies.

5.6.2 Costs

The costs of pursuing voidable transactions and insolvent trading claims would come from the assets of the Arrium Group Companies, funding from creditors of the Arrium Group Companies or litigation funding.

5.7 Offences

We continue to investigate whether finance facilities were continued to be drawn down with knowledge that they may not be able to be repaid in full. If proven, this could be a breach of directors' duties. Further investigations in relation to this matter would be undertaken via public examinations by a liquidator.

Our investigations to date have revealed potential pre-appointment contraventions of Section 180 and Section 181 and other fiduciary duties under the Corporations Act.

5.8 Limitation of investigations

The opinions outlined above are based on our preliminary investigations undertaken into the Arrium Group Companies' affairs, business and financial position. Our investigations have been based on the following the details of assets and liabilities as established the books and records of the Arrium Group Companies, including board papers, board minutes and transactions of the Arrium Group Companies to 6 April 2016 that have been made available to us.

5.9 Offences in relation to the Arrium Group Companies

Pursuant to our comments in Section 5.7 above, we have provided a report to ASIC under Section 438D of the Corporations Act.

6 Sale and recapitalisation process

Following a review of the businesses and operations in administration, two processes have been commenced:

- a sale and recapitalisation of Arrium Australia, encompassing Mining, Whyalla Steelworks, Manufacturing and Integration, Distribution and Recycling
- a dual track process for Moly-Cop, involving either a trade sale or initial public offering.

These processes are discussed below.

6.1 Arrium Australia sale and recapitalisation process

6.1.1 Objectives

The businesses of the Arrium Group Companies will be sold or restructured in order to:

- maximise the chances of the Arrium Group Companies' businesses continuing in existence

- provide a better return to creditors of the Arrium Group Companies as a whole, than would result from winding up of the Arrium Group Companies.

The success of the Arrium Australia sale and recapitalisation process is reliant in part on the execution of the proposed DOCAs which are discussed further in Section 7 of this Report.

6.1.2 Engagement of Morgan Stanley

Following consideration and consultation with the Committee of Creditors, it was decided to conduct a tender process to engage an investment bank ('IB') to undertake the sale and recapitalisation of the Arrium Group Companies' businesses. Proposals were received from a number of IBs, and following review of these proposals, the decision was made on 29 July 2016 to appoint Morgan Stanley.

Morgan Stanley has an in depth understanding of the Arrium Group Companies' businesses, and have assisted them with a number of transactions, including:

- acquisition of the steel distribution business in early 2000s from Email Metals
- acquisition of Moly-Cop in 2010
- divestment of the interest in Donhad Pty Limited in 2011.

The Australian team is supported by the Morgan Stanley global steel and metals and mining team who have access to all international interested parties.

6.1.3 Preparation of information for sale and recapitalisation

Due diligence information has been compiled by all Divisions for inclusion in a virtual data room to be accessed by potential purchasers. Due diligence information covers operational information for each of the core business units as well as: financial, tax, environment and property, legal and company secretarial matters, intellectual property, litigation and disputes, information technology, human resources, safety and insurance.

KPMG was also engaged to assist in compilation of financial data books for each of the Arrium Group Companies' business units, which have now been completed. These financial data books include budgets for the year ended 30 June 2017 ('FY17') and forecasts for the years ended 30 June 2018 ('FY18') and 30 June 2019 ('FY19') which have been prepared by the businesses.

6.1.4 Engagement with interested parties

The program of engagement with interested parties during the sale and recapitalisation process has been targeted towards parties globally and across a number of industries.

To provide high level information to potential interested parties, a flyer was prepared and distributed by Morgan Stanley in mid-August 2016. Following distribution of the flyer, Morgan Stanley held numerous discussions with interested parties regarding the sale and recapitalisation process.

An information memorandum was provided to interested parties after execution of a non-disclosure agreement.

6.1.5 Overview of sale and recapitalisation process

Interested parties submitted indicative offers for the Arrium Australia businesses during mid October 2016. After review and assessment of the indicative offers, a select number of parties were invited to progress to the second phase of the process. These parties have now commenced detailed due diligence.

Further detail regarding the Arrium Australia sale and recapitalisation process will be provided to creditors in due course, however given the price sensitivities surrounding the sale and recapitalisation process at this critical stage, additional information cannot be provided at this time.

6.2 Moly-Cop sale transaction

In August 2015, Arrium Limited announced a strategic review to, amongst other things, assess the nature and level of interest received for its Mining Consumable business known as Moly-Cop (which is not subject to voluntary administration). In October 2015, Arrium Limited announced a sale process for Moly-Cop would be conducted. However, the process was ultimately unsuccessful and was terminated in February 2016.

The Administrators completed a review of the previous sale process to assist in developing a strategy for the sale or recapitalisation of Moly-Cop. The Administrators issued a request for proposal to a number of IBs in relation to the Moly-Cop sale or recapitalisation process in May 2016. The Administrators appointed Deutsche Bank ('DB') to run a dual-track sale process whereby a trade sale would be run in conjunction with the potential for a sale via an initial public offering ('IPO'). To assist with the IPO track only, the Administrators later appointed UBS and Macquarie Bank to act as joint lead managers in conjunction with DB.

6.2.1 Trade sale

The Administrators received indicative bids for the Moly-Cop business in late August 2016. Certain bidders were advised they would enter stage two of the sale process which formally commenced on 6 September 2016, with management presentations and site visits.

Trade sale bidders are continuing their detailed review of data room materials and due diligence reports. Due diligence sessions are ongoing.

6.2.2 IPO

The IPO work stream continues to progress as follows:

- prospectus drafting is now complete
- the independent accountant's report for the prospectus is finalised
- IPO float vehicle debt financing facilities are being finalised
- the board of the IPO float vehicle has been assembled and comprises high quality directors with diverse skills and experience
- marketing of the IPO to institutional investors has commenced

The IPO float vehicle is a new entity that will be incorporated and subsequently listed on the ASX. It will ultimately hold the shares in the Moly-Cop business should the IPO proceed.

6.2.3 Sale value

The proceeds of sale will be used to pay Moly-Cop financiers (as discussed in Section 7.2 below).

7 Proposed Deeds of Company Arrangement

7.1 Overview of proposed DOCAs

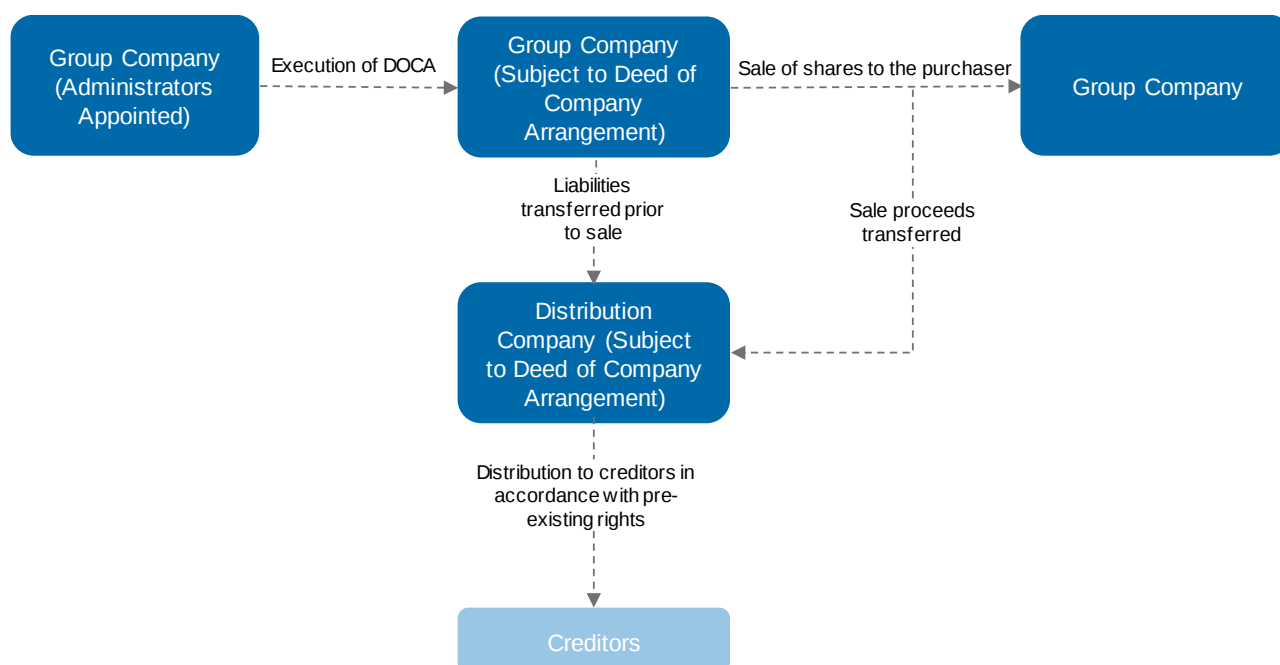
It is the view of the Administrators that the optimal structure for realisation of the majority of Arrium Group Companies' assets would be way of share sales. In order to achieve a sale and recapitalisation of the Arrium Group Companies, execution of the following Deeds of Company Arrangement ('the DOCAs') is recommended:

- Transaction Support DOCAs (for 93 of the Arrium Group Companies)
- Arrium Distribution DOCA (for The Arrium Creditor Distribution Company Pty Limited).

We consider that the DOCAs are required to provide a structure for sale of Arrium Group Companies' assets which maximises the chances of Arrium Group Companies remaining in existence and also maximises returns to creditors. The DOCAs are also required to enable the Administrators to move assets within the Arrium Group Companies to sale entities as required by a bidder. The execution of the DOCAs will allow the Arrium Group Companies to be sold free of liabilities.

By entering into the DOCAs, the Administrators and Morgan Stanley agree that the structure will result in a superior sale price for the Arrium Group Companies. Having achieved better recoveries for the key assets, the streamlined distribution via an aggregated fund will deliver efficient distribution of proceeds to creditors, whilst ensuring rights to proceeds of individual credits (as compared with liquidation) as protected.

Below is a simplified view of how the sale and recapitalisation of any one of the operating entities will be facilitated.



7.1.1 Transaction Support DOCA

- It is proposed that all Arrium Group Companies enter into this DOCA with the exception of The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited) which will enter into the Distribution DOCA.
- These Transaction Support DOCAs will provide powers to the Deed Administrators which would allow them to:
 - align the business units to legal entities (including, employees, assets and operations) (refer to Section 3.11.1 above)
 - sell or realise all of the shares, assets and undertakings of any entity and transfer the sale proceeds to the Arrium Distribution Fund established under the Arrium Distribution DOCA
 - transfer liabilities of the Arrium Group Companies to a separate legal entity, to be dealt with under the Arrium Distribution DOCA
 - terminate the Transaction Support DOCAs at their discretion, such that the Transaction Support DOCA for any given company could be terminated immediately prior to or following a sale occurring.

- These powers will allow the Arrium Group Companies to be restructured so that assets can be sold via share sale instead of asset sale which will result in a greater return to creditors as transaction and execution costs will be reduced.

7.1.2 Arrium Distribution DOCA

- Will only be entered into by The Arrium Creditor Distribution Company Pty Ltd (formerly SSX Pty Limited), its creditors and the Administrators.
- The Arrium Creditor Distribution Company Pty Ltd does not have any creditors in its own right, however is a party to the 2008 DOXG and as a result, is contingently liable for all debts of member companies of the 2008 DOXG. However, under the terms of the DOXG, The Arrium Creditor Distribution Company Pty Ltd would only become liable for these debts if it were to be placed into liquidation. If the DOCA is entered into by The Arrium Creditor Distribution Company Pty Ltd, it will not be wound up until all creditor claims of the Arrium Group Companies are dealt with under the terms of the Arrium Distribution DOCA.
- The Arrium Distribution DOCA provides a vehicle for the liabilities of the Arrium Group Companies and proceeds from sale of the Arrium Group Companies so that the companies can be sold free of liabilities and that proceeds of sale can be distributed to creditors in accordance with their pre-existing rights.
- The Arrium Distribution DOCA provides the basis for distribution of proceeds from sale of Arrium assets which preserves the creditors' statutory rights as if the Arrium Group Companies were to be wound up.

7.2 Key features of proposed Deeds of Company Arrangement

A summary of the key terms of the DOCAs is as follows:

Overview of the structure of the DOCAs

- The Administrators propose that at least 13 key operating companies will be sold to a bidder. This will:
 - maximise the chances of as many of the Arrium Group Companies as possible continuing in existence which is the objective of administration, and
 - provide a better return to creditors of the Arrium Group Companies as a whole than would result from an immediate winding up of those companies which is also an objective of administration
- There are 94 companies in administration. The Administrators propose entry into 93 identical DOCAs which will facilitate the sales transactions and maximise returns (Transaction Support DOCAs) and one Arrium Distribution DOCA in which the proceeds of all the realisations will be aggregated and distributed to creditors. Distributions will only be paid to creditors from that aggregated fund.
- The proposed Arrium Distribution DOCA will be entered into by The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Ltd) and its creditors. The 93 Transaction Support DOCAs will be entered into by all other of the Arrium Group Companies and their creditors. The 94 DOCAs will be cross conditioned.
- The Voluntary Administrators will be the Deed Administrators of all the 94 Arrium Group Companies' DOCAs.
- The Arrium Distribution DOCA and the proposed Transaction Support DOCAs do not propose an identified sale transaction, but instead operate interdependently to support any subsequent sale transaction and restructure of the Arrium Group Companies. The structure will support a bidder buying Arrium companies and moving assets out of those companies to be acquired and empower the Administrators to extinguish creditors' debts, to be replaced with an entitlement of the creditor to receive distributions in respect of its admitted claims.
- A successful sale (which involves the transition of employees and facilitated by the DOCAs) will result in a significantly reduced priority claims of employees against the Arrium Distribution Fund, to the benefit of the Arrium Group Companies' creditors.

Further detail of the proposed DOCAs are set out below and will be discussed at the forthcoming Second Meetings of Creditors.

Summary of the DOCAs

- The Arrium Distribution DOCA commences after the date it is signed (which must be within 15 business days of being approved at the Second Meetings of Creditors) and is conditional on the execution of all other Transaction Support DOCAs. Each of the Transaction Support DOCAs for each other of the Arrium Group Companies (other than The Arrium Creditor Distribution Company Pty Limited) will also commence after the date it is signed (which must be within 15 business days of being approved at the Second Meetings of Creditors) and is also conditional on the execution of the Arrium Distribution DOCA and all other Transaction Support DOCAs.
- There will be a continuation of the moratorium on enforcement by creditors in respect of all claims against the Arrium Group Companies until the DOCAs terminate. This moratorium will enable the Administrators to facilitate an orderly sale. The prohibition on the transfer of any shares in any of the Arrium Group Companies without the consent of the Deed Administrators will also continue for the same reason.

The establishment of the Arrium Deed Creditors' Committee

- At the First Meetings of Creditors, creditors established a composite Committee of Creditors made up of representatives of union affiliated employees, non-union affiliated employees, and ordinary trade creditors from any of the Arrium Group Companies, the Commonwealth Government, State Government of South Australia and Financiers.
- The committee to be appointed under the DOCAs ('the Deed Creditors' Committee') will be comprised of representatives of the Committee of Creditors. Members of the Deed Creditors' Committee will generally vote by show of hands but if a poll is called, the Deed Creditors' Committee will vote on the basis of those they represented in number and in value at the Second Meetings of Creditors. The Deed Creditors' Committee members are not bound by any duty to Arrium Group Companies' creditors generally.
- The Deed Creditors' Committee voting mechanism mirrors the mechanism for voting at a meeting of creditors under the Corporations Act. The Deed Administrators will have a casting vote in the event of a deadlock between value and number of creditors represented on the Deed Creditors' Committee, except in determining whether to wind-up a company or to pay entitlements to priority creditors following the liquidation of any of the Arrium Group Companies. In either case, the Deed Administrators will apply to the Court for directions on the issue.

Further meetings of creditors of the Arrium Group Companies

- In relation to meetings of Arrium Group Companies' creditors generally, all creditors of all of the Arrium Group Companies are entitled to vote at any meeting of creditors of any one of the Arrium Group Companies convened under the Corporations Act.

Powers of the Deed Administrators

- The DOCAs do not provide for a detailed sale strategy, but instead give the Deed Administrators the broadest powers in all respects to implement the best sale strategies at the appropriate times, subject to the consent of the Deed Creditors' Committee for all transactions with a value greater than \$20 million.
- The broad powers afforded to the Deed Administrators will also allow for the termination of the DOCAs to align with the sale of the companies, at the discretion of the Deed Administrators. As noted above, the Arrium Distribution DOCA will not be terminated until all creditor claims of the Arrium Group Companies are dealt with under its terms.
- Subject to approval by the Deed Creditors' Committee for transactions above a \$20 million threshold, the Deed Administrators' powers will include the power to:
 - novate, release and extinguish the liabilities of the Arrium Group Companies which are to be sold
 - assign and transfer the assets of the Arrium Group Companies
 - sell or allot the shares, debentures or other interests of any of the Arrium Group Companies
 - assign, transfer or otherwise dispose of proceeds from the sale or realisation of the Arrium assets and businesses to the Arrium Group Companies, to be distributed by the Deed Administrators in accordance with the payment waterfall described in the Arrium Distribution DOCA.

- The DOCAs provide that the Deed Administrators must transfer any proceeds of sale or realisation of assets of the Arrium Group Companies (including any shares) to the Arrium Distribution Fund (other than proceeds connected to the sale of the Moly-Cop Entities).

Creditors grant the Deed Administrators a Power of Attorney in relation to their claims

- The DOCAs provide that each creditor will appoint the Deed Administrators severally as its attorney for the purpose of:
 - giving effect to the novation of any claim
 - giving effect to the release of any claim
 - giving effect to the novation, release and discharge of any secured claims, provided the security holder consents
 - giving effect to final releases and the extinguishment of claims, once a final dividend has been paid from the Arrium Distribution Fund; and
 - otherwise, only with the consent of the Deed Creditors' Committee, for the purpose of doing all things necessary to give effect to the purpose and objects of the Arrium Distribution DOCA.
- This will enable the Deed Administrators to expeditiously take such an action as (for example) giving effect to the releases made under the DOCAs by executing such release documents as may be required by the purchasers.
- The flexibility provided by the proposed arrangements in the DOCAs is intended to empower the Deed Administrators to deal with Arrium Group Companies' assets, liabilities and claims in a bespoke manner and to thereby improve the return for creditors as a whole.

Moly-Cop sale and proceeds

- Proceeds from the sale of Moly-Cop assets and businesses will be assigned to one of the Arrium Group Companies selected as part of the process of sale for the Moly-Cop business to receive proceeds on the sale or initial public offering for shares in certain of the Moly-Cop Entities. No Moly-Cop assets or proceeds of sale will form part of the Arrium Distribution Fund, unless otherwise agreed by the Financiers.
- The sale of Moly-Cop assets and businesses and the novation, release and extinguishment of the claims of Moly-Cop creditors will not be subject to approval by the Deed Creditors' Committee.

Proofs of debt

- The Arrium Distribution DOCA will provide a single mechanism for all Arrium Group Companies' creditors to submit proofs of debt and for the Deed Administrators to admit those proofs irrespective of whether the creditor is a creditor of The Arrium Creditor Distribution Company Pty Limited or any of the other Arrium Group Companies.

The waterfall for payment of creditors' entitlements

- A single Arrium Distribution Fund will be established by the Arrium Distribution DOCA and enabled by the Transaction Support DOCAs and will receive the proceeds of the sale or transfer or realisations of the Arrium Group Companies' assets and businesses.
- The Deed Administrators will make distributions to creditors of all of the Arrium Group Companies from the Arrium Distribution Fund in the following order of priority ('the DOCA Waterfall') which follows the statutory order of priority in Section 556A of the Corporations Act:
 - the secured creditors to the extent of their security interest
 - the costs, charges and expenses, including trading liabilities and costs incurred since the voluntary administration), indemnities and remuneration of the Voluntary Administrators and the Deed Administrators
 - priority creditors, including employees
 - unsecured creditors rateably which will mean creditors receive not less than their entitlements under the ASIC 2008 and 1999 Deeds of Cross Guarantee in any liquidation (after having regard to

the anticipated costs and expenses of a liquidation) and will be subject to the Deed Administrators' absolute discretion to adjust dividends to avoid unfair prejudice

- subordinated creditors, being the shareholders of Arrium Limited. (There will be insufficient realisations to make any distributions to Arrium shareholders.)
- Within that DOCA Waterfall, the Deed Administrators will retain an absolute discretion to apply the proceeds in any way that ensures that the unsecured creditors are not unfairly prejudiced when compared to the position they would be in if they were proving in a liquidation of any of the Arrium Group Companies. In determining whether a creditor has been unfairly prejudiced, the Deed Administrators can have regard to the costs and expenses to be incurred in any liquidation and whether the creditor's claim is subject to a DOXG or any other guarantee.
- On the liquidation of any of the Arrium Group Companies, the liquidator will be bound to apply the statutory order of priority under the Act. The Deed Administrators will seek approval from the Deed Creditors' Committee before making any proposed distribution to the priority creditors of a company in liquidation.

Priority of employee claims

- Employee creditors will be able to claim for all unpaid amounts and benefits to which they are entitled under their employment contract or any law. Employee creditors will retain their statutory priority status under the DOCA Waterfall in proving against the Arrium Distribution Fund, regardless of their formal employing entity, other than in a liquidation.

Proceeds of insurance

- The Arrium Distribution DOCA provides that proceeds of insurance received by creditors of the Arrium Group Companies are to be applied to the claim to which the insurance relates in priority to any other claim (in accordance with Sections 562 and 562A of the Corporations Act). An exception is made for the proceeds of insured claims brought by members of any of the Arrium Group Companies in their capacity as members, which instead will be aggregated in the Arrium Distribution Fund.

Preservation of legal claims against directors, officers, advisers and others, and liquidators' claims

- If the Deed Administrators propose a share sale of any of the Arrium Group Companies to the Deed Creditors' Committee which may have valuable claims only available to a liquidator of that company, or claims against third parties, they will:
 - use their best endeavours to assign those claims (other than claims of a liquidator) to the Deed Administrators of another of the Arrium Group Companies so that the claims can be preserved for the benefit of the Arrium Group Companies' creditors; and
 - provide the Deed Creditors' Committee with information reasonably required by the Deed Creditors' Committee to make an informed decision on whether to sell the company.
- The assigned claims will be held by the Deed Administrators for the benefit of the Arrium Group Companies' creditors with the discretion whether or not to prosecute those claims.

Arrium Group Companies may be placed into liquidation if in the best interests of creditors

- The Administrators may resolve to place any of the Arrium Group Companies into liquidation, with the approval of the Deed Creditors' Committee. If any of the Arrium Group Companies is placed into liquidation, the Administrators will be the appointed liquidators.
- The Arrium Distribution DOCA, together with the Transaction Support DOCAs will establish a process to maximise the chances that the proceeds of any future liquidation of any of the Arrium Group Companies will continue to be aggregated into the Arrium Distribution Fund for the benefit of all Arrium Group Companies' creditors rateably consistent with the objectives of the Transaction Support DOCAs and the Arrium Distribution DOCA.
- The liquidator of any of the Arrium Group Companies may pursue legal claims such as antecedent transaction claims only available to a liquidator and claims against directors for breaching their duties. These claims are preserved by the flexibility in Arrium Distribution DOCA until such time as it is

determined whether to conclude a sale transaction and an informed decision can be made as to what is in the best interests of creditors.

- The liquidator of any of the Arrium Group Companies is not required to distribute the proceeds of any liquidation other than in accordance with the priorities established by the Act.

Creditors will only be paid their entitlements under the Arrium Distribution DOCA and cannot double prove

- In any proof against the Arrium Distribution Fund, creditors will be entitled to prove for the full amount of their claims only once and not prove against the primary debtor as well as any co-guarantors. In the event that any debt owed to a creditor is novated, such a novation will not create a new claim against the Arrium Distribution Fund.

Release, extinguishment and conversion of claims

- Any claim against any of the Arrium Group Companies which is extinguished, released or novated by the Deed Administrators will entitle that creditor to receive an entitlement to a distribution from the Arrium Distribution Fund equal to the claim extinguished, released or novated.
- Once a creditor has been paid its entitlement in full under the Arrium Distribution DOCA, or once the final dividend has been paid from the Arrium Distribution Fund, all claims are extinguished.

Termination

- The DOCAs will terminate on the earlier of the liquidation of the Arrium Group Companies, the payment of all entitlements in accordance with the Waterfall (except in the case of the Moly-Cop proceeds), or at the absolute discretion of the Deed Administrators.

Dispute resolution

- The DOCAs provide for the mediation of any dispute with creditors arising from the decisions of the Deed Administrators to assist in the efficient and less expensive resolution of that dispute (when compared with court process). Creditors' statutory appeal rights including under Section 1321 of the Corporations Act remain.

7.3 Rights of creditors under the proposed DOCAs

7.3.1 Treatment of creditors' claims

The Deed Administrators will have the ability to novate, extinguish or release the liabilities against Arrium Group Companies' assets or businesses. Any claim against the Arrium Group Companies which is extinguished or released by the Deed Administrators will entitle that creditor to make a claim against the Distribution Fund, in an amount equal to their extinguished or released claim.

The effect of this is that the creditor will no longer have a claim against the original debtor company, however will have an entitlement to receive the amount of their claim against the Distribution Fund. Creditors should seek legal advice prior to the Second Meetings of Creditors if they are in any doubt as to what this means for them.

There may be some implications for creditors as a result of receiving a distribution from the Distribution Fund in respect of a bad or doubtful debt, rather than from the debtor company being administered under a DOCA. Creditors are advised to seek their own tax advice as to their particular position. The Administrators are unable to provide advice on this issue.

7.3.2 Priority of creditors' claims

Payment of creditor claims in the Distribution Fund will be paid in accordance with the waterfall as outlined above. This waterfall preserves the order of priority as set out in Section 556 of the Corporations Act by giving priority to creditors who have a valid security interest in respect to an asset or assets of the Arrium Group Companies and also to employees of Arrium Group Companies.

7.3.3 Adjudication of creditors' claims

The Arrium Distribution DOCA provides the process by which the Deed Administrators will call for and adjudicate on proofs of debt by creditors of the Arrium Group Companies.

Once the Deed Administrators call for written proofs of debt, creditors must lodge their proofs of debt within 21 days. If the creditor's proof is not received during this period and before a declaration of a dividend, but is subsequently admitted, then the creditor is entitled to be paid dividends that they failed to receive out of any available money in the Arrium Distribution Fund, before that money is applied to the payment of a further dividend.

As soon as reasonably practicable after the date for lodgement of proofs of debt, the Deed Administrators will assess the proofs of debt and determine whether to admit each proof of debt and if so, the quantum to be attributed to each proof of debt. Within seven business days of making their determination, the Deed Administrators will notify each creditor of their determination in respect to their claim.

Where the Deed Administrators reject all or part of a proof of debt, the relevant creditor may appeal to the Court in respect of the rejection within the time allowed for appeals in Regulation 5.6.54 (i.e. 14 days).

A creditor will have abandoned, and will be taken for all purposes to have abandoned, all claims and entitlements (if any) in the Distribution Fund: which are not the subject of a Proof of Debt lodged with the Deed Administrators or which have been rejected by the Deed Administrators and which are not the subject of any appeal or application to the Court within the time allowed for appeals in Regulation 5.6.54.

7.3.4 Effect on employees

It is estimated by the Administrators that employees will receive their full entitlements under the proposed DOCAs. This would be by way of payment (for employees that are made redundant during the administration period) or by the preservation of entitlements for employees that remain employed following sale and recapitalisation of the Arrium Group Companies' businesses.

In a liquidation scenario, employee entitlements are paid in priority to unsecured creditors in accordance with Section 556(1) of the Corporations Act. This priority position is maintained in the Arrium Distribution DOCA by operation of the payment waterfall.

Fair Entitlement Guarantee

The Fair Entitlement Guarantee ('FEG') is a legislative safety net scheme operated by the Commonwealth Government for employees of insolvent entities that have been placed in liquidation. Under the scheme, employees may be able to claim for amounts owing for wages, annual leave, long service leave and in the case of employees who have been made redundant, unpaid payment in lieu of notice and redundancy.

Employees will not have access to FEG if the Arrium Group Companies enter into the DOCAs. It is our view that this will not negatively impact the payment of employee entitlements.

7.3.5 Related party creditor claims

There is no provision in the DOCAs to alter the rights of related party creditors. As a result, related party creditor claims will rank with other unsecured creditor claims under the DOCAs. This is no different to a liquidation of the Arrium Group Companies, where related party creditors would rank together with other unsecured creditors.

As outlined in Section 3.11.3 above, related party claims have not yet been adjudicated and prior to any distribution being made, related party creditors will be required to provide a proof of debt, which will then be adjudicated by the Deed Administrators.

Due to the DOXG (as discussed in Section 3.1.1 above), it is the intention of Deed Administrators that claims amongst companies within the same DOXG group will be excluded as loans between DOXG members will eliminate and therefore not impact on returns to external creditors of the DOXG.

7.3.6 Reporting and meetings of creditors

The Deed Administrators will report to creditors at least once each calendar year. This will be by way of posting the reports on the creditors' information section of the KordaMentha website.

The Deed Administrators may convene a meeting of creditors at any time and will convene a meeting if requested by creditors representing at least 10% in value of all claims or if required to do so under the Corporations Act or by court order. Under the DOCAs, all creditors of the Arrium Group Companies are entitled to vote at any meeting of creditors of any one of the Arrium Group Companies convened under the Corporations Act.

7.4 Estimated timing

We will commence the process for payment of distributions to creditors (including calling for written proofs of debt) within seven days of receipt of the substantive proceeds from the sale and recapitalisation process. Prior to making any distribution to creditors of the Arrium Group Companies, the Deed Administrators need to wait for material realisations to be distributed to the Distribution Fund.

7.5 Remuneration

The Voluntary Administrators and Deed Administrators shall be:

- remunerated in respect of any work done by them or any agent, partner or employee acting on their behalf, in connection with the performance of their duties, obligations and responsibilities in accordance with the Remuneration Policy Manual and at the scale of rates charged from time to time for the provision of services during their appointment, or as otherwise approved by the Deed Creditors' Committee
- reimbursed in respect of all costs, fees and expenses incurred in connection with the performance of their duties, obligations and responsibilities as Voluntary Administrators or Deed Administrators.

The Deed Administrators may pay the remuneration and reimburse the costs and expenses to the Voluntary Administrators and Deed Administrators of the relevant company and of any other of the Arrium Group Companies.

The remuneration of the Voluntary Administrators and Deed Administrators will be approved by the Deed Creditors' Committee. In the event the Deed Creditors' Committee fails to approve the Voluntary Administrators' or the Deed Administrators' remuneration, the remuneration may be approved by order of the court under Section 449E of the Corporations Act.

The Voluntary Administrators and the Deed Administrators will be indemnified by the Arrium Group Companies out of the assets of the Arrium Group Companies and the Arrium Distribution Fund.

Remuneration will be based on the hours spent by the Deed Administrators, the Voluntary Administrators and their staff, calculated in accordance with the KordaMentha Schedule of Hourly Rates (attached as Appendix 9) which are reviewed on an annual basis. Further details regarding the basis of remuneration is set out at Section 9.

8 Alternatives available to creditors

8.1 Explanation of alternatives available to creditors

The Administrators are obligated to make a recommendation on which alternative is in the best interests of creditors. Accordingly, we make the following comments in respect of each alternative.

8.1.1 Bringing the administrations to an end

At the Second Meetings of Creditors, creditors may resolve to end the administrations and return the Arrium Group Companies to their existing directors. Should creditors resolve that the administrations be terminated, the Arrium Group Companies will be placed in a similar position to that existing prior to our appointment as Administrators.

We consider that bringing the administrations to an end is not in the best interests of Arrium Group Companies' creditors.

8.1.2 Liquidation

At the Second Meetings of Creditors, creditors may resolve that any of the companies be wound up. Should they do so, the relevant company will be placed into liquidation and the company is taken to have nominated us as the Administrators to be the liquidators, if the creditors do not nominate another person to be the liquidator. The liquidators are required to realise and distribute the assets in accordance with Section 556 of the Corporations Act (subject to Section 545 of the Corporations Act) and will also be required to complete a thorough investigation into the company's past dealings and affairs, and the past actions of the directors.

Effect of liquidation

A liquidation is the orderly winding up of a company's affairs. The process includes realisation of the company's assets, cessation or sale of operation and distribution of proceeds among creditors. In accordance with Section 477(1)(a) a liquidator may only carry on the business of a company so far as is necessary for the beneficial disposal or winding up of the business.

The effects of liquidation of the Arrium Group Companies include:

1. the moratorium available under the voluntary administration process ceasing
2. the liquidators being empowered to recover potential voidable transactions, as outlined in Section 5.6 of this Report
3. the liquidators being required to conduct an investigation into the affairs of the Arrium Group Companies pursuant to Section 533 of the Corporations Act and lodge a report with the ASIC in respect of the same
4. the DOXG would become effective meaning that each member of a DOXG guarantees the debts of each other member of the DOXG. The DOXG are discussed further in Section 3.1.1 above.

Placing the Arrium Group Companies into liquidation has, in our view, the potential to adversely affect the ongoing trading of the businesses and may jeopardise the sale and recapitalisation of the businesses as going concerns. Liquidation may make it difficult to attract a purchaser for Arrium Group Companies' businesses and the liquidators would be unable to trade on the businesses, except with a view to winding up the affairs of the Arrium Group Companies. It is our opinion that liquidation would result in a less orderly realisation of the businesses and assets of the Arrium Group Companies and that this, combined with additional costs and crystallisation of contingent creditors, would result in a lower return to creditors.

We consider that liquidation is not in the best interests of Arrium Group Companies' creditors.

8.1.3 Deeds of Company Arrangement

The proposed DOCAs put forward by the Administrators provide a structure which would enable a sale and recapitalisation of businesses through the sale of shares in the relevant legal entities and of certain assets, and would provide the best chance of continuation of the Arrium Group Companies' businesses. As Deed Administrators, we will continue to supervise the affairs of the Arrium Group Companies after execution of the DOCAs.

It is our opinion that it would be in creditors' interests for each of the Arrium Group Companies to execute the DOCAs.

8.2 Analysis of alternatives available

In accordance with Section 439A(4) of the Corporations Act, we are required to provide creditors with information known to the Administrators which will enable an informed decision about the alternatives available (as outlined in Section 8.1 above).

The Transaction Support DOCAs and Arrium Distribution DOCA have been proposed for the purpose of facilitating the sale and recapitalisation of the businesses and operations of the Arrium Group Companies.

It is the view of the Administrators that the optimal structure for realisation of the majority of Arrium Group Companies' assets would be through sale and recapitalisation of the trading companies themselves by way of share sales. The DOCAs allow for this to occur. A liquidation of the Arrium Group Companies would not allow for sale of companies and would require realisation of businesses through asset sales.

The Transaction Support DOCAs and Arrium Distribution DOCA have been proposed for the purpose of facilitating the sale and recapitalisation of the businesses and operations of the Arrium Group Companies, and to aggregate and pay creditors. The key objectives of the proposed DOCAs are to:

- maximise the chances of as many of the Arrium Group Companies' businesses continuing in existence
- provide a better return to creditors of the Arrium Group Companies as a whole, than would result from winding up of the Arrium Group Companies
- provide flexibility for a sale and recapitalisation of the Arrium Group Companies in terms of the structure of the businesses and assets
- provide for a cost efficient and timely mechanism for the sale and recapitalisation of the businesses of the Arrium Group Companies, the novation of liabilities of the Arrium Group Companies and the management of proofs of debt, determination of claims and payment of distributions to creditors.

The following table outlines the reasons why a share sale is preferred to an asset sale.

		Share sale	Asset sale
Employees	There are approximately 6,000 employees across the Arrium Group Companies.	Can transact a sale of the businesses without a change to any EAs or employment contracts which creates greater certainty for employees and purchasers.	New contracts of employment would be required as well as changes to EAs. This would increase transactional costs and would create uncertainty for all parties.
Contracts	Across the Arrium Group Companies there are over: • 30,000 customers • 30,000 suppliers • 150 umbrella procurement contracts.	Depending upon the ultimate sale structure, there would be either no changes required to existing contracts or fewer changes than in an asset sale.	Requires novation and assignments and/or third party consents for all contracts required to trade the businesses. This results in less control in transacting this way and will increase costs and transaction execution risks.
Intellectual property	There are approximately 1,000 items of intellectual property within the Arrium Group Companies.	The majority of intellectual property would not need to be assigned.	Novation or assignment of intellectual property assets to the purchaser would be required. This would increase transactional costs and settlement timelines given the complexity of intellectual property matters.
Complexity	The size of the Arrium Group Companies, from employees, entities, assets and operations is vast	The sale of businesses through share sale will be a simpler process and will result in lower transactional costs to both the Administrators and purchasers.	Transacting under an asset sale will take a significant amount of time and resources. Completion timing is also uncertain, particularly as conditions precedent are likely to cover key contract assignment/novations.

Due to the above factors, there is uncertainty over whether a sale of the Arrium Group Companies' businesses through an asset sale would be possible. We consider that the proposed DOCAs provide the best chance of achieving a successful sale of the Arrium Group Companies' businesses. However, there is no guarantee that the DOCAs will result in a successful sale of all Arrium Group Companies' businesses.

If the Arrium Group Companies execute the DOCAs, creditors will be no worse off than if the Arrium Group Companies were placed into liquidation.

The proposed DOCAs will enable advancement of the current sale and recapitalisation program. As discussed in Section 6.1 above, the sale and recapitalisation process is in progress and will not be able to be finalised in the manner being proposed prior to the Arrium Group Companies entering into the proposed DOCAs.

8.2.1 Estimated return to creditors

As the sale and recapitalisation process is still underway, the Administrators are not currently in a position to provide creditors with an indication of the estimated distribution that will be paid by the Arrium Group Companies.

8.2.2 DOCAs compared to liquidation

We are of the view that creditors will receive a better return under the DOCAs than from a liquidation of the Arrium Group Companies for the following reasons:

- the DOCAs provide the most flexible, timely and certain process to transact a sale and recapitalisation
- the DOCAs increase the likelihood of the businesses of the Arrium Group Companies continuing to operate which would avoid the crystallisation of contingent claims, including employee priority claims and would allow trade creditors to continue to do future business with the Arrium Group Companies
- the DOCAs would avoid the need to conduct 94 separate administrations
- placing a company into liquidation at a future date is possible in accordance with the DOCAs and legal claims only available to a liquidator could then be pursued.

8.3 Recommendation

By entering into the DOCAs, the Administrators and Morgan Stanley agree that the structure will result in a superior sale price for the Arrium Group Companies. Having achieved better recoveries for the key assets, the streamlined distribution via an aggregated fund will deliver efficient distribution of proceeds to creditors, whilst ensuring rights to proceeds of individual creditors (as compared with liquidation) are protected.

It is our opinion that it would be in creditors' interests for each of the Arrium Group Companies to execute a DOCA. No creditor will be worse off under the proposed DOCAs than they would be in a liquidation of the Arrium Group Companies. It is not in creditors' interests to bring the Arrium Group Companies' administrations to an end and it is not in the creditors' interests to wind up any of the Arrium Group Companies.

9 Remuneration of Administrators

Remuneration of the Voluntary Administrators up to 25 September 2016 has been approved by the Committee of Creditors. Remuneration of the Administrators after 25 September 2016 and remuneration of the Deed Administrators will put to the Committee of Creditors and Deed Creditors' Committee for approval.

10 Shareholders

The Administrators will provide an update to shareholders of Arrium Limited following completion of the Arrium Australia sale and recapitalisation process.

11 Further information

Creditors requiring further information regarding the administrations of the Arrium Group Companies can call 1300 553 490 or email arrium@linkmarketservices.com.au.

Dated: 26 October 2016



Mark Mentha
Administrator



Martin Madden
Administrator



Cassandra Mathews
Administrator



Bryan Webster
Administrator

KordaMentha
Level 5, Chifley Tower
2 Chifley Square
Sydney NSW

Glossary

1H16	First six months of FY16
ACDT	Australian Central Daylight Time
AEDT	Australian Eastern Daylight Time
ARITA	Australian Restructuring Insolvency and Turnaround Association
Arrium Group Companies	The companies as listed in Appendix 1 (all in Voluntary Administration)
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATM	Austube Mills
AWU	Australian Workers' Union
Board	The Board of Arrium Limited
CEO	Chief Executive Officer
COD	Cash on delivery
Code	ARITA Code of Professional Practice
Committee of Creditors	Committee appointed at the First Meetings of Creditors
Corporations Act	Corporations Act 2001 (Commonwealth)
DB	Deutsche Bank
Deed Creditors' Committee	The committee to be appointed under the DOCAs and comprises representatives of the Committee of Creditors
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities
dmt	Dry metric tonne
DOCAs	Deeds of Company Arrangement
DOXG	ASIC Deed of Cross Guarantee
EAs	Enterprise Agreements
FEG	Fair Entitlement Guarantee
First Meetings of Creditors	Meetings convened pursuant to Section 436E of the Corporations Act on 19 April 2016
First Voluntary Administrators	Said Jahani, Matthew Byrnes, Paul Billingham and Michael McCann
FY	Financial year
Guarantors	Corporate guarantors as listed in Appendix 6
GSO	GSO Capital Partners LP
IB	Investment bank
IPO	Initial public offering
M&A	Mergers and acquisitions
Moly-Cop	Moly-Cop Entities
mtpa	Million tonnes per annum
PPSR	Personal Properties Security Register
RATA	Report as to affairs
Second Meetings of Creditors	Meetings convened pursuant to Section 439A of the Corporations Act
SMR	South Middleback Ranges
The Court	Federal Court of Australia
USD	US Dollar
WHSE	Workplace health, safety and environment

Form 529

Corporations Act (2001)

Notice of Second Meetings of Creditors of Companies under Administration

Arrium Group Companies (Administrators Appointed) (as defined in Appendix 1 of the Report to Creditors dated 26 October 2016)

Notice is hereby given that the Second Meetings of Creditors of the Arrium Group Companies will be held on Friday 4 November 2016 at SMC Conference & Function Centre, 66 Goulburn Street, Sydney. Registration for all creditors and employees will open at 10:00am with the Second Meetings of Creditors commencing at 12.00 pm.

Agenda

1. The purpose of the Second Meetings of Creditors is:
 - a. to consider the report of the Administrators in connection with the business, property, affairs and financial circumstances of the Arrium Group Companies
 - b. for the creditors of each of the Arrium Group Companies to resolve whether:
 - i. the company execute a deed of company arrangement, or
 - ii. the administration end, or
 - iii. the company be wound up.
2. A resolution will be considered to hold the meetings concurrently.
3. Any other business properly brought before the meetings.

Creditors wishing to vote at the Second Meetings of Creditors, who will not be attending in person or are a company, must complete and return an Appointment of Proxy ('Proxy Form') by no later than 4.00 pm on Wednesday 2 November 2016 via facsimile at +61 2 9287 0309 or via email at arrium@linkmarketservices.com.au. Alternatively, Proxy Forms may be returned via mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235. An Appointment of Proxy form is enclosed.

An audio webcast of the Second Meetings of Creditors will also be held at 11.30 am (ACDT) on Friday 4 November 2016 at Palms Function Centre, 100 Mcdouall Stuart Ave, Whyalla Norrie SA. KordaMentha staff members will be present in Whyalla and creditors will be provided an opportunity to vote on the resolutions.

An audio webcast of the Second Meetings of Creditors will be available to enable creditors to observe the meetings. Please note that creditors observing the meetings will not be considered as attendees of the meetings and will not be able to vote or participate in the meetings. If you wish to vote or participate, you must attend in person or by proxy. Login details for the audio webcast can be obtained from Link Market Services at arrium@linkmarketservices.com.au or by phone on 1300 553 490.

Dated: 26 October 2016



Cassandra Mathews
Administrator

KordaMentha
Level 5 Chifley Tower
2 Chifley Square
Sydney NSW 2000

LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:
 Link Market Services Limited
 PO Box 3184
 Rhodes NSW 2138
 Facsimile: +61 2 9287 0309
 Client Code: ARII
 Email: arrium@linkmarketservices.com.au
 Creditor Queries: +61 1300 553 490

CREDITOR DETAILS

Full Name of Company or Individual

Contact Telephone Number

Registered Address

Email Address

FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

STEP 1

INDEBTED COMPANY DETAILS - REFER ATTACHED SCHEDULE OF COMPANIES

Please insert the company number you have a claim against in this box (refer to attached schedule):

Failure to do so would mean that your submission cannot be processed.

If you are a creditor of more than one Indebted Company, you must copy and provide a Proxy Form for each company.

STEP 2

APPOINTING A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote for me/us on my/our behalf at the Meeting of Creditors of the Company to be held at **12:00pm (AEDT) on Friday, 4 November 2016, at Grand Lodge Room, Sydney Masonic Centre, 66 Goulburn St, Sydney NSW 2000** and at any adjournment or postponement of the meeting.

Note: Your proxy nomination will be deemed invalid if you do not complete this step.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 4:00pm (AEDT) on Wednesday, 2 November 2016. Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 3

VOTING DIRECTIONS

Resolutions

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 1 "That the creditors of each of the companies in the Arrium Group of Companies listed at appendix 1 to the section 439A Report to Creditors distributed to creditors and posted on the KordaMentha website consent to persons other than creditors of that individual Arrium Group Company being present at their meeting and that the meetings of the Arrium Group Companies be held concurrently." | ☐ | ☐ | ☐ |
| 2 "That the Company execute a Deed of Company Arrangement (Transaction Support DOCA) consistent with the "Overview of proposed DOCAs" and "Key Features of the proposed Deeds of Company Arrangement" in section 7 of the section 439A Report to Creditors distributed to creditors and posted on the KordaMentha website on 26 October 2016"; or | ☐ | ☐ | ☐ |
| 3 "That the Company ends the Administration (and control revert back to the Company's directors)"; or | ☐ | ☐ | ☐ |
| 4 "That the Company be wound up" | ☐ | ☐ | ☐ |

STEP 4

SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 2. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 2. A proxy need not be a creditor of the company. A proxy may be an individual or a body corporate.

Note: The proxy nomination will be deemed invalid if you do not complete this step.

Votes on Items of Business - Proxy Appointment

General (open) Votes

If you do not mark any of the resolution boxes, your nominated proxies' directions will apply.

Directed Votes

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your entitlements will be voted in accordance with such a direction. If you mark more than one box on an item your vote on that item will be invalid.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either creditor may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Notes

1. If the creditor is a sole trader, sign in accordance with the following example: "A.B., proprietor".
2. If the creditor is a partnership, sign in accordance with the following example: "A.B., a partner of the said firm".
3. If the creditor is a company, then the form of proxy must be under its Common Seal or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "for the company, A.B." (duly authorised under the Seal of the Company).

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm (AEDT) on Wednesday, 2 November 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:



by email:

scan and email to arrium@linkmarketservices.com.au



by fax:

+61 2 9287 0309



by mail (please affix sufficient postage to ensure delivery by no later than cut off):

Att: Arrium Limited & Associated Entities (Administrators Appointed)
C/- Link Market Services Limited
PO Box 3184
Rhodes NSW 2138
Australia



by hand*:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.
Att: Arrium Limited & Associated Entities (Administrators Appointed)

* During business hours (Monday to Friday, 9:00am-5:00pm)

If you would like to attend and vote at the Meeting of Creditors, please bring this form with you.
This will assist in registering your attendance.

SCHEDULE OF COMPANIES

COMPANY NUMBER	COMPANY NAME	ACN	COMPANY NUMBER	COMPANY NAME	ACN
1	A.C.N. 006 769 035 Pty Limited	006 769 035	48	OneSteel Queensland Pty Limited	010 558 871
2	Akkord Pty Limited	060 486 991	49	OneSteel Recycling Holdings Pty Limited	059 240 952
3	ANI Construction (W.A.) Pty Limited	008 670 871	50	OneSteel Recycling Overseas Pty Limited	105 479 356
4	Arrium Finance Pty Limited	093 954 940	51	OneSteel Recycling Pty Limited	002 707 262
5	Arrium Iron Ore Holdings Pty Limited	152 752 844	52	OneSteel Reinforcing Pty Limited	004 148 289
6	Arrium Limited	004 410 833	53	OneSteel Stainless Australia Pty Limited	004 610 851
7	Atlas Group Employees Superannuation Fund Pty Limited	060 568 998	54	OneSteel Stainless Pty Limited	006 362 652
8	Atlas Group Staff Superannuation Fund Pty Limited	059 654 241	55	OneSteel Technologies Pty Limited	096 380 219
9	Atlas Group Superannuation Plan Pty Limited	065 649 050	56	OneSteel Trading Pty Limited	007 519 646
10	Australian National Industries Pty Limited	000 066 071	57	OneSteel US Investments 1 Pty Limited	131 211 606
11	Australian Wire Industries Pty Limited	064 267 456	58	OneSteel US Investments 2 Pty Limited	131 211 571
12	Austube Mills Holdings Pty Limited	123 160 172	59	OneSteel Wire Pty Limited	000 010 873
13	Austube Mills Pty Limited	123 666 679	60	Overseas Corporation (Australia) Pty Limited	004 242 086
14	AWI Holdings Pty Limited	004 157 475	61	P & T Tube Mills Pty Limited	010 469 977
15	B.G.J. Holdings Pty Limited	004 859 536	62	Palmer Tube Mills Pty Limited	010 469 879
16	Bradken Consolidated Pty Limited	000 011 932	63	Pipeline Supplies of Australia Pty Limited	008 573 475
17	Central Iron Pty Limited	143 503 397	64	Reosteel Pty Limited	000 142 094
18	Cockatoo Dockyard Pty Limited	000 025 918	65	Roentgen Ray Pty Limited	000 028 106
19	Comsteel Pty Limited	006 218 524	66	Southern Iron Pty Limited	119 611 068
20	Cooper Pedy Resources Pty Limited	151 599 905	67	SSG Investments Pty Limited	085 490 526
21	Eagle & Globe Pty Limited	000 122 305	68	SSG No.2 Pty Limited	087 840 720
22	Email Accumulation Superannuation Pty Limited	065 263 658	69	SSG No.3 Pty Limited	087 840 515
23	Email Executive Superannuation Pty Limited	065 263 818	70	SSGL Share Plan Nominees Pty Limited	085 943 540
24	Email Holdings Pty Limited	092 348 555	71	SSX Acquisitions Pty Limited	090 574 520
25	Email Management Superannuation Pty Limited	065 263 710	72	SSX Employees Superannuation Fund Pty Limited	064 431 116
26	Email Metals Pty Limited	004 574 681	73	SSX Holdings Pty Limited	087 813 116
27	Email Pty Limited	000 029 407	74	SSX International Pty Limited	084 990 947
28	Email Superannuation Pty Limited	065 263 603	76	SSX Retirement Fund Pty Limited	064 431 303
29	Emwest Holdings Pty Limited	001 992 123	77	SSX Services Pty Limited	083 090 831
30	Emwest Properties Pty Limited	003 146 334	78	SSX Staff Superannuation Fund Pty Limited	064 431 072
31	GSF Management Pty Limited	064 116 874	79	Tasco Superannuation Management Pty Limited	071 901 712
32	J. Murray-More (Holdings) Pty Limited	000 158 412	80	The ANI Corporation Pty Limited	000 421 358
33	John McGrath Pty Limited	000 004 937	81	The Australian Steel Company (Operations) Pty Limited	069 426 955
34	Kelvinator Australia Pty Limited	007 873 734	82	Tube Estates Pty Limited	010 449 939
35	Litesteel Products Pty Limited	109 854 677	83	Tube Street Pty Limited	004 785 157
36	Litesteel Technologies Pty Limited	113 101 054	84	Tube Technology Pty Limited	010 469 986
37	Metals Properties Pty Limited	000 040 040	85	Tubemakers of Australia Pty Limited	000 005 498
38	Metalstores Pty Limited	000 267 112	86	Tubemakers Somerton Pty Limited	004 595 546
39	Metpol Pty Limited	000 927 373	87	Western Consolidated Industries Pty Limited	001 185 913
40	N.K.S. (Holdings) Pty Limited	004 321 313	88	Whyalla Ports Pty Limited	153 225 364
41	O Dee Gee Co. Pty Limited	004 208 191	89	X.C.E. Pty Limited	004 081 903
42	OneSteel Americas Holdings Pty Limited	147 067 016	90	XEM (Aust) Pty Limited	004 158 025
43	OneSteel Building Supplies Pty Limited	000 045 349	91	XLA Pty Limited	004 239 392
44	OneSteel Coil Coaters Pty Limited	123 138 732	92	XLL Pty Limited	006 301 266
45	OneSteel Manufacturing Pty Limited	004 651 325	93	XMS Holdings Pty Limited	008 742 014
46	OneSteel MBS Pty Limited	096 273 979	94	Zinctek Pty Limited	010 474 790
47	OneSteel NSW Pty Limited	003 312 892			

LINK INSOLVENCY SOLUTIONS - APPOINTMENT OF PROXY

All forms returned to:
 Link Market Services Limited
 PO Box 3184
 Rhodes NSW 2138
 Facsimile: +61 2 9287 0309
 Client Code: ARII
 Email: arrium@linkmarketservices.com.au
 Creditor Queries: +61 1300 553 490

CREDITOR DETAILS

Full Name of Company or Individual

Contact Telephone Number

Registered Address

Email Address

Please only complete this form if you are also submitting, or have previously submitted, a proof of debt form in relation to a claim against The Arrium Creditor Distribution Company Pty Limited (formerly SSX Pty Limited) which is company number 75 in the Schedule of Companies to the enclosed proof of debt form. If your claim relates to any other of the Arrium Group Companies, please use the additional enclosed Appointment of Proxy form.

FORM 532 (CORPORATIONS ACT 2001) APPOINTMENT OF PROXY (REGULATION 5.6.29)

I/We being a creditor(s) of The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited) (Administrators Appointed) ACN 082 181 726 and entitled to attend and vote hereby appoint:

STEP 1

APPOINTING A PROXY

☐

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered creditor) you are appointing as your general/special proxy

to vote for me/us on my/our behalf at the Meeting of Creditors of the Company to be held at **12:00pm (AEDT) on Friday, 4 November 2016**, at Grand Lodge Room, Sydney Masonic Centre, 66 Goulburn St, Sydney NSW 2000 and at any adjournment or postponement of the meeting.

Note: Your proxy nomination will be deemed invalid if you do not complete this step.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 4:00pm (AEDT) on Wednesday, 2 November 2016. Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

Resolutions

- | | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 1 "That the creditors of each of the companies in the Arrium Group of Companies listed at appendix 1 to the section 439A Report to Creditors distributed to creditors and posted on the KordaMentha website consent to persons other than creditors of that individual Arrium Group Company being present at their meeting and that the meetings of the Arrium Group Companies be held concurrently." | ☐ | ☐ | ☐ |
| 2 "That the Company execute a Deed of Company Arrangement (Arrium Distribution DOCA) consistent with the "Overview of proposed DOCAs" and "Key Features of the proposed Deeds of Company Arrangement" in section 7 of the section 439A Report to Creditors distributed to creditors and posted on the KordaMentha website on 26 October 2016"; or | ☐ | ☐ | ☐ |
| 3 "That the Company ends the Administration (and control revert back to the Company's directors)"; or | ☐ | ☐ | ☐ |
| 4 "That the Company be wound up" | ☐ | ☐ | ☐ |

STEP 3

SIGNATURE OF CREDITORS - THIS MUST BE COMPLETED

Creditor 1 (Individual)/Agent 1

Creditor 2 (Individual)/Agent 2

Creditor 3 (Individual)/Agent 3

This form should be signed by the creditor. If signed by the creditor's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. A proxy need not be a creditor of the company. A proxy may be an individual or a body corporate.

Note: The proxy nomination will be deemed invalid if you do not complete this step.

Votes on Items of Business - Proxy Appointment

General (open) Votes

If you do not mark any of the resolution boxes, your nominated proxies' directions will apply.

Directed Votes

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your entitlements will be voted in accordance with such a direction. If you mark more than one box on an item your vote on that item will be invalid.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either creditor may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Notes

1. If the creditor is a sole trader, sign in accordance with the following example: "A.B., proprietor".
2. If the creditor is a partnership, sign in accordance with the following example: "A.B., a partner of the said firm".
3. If the creditor is a company, then the form of proxy must be under its Common Seal or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "for the company, A.B." (duly authorised under the Seal of the Company).

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **4:00pm (AEDT) on Wednesday, 2 November 2016**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged:



by email:

scan and email to arrium@linkmarketservices.com.au



by fax:

+61 2 9287 0309



by mail (please affix sufficient postage to ensure delivery by no later than cut off):

Att: Arrium Limited & Associated Entities (Administrators Appointed)
C/- Link Market Services Limited
PO Box 3184
Rhodes NSW 2138
Australia



by hand*:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.
Att: Arrium Limited & Associated Entities (Administrators Appointed)

* During business hours (Monday to Friday, 9:00am-5:00pm)

If you would like to attend and vote at the Meeting of Creditors, please bring this form with you.
This will assist in registering your attendance.

How to Complete a Form 532

If the name and address of the creditor entitled to attend the meeting does not appear at the top of the form, please insert the full name and address of the creditor in the boxes provided. This will be a given name and surname if you are entitled to attend in your personal capacity or the name of the company if the creditor entitled to attend is a corporate entity. If you wish, you can include a telephone number and/or email address to make it easy for us to contact you if necessary.

Step 1 Insert the company number that you have a claim against, with reference to the schedule attached to the Appointment of Proxy form.

Step 2 Insert the name of the person or body corporate you appoint as your proxy (you may alternatively tick the box to appoint the Chairperson of the meeting as your proxy if you wish).

Step 3 If the proxy is a general proxy, do not mark any of the resolution boxes.

If you wish to appoint a special proxy, this means they must act in accordance with your exact instructions. To appoint a special proxy, place a mark in one of the boxes opposite each of the resolutions.

Step 4 Date and sign the Proxy form using one of the following various forms of execution:

Sole Trader: Sign the proxy yourself

Partnership: e.g. sign: 'ABC Partners
per John Smith
Partner'

Company: a. By a director or secretary
b. By a person duly authorised to sign on behalf of the company, either as the company's attorney or Authorised Representative

LINK INSOLVENCY SOLUTIONS – PROOF OF DEBT (POD) OR CLAIM FORM

All forms returned to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: +61 2 9287 0309
Client Code: AR11
m@linkmarketservices.com.au
or Queries: +61 1300 553 490

CREDITOR DETAILS

Full Name of Company or Individual

Contact Telephone Number

--

Registered Address

[illegible]

Email Address

Creditors who have already lodged a proof of debt do not need to complete a new proof of debt unless an amendment is required.

PROOF OF DEBT (POD) OR CLAIM FORM 535 CORPORATIONS ACT (SUB REGULATION 5.6.49(2))

☐ I am an employee of the indebted company

☐ I am a creditor

A

INDEBTED COMPANY DETAILS – REFER ATTACHED SCHEDULE OF COMPANIES

Please insert the company number you have a claim against in this box (refer to attached schedule):



Failure to do so would mean that your submission cannot be processed.

If you are a creditor of more than one Indebted Company, you **must copy** and provide a POD form for each company. **The indebted amount must be completed.**

Pursuant to Regulation 5.6.11A of the Corporations Regulations 2001, creditors may elect to receive notices and documents prescribed by the *Corporations Act 2001* by electronic means.

☐ I hereby authorise Link to send all communications electronically including notices, reports and any statements.

Email Address

A large rectangular area with a grid of small squares, intended for drawing a diagram.

Total indebted amount (this must be completed):

A\$, , , .

Note: Supporting documentation for the above debt(s) must be included with this submission.

B

SIGN HERE (All Creditor(s) including employees must sign)

Creditor 1 (Individual)/Agent 1

--	--

Creditor 2 (Individual)/Agent 2

--

Date _____

_____ / _____

☐ I am in the employment of the creditors and duly authorised in writing by the creditor to make this statement and it is within my knowledge that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

☐ I am the creditor's agent duly authorised in writing to make this statement in writing and it is within my knowledge that the debt was incurred and for the consideration stated and that debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

Note 1: If returning the forms by post, please always consider using the appropriate postage stamp on your reply/return envelope to ensure that the forms are received by Link in a timely manner.

Note 2: For further details about Link Group's personal information handling practices, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement.

SCHEDULE OF COMPANIES

COMPANY NUMBER	COMPANY NAME	ACN	COMPANY NUMBER	COMPANY NAME	ACN
1	A.C.N. 006 769 035 Pty Limited	006 769 035	48	OneSteel Queensland Pty Limited	010 558 871
2	Akkord Pty Limited	060 486 991	49	OneSteel Recycling Holdings Pty Limited	059 240 952
3	ANI Construction (W.A.) Pty Limited	008 670 871	50	OneSteel Recycling Overseas Pty Limited	105 479 356
4	Arrium Finance Pty Limited	093 954 940	51	OneSteel Recycling Pty Limited	002 707 262
5	Arrium Iron Ore Holdings Pty Limited	152 752 844	52	OneSteel Reinforcing Pty Limited	004 148 289
6	Arrium Limited	004 410 833	53	OneSteel Stainless Australia Pty Limited	004 610 851
7	Atlas Group Employees Superannuation Fund Pty Limited	060 568 998	54	OneSteel Stainless Pty Limited	006 362 652
8	Atlas Group Staff Superannuation Fund Pty Limited	059 654 241	55	OneSteel Technologies Pty Limited	096 380 219
9	Atlas Group Superannuation Plan Pty Limited	065 649 050	56	OneSteel Trading Pty Limited	007 519 646
10	Australian National Industries Pty Limited	000 066 071	57	OneSteel US Investments 1 Pty Limited	131 211 606
11	Australian Wire Industries Pty Limited	064 267 456	58	OneSteel US Investments 2 Pty Limited	131 211 571
12	Austube Mills Holdings Pty Limited	123 160 172	59	OneSteel Wire Pty Limited	000 010 873
13	Austube Mills Pty Limited	123 666 679	60	Overseas Corporation (Australia) Pty Limited	004 242 086
14	AWI Holdings Pty Limited	004 157 475	61	P & T Tube Mills Pty Limited	010 469 977
15	B.G.J. Holdings Pty Limited	004 859 536	62	Palmer Tube Mills Pty Limited	010 469 879
16	Bradken Consolidated Pty Limited	000 011 932	63	Pipeline Supplies of Australia Pty Limited	008 573 475
17	Central Iron Pty Limited	143 503 397	64	Reosteel Pty Limited	000 142 094
18	Cockatoo Dockyard Pty Limited	000 025 918	65	Roentgen Ray Pty Limited	000 028 106
19	Comsteel Pty Limited	006 218 524	66	Southern Iron Pty Limited	119 611 068
20	Cooper Pedy Resources Pty Limited	151 599 905	67	SSG Investments Pty Limited	085 490 526
21	Eagle & Globe Pty Limited	000 122 305	68	SSG No.2 Pty Limited	087 840 720
22	Email Accumulation Superannuation Pty Limited	065 263 658	69	SSG No.3 Pty Limited	087 840 515
23	Email Executive Superannuation Pty Limited	065 263 818	70	SSGL Share Plan Nominees Pty Limited	085 943 540
24	Email Holdings Pty Limited	092 348 555	71	SSX Acquisitions Pty Limited	090 574 520
25	Email Management Superannuation Pty Limited	065 263 710	72	SSX Employees Superannuation Fund Pty Limited	064 431 116
26	Email Metals Pty Limited	004 574 681	73	SSX Holdings Pty Limited	087 813 116
27	Email Pty Limited	000 029 407	74	SSX International Pty Limited	084 990 947
28	Email Superannuation Pty Limited	065 263 603	75	The Arrium Creditor Distribution Company Pty Limited (formerly SSX Pty Limited)	082 181 726
29	Emwest Holdings Pty Limited	001 992 123	76	SSX Retirement Fund Pty Limited	064 431 303
30	Emwest Properties Pty Limited	003 146 334	77	SSX Services Pty Limited	083 090 831
31	GSF Management Pty Limited	064 116 874	78	SSX Staff Superannuation Fund Pty Limited	064 431 072
32	J. Murray-More (Holdings) Pty Limited	000 158 412	79	Tasco Superannuation Management Pty Limited	071 901 712
33	John McGrath Pty Limited	000 004 937	80	The ANI Corporation Pty Limited	000 421 358
34	Kelvinator Australia Pty Limited	007 873 734	81	The Australian Steel Company (Operations) Pty Limited	069 426 955
35	Litesteel Products Pty Limited	109 854 677	82	Tube Estates Pty Limited	010 449 939
36	Litesteel Technologies Pty Limited	113 101 054	83	Tube Street Pty Limited	004 785 157
37	Metals Properties Pty Limited	000 040 040	84	Tube Technology Pty Limited	010 469 986
38	Metalstores Pty Limited	000 267 112	85	Tubemakers of Australia Pty Limited	000 005 498
39	Metpol Pty Limited	000 927 373	86	Tubemakers Somerton Pty Limited	004 595 546
40	N.K.S. (Holdings) Pty Limited	004 321 313	87	Western Consolidated Industries Pty Limited	001 185 913
41	O Dee Gee Co. Pty Limited	004 208 191	88	Whyalla Ports Pty Limited	153 225 364
42	OneSteel Americas Holdings Pty Limited	147 067 016	89	X.C.E. Pty Limited	004 081 903
43	OneSteel Building Supplies Pty Limited	000 045 349	90	XEM (Aust) Pty Limited	004 158 025
44	OneSteel Coil Coaters Pty Limited	123 138 732	91	XLA Pty Limited	004 239 392
45	OneSteel Manufacturing Pty Limited	004 651 325	92	XLL Pty Limited	006 301 266
46	OneSteel MBS Pty Limited	096 273 979	93	XMS Holdings Pty Limited	008 742 014
47	OneSteel NSW Pty Limited	003 312 892	94	Zinctek Pty Limited	010 474 790

Proof of debt

How to Complete a Form 535

It is a creditor's responsibility to prove their claim to our satisfaction.

When lodging proofs of debt, creditors should make sure that:

- the proof of debt form is fully completed
- documentary evidence, as described below, is attached to the Form 535.

Directions for completing a Proof of Debt

1. If the name and address of the creditor entitled to attend the meeting does not appear at the top of the form, please insert the full name and address of the creditor in the boxes provided. This will be a given name and surname if you are entitled to attend in your personal capacity or the name of the company if the creditor entitled to attend is a corporate entity. If you wish, you can include a telephone number and/or email address to make it easy for us to contact you if necessary.
2. Please tick a box to indicate whether you are an employee or a creditor of the indebted company.
3. Insert the company number that you have a claim against, with reference to the schedule attached to the Appointment of Proxy form.

If you are a creditor of more than one of the Arrium Group Companies, you must copy and provide a Proof of Debt form for each company.

4. If you would prefer to receive future correspondence by email, please tick the box and provide your email address in the space provided.
5. Insert the amount you are owed inclusive of GST.
6. Date and sign the Proxy form using one of the following various forms of execution:

Sole Trader: Sign the proxy yourself

Partnership: e.g. sign: 'ABC Partners
per John Smith
Partner'

Company: a. By a director or secretary
b. By a person duly authorised to sign on behalf of the company, either as the company's attorney or Authorised Representative

7. Tick the relevant box to indicate if you are an employee of the creditor or the creditor's agent duly authorised to make this statement.

What do you need to attach?

We are not able to make a determination on a claim unless sufficient documentary evidence is attached to your proof of debt. Outlined below are some examples of documents we would expect to see attached to a Form 535.

Trade creditors

- Statements and supporting invoice(s) showing the amount of the debt
- Purchase orders and delivery dockets if available
- Agreements on terms of trade

Employee debts

- Explanation as to how the debt was calculated
- Type of claim (e.g. wages, annual leave, etc.)
- Any correspondence relating to the debt being claimed
- Contract of employment (if any)

Leases

- Copy of the lease
- Statement showing amounts outstanding under the lease, differentiating between amounts outstanding at the date of the appointment and any amounts due in the future.

Appendix 1 - Arrium Group Companies

Name	ACN	Incorporated Date
A.C.N. 006 769 035 Pty Limited	006 769 035	27 May 1987
Akkord Pty Limited	060 486 991	21 June 1993
ANI Construction (W.A.) Pty Limited	008 670 871	6 July 1938
Arrium Finance Pty Limited	093 954 940	31 July 2000
Arrium Iron Ore Holdings Pty Limited	152 752 844	18 August 2011
Arrium Limited	004 410 833	22 July 1958
Atlas Group Employees Superannuation Fund Pty Limited	060 568 998	18 June 1993
Atlas Group Staff Superannuation Fund Pty. Limited	059 654 241	2 April 1993
Atlas Group Superannuation Plan Pty Limited	065 649 050	14 July 1994
Australian National Industries Pty Limited	000 066 071	3 October 1947
Australian Wire Industries Pty Limited	064 267 456	27 September 1994
Austube Mills Holdings Pty Limited	123 160 172	15 December 2006
Austube Mills Pty Limited	123 666 679	30 January 2007
AWI Holdings Pty Limited	004 157 475	19 August 1929
B.G.J. Holdings Pty Limited	004 859 536	15 December 1970
Bradken Consolidated Pty Limited	000 011 932	20 March 1922
Central Iron Pty Limited	143 503 397	6 May 2010
Cockatoo Dockyard Pty Limited	000 025 918	30 January 1933
Comsteel Pty Limited	006 218 524	24 November 1983
Coober Pedy Resources Pty Limited	151 599 905	21 June 2011
Eagle & Globe Pty Limited	000 122 305	26 August 1953
Email Accumulation Superannuation Pty Limited	065 263 658	21 July 1994
Email Executive Superannuation Pty Limited	065 263 818	21 July 1994
Email Holdings Pty Limited	092 348 555	5 April 2000
Email Management Superannuation Pty Limited	065 263 710	21 July 1994
Email Metals Pty Limited	004 574 681	14 June 1963
Email Pty Limited	000 029 407	30 November 1934
Email Superannuation Pty Limited	065 263 603	21 July 1994
Emwest Holdings Pty Limited	001 992 123	25 September 1980
Emwest Properties Pty Limited	003 146 334	25 July 1986
GSF Management Pty Limited	064 116 874	6 May 1994
J. Murray-More (Holdings) Pty Limited	000 158 412	22 July 1955
John McGrath Pty Limited	000 004 937	23 May 1911
Kelvinator Australia Pty Limited	007 873 734	28 September 1932
Litesteel Products Pty Limited	109 854 677	1 July 2004
Litesteel Technologies Pty Limited	113 101 054	24 February 2005
Metals Properties Pty Limited	000 040 040	5 July 1938
Metalstores Pty Limited	000 267 112	6 May 1959
Metpol Pty Limited	000 927 373	23 July 1971
N.K.S. (Holdings) Pty Limited	004 321 313	30 June 1954

Name	ACN	Incorporated Date
O Dee Gee Co. Pty Limited	004 208 191	13 March 1936
OneSteel Americas Holdings Pty Limited	147 067 016	27 October 2010
OneSteel Building Supplies Pty Limited	000 045 349	9 January 1940
OneSteel Coil Coaters Pty Limited	123 138 732	14 December 2006
OneSteel Manufacturing Pty Limited	004 651 325	20 December 1965
OneSteel MBS Pty Limited	096 273 979	21 March 2001
OneSteel NSW Pty Limited	003 312 892	3 June 1987
OneSteel Queensland Pty Limited	010 558 871	23 January 1985
OneSteel Recycling Holdings Pty Limited	059 240 952	6 May 1993
OneSteel Recycling Overseas Pty Limited	105 479 356	10 July 2003
OneSteel Recycling Pty Limited	002 707 262	6 January 1984
OneSteel Reinforcing Pty Limited	004 148 289	23 August 1928
OneSteel Stainless Australia Pty Limited	004 610 851	24 August 1964
OneSteel Stainless Pty Limited	006 362 652	17 December 1984
OneSteel Technologies Pty Limited	096 380 219	29 March 2001
OneSteel Trading Pty Limited	007 519 646	3 June 1946
OneSteel US Investments 1 Pty Limited	131 211 606	21 May 2008
OneSteel US Investments 2 Pty Limited	131 211 571	21 May 2008
OneSteel Wire Pty Limited	000 010 873	12 January 1921
Overseas Corporation (Australia) Pty Limited	004 242 086	23 January 1946
P & T Tube Mills Pty Limited	010 469 977	8 July 1983
Palmer Tube Mills Pty Limited	010 469 879	6 July 1983
Pipeline Supplies of Australia Pty Limited	008 573 475	25 February 1982
Reosteel Pty Limited	000 142 094	26 October 1954
Roentgen Ray Pty Limited	000 028 106	20 April 1934
Southern Iron Pty Limited	119 611 068	9 May 2006
SSG Investments Pty Limited	085 490 526	8 December 1998
SSG No.2 Pty Limited	087 840 720	31 May 1999
SSG No.3 Pty Limited	087 840 515	31 May 1999
SSGL Share Plan Nominees Pty Limited	085 943 540	20 January 1999
SSX Acquisitions Pty Limited	090 574 520	17 November 1999
SSX Employees Superannuation Fund Pty Limited	064 431 116	29 April 1994
SSX Holdings Pty Limited	087 813 116	28 May 1999
SSX International Pty Limited	084 990 947	2 November 1998
The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited)	082 181 726	7 April 1998
SSX Retirement Fund Pty Limited	064 431 303	29 April 1994
SSX Services Pty Limited	083 090 831	23 June 1998
SSX Staff Superannuation Fund Pty Limited	064 431 072	29 April 1994
Tasco Superannuation Management Pty Limited	071 901 712	24 November 1995
The ANI Corporation Pty Limited	000 421 358	30 April 1963
The Australian Steel Company (Operations) Pty Limited	069 426 955	16 May 1995
Tube Estates Pty Limited	010 449 939	23 March 1983

Name	ACN	Incorporated Date
Tube Street Pty Limited	004 785 157	25 July 1969
Tube Technology Pty Limited	010 469 986	8 July 1983
Tubemakers of Australia Pty Limited	000 005 498	5 September 1912
Tubemakers Somerton Pty Limited	004 595 546	26 March 1964
Western Consolidated Industries Pty Limited	001 185 913	30 October 1973
Whyalla Ports Pty Limited	153 225 364	14 September 2011
X.C.E. Pty Limited	004 081 903	20 December 1919
XEM (Aust) Pty Limited	004 158 025	10 September 1929
XLA Pty Limited	004 239 392	24 September 1943
XLL Pty Limited	006 301 266	10 July 1984
XMS Holdings Pty Limited	008 742 014	9 November 1970
Zinctek Pty Limited	010 474 790	30 August 1983

Appendix 2 - Declaration of Independence, Relevant Relationships and Indemnities

Corporations Act 2001

Declaration of independence, relevant relationships and indemnities (if we are appointed Administrators)

Arrium Limited (Administrators Appointed)

ACN 004 410 3833 ('the Company') and Associated Entities (Collectively "the Arrium Group" refer to schedule 1)

This declaration requires us as the Practitioners to be appointed to the Arrium Group to make declarations as to:

- our independence generally
- relationships, including:
 - any relationships with the Arrium Group and others within the previous 24 months
 - the circumstances of the appointment
 - any prior professional services provided to the Arrium Group within the previous 24 months
 - that there are no other relationships to declare
- any indemnities given, or up-front payments made, to us.

This declaration is made in respect of, Mark Francis Xavier Mentha, Martin Madden, Bryan Webster and Cassandra Elysium Mathews, our partners and the KordaMentha Group.

Independence

We, Mark Francis Xavier Mentha, Bryan Webster, Martin Madden, and Cassandra Elysium Mathews, of KordaMentha, Level 24, 333 Collins Street, Melbourne, VIC 3000, and Level 5, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Voluntary Administrators of the Arrium Group in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would preclude us from accepting this appointment.

Circumstances of appointment

We have had no contact with the Arrium Group concerning this appointment.

Details of our dealings with the Australian Workers Union ("AWU") and the Bilateral Financiers and Note holders (collectively the "Financiers"), specifically in relation to the Arrium Group, are summarised below:

Date	Contact	KordaMentha Contact	Nature of contact	Other comment
7 April 2016	AWU	Mark Mentha Mark Korda Craig Shepard Brian Webster Sebastian Hams	Meeting at KordaMentha	Discussed the implications of the Voluntary Administration process and the voting rights of employees
8 April 2016 – 11 April 2016	AWU and Financiers	Mark Korda	Various phone calls	Further discussions with respect to the Voluntary Administration process.

We did not receive any remuneration in relation to these dealings.

Relevant relationships

Name - The Australia Workers' Union ("AWU")

KordaMentha has undertaken formal insolvency engagements where the AWU represent employees of the insolvent entity, due to the nature of KordaMentha's business. This includes advisory, consulting and services and the appointment of KordaMentha's registered liquidators to companies as formal insolvency appointments.

Reasons why not an impediment or conflict

In our opinion, this relationship does not result in a conflict of interest or duty as the work that KordaMentha has undertaken, will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Arrium Group in an objective and impartial manner.

Name - Financiers

The Financiers have provided finance to the Arrium Group.

Nature of the relationship

KordaMentha has had relationships with a number of the Financiers, due to the nature of KordaMentha's business. This includes business advisory, consulting services and the appointment of KordaMentha's registered liquidators to companies (in some cases by the Financiers when they are secured creditor).

Reasons why not an impediment or conflict

In our opinion, this relationship does not result in a conflict of interest or duty as the work that KordaMentha has undertaken, will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Arrium Group in an objective and impartial manner.

Name - Australian Taxation Office ('ATO')

Nature of the relationship

KordaMentha undertakes work from time to time on behalf of the ATO. This includes the appointment of KordaMentha's registered liquidators to companies as a formal appointment where the ATO has asked us to consent to act as liquidators.

Reasons why not an impediment or conflict

In our opinion, this relationship does not result in a conflict of interest or duty as the work that KordaMentha has undertaken, will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Arrium Group in an objective and impartial manner.

Name – Other creditors

Nature of the relationship

Given the size of the Arrium Group it is likely that we may have provided professional services to one or more of the Arrium Group's creditors over the last 24 months.

Reasons why not an impediment or conflict

In our opinion, this relationship does not result in a conflict of interest or duty as the work that KordaMentha has undertaken, will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the voluntary administration of the Arrium Group in an objective and impartial manner.

Prior professional services to the company

To the best of our knowledge and belief neither we, nor our firm, have provided any professional services to the Arrium Group in the previous 24 months.

Indemnities

We have not been indemnified in relation to this voluntary administration, other than any indemnities that we may be entitled to under statute.

Upfront payments

We have not been provided with any upfront payments in relation to this voluntary administration.

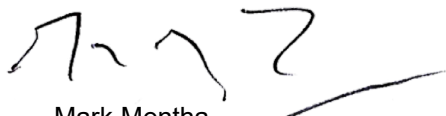
Multiple company appointments

It is acknowledged that we have been appointed over 94 related companies and we have obligations to each of the companies individually (as defined in Section 435A of the Corporations Act) and not to the Arrium Group as a whole. As such it is acknowledged that potential conflicts could possibly arise in carrying out duties to each company. We are not aware of any such conflicts at this time.

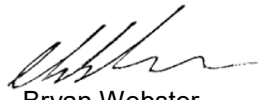
General

As required under the ARITA Code of Professional Practice, if circumstances change, or new information is identified, we will update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Arrium Group's creditors.

Dated: 11 April 2016



Mark Mentha
Voluntary Administrator



Bryan Webster
Voluntary Administrator



Martin Madden
Voluntary Administrator



Cassandra Mathews
Voluntary Administrator

Appendix 3 - ARITA Code

Due to the size and complexity of the Arrium Group Companies, and the current stage of the sale and recapitalisation process, it is not possible at this time to cover all matters required by the Code.

ARITA Code Section	ARITA Code guidance	Compliance	Administrators' comments
25.6.2 – Shareholders, officers and charges	The Section 439A report should incorporate details of the company's existing shareholders and officers and details of registered charges. Relevant changes in these details that have occurred within twelve months before the Administrator's appointment should also be disclosed.	Partial compliance	This Report does not include a listing of shareholders for each of the Arrium Group Companies, however it does include a corporate structure and a listing of the top 20 shareholders of Arrium Limited. Due to the number of registered charges against property in possession of the Arrium Group Companies (3,147), details of these charges have not been provided, however a high level summary table is provided.
25.6.2 – Historical financial performance	The Section 439A report must incorporate a summary of the company's historical financial results and a preliminary analysis and commentary from the Administrator.	Partial compliance	Given there are 94 companies in voluntary administration, it would not be practical to include historical financials together with commentary for each. Further, due to the structure of the Arrium Group Companies and DOXGs, it would not be appropriate to assess the financials on an individual company basis.
25.6.2 – Directors' report as to affairs	The Section 439A report should outline the content of the directors' report as to affairs and include the Administrator's comments as to the Administrator's estimate of realisable value of assets and liabilities.	Non compliance	Due to the number of companies, it is not practical to include a summary of each of the directors' RATAs. Further, due to the sale and recapitalisation process we cannot disclose values of the Arrium Group Companies' assets. RATAs will be available to view by creditors upon request.
25.6.2 – Explanation for difficulties	The Section 439A report should include the directors' explanation for the company's difficulties and the Administrator's opinion of the reasons for the company's difficulties.	Partial compliance	This Report does not contain the directors' explanation for the company's difficulties.
25.6.2 – Related entities	The Section 439A report must disclose to the best of the Administrator's knowledge: - those creditors of the company who are related entities - the quantum of their claims the process taken by the Administrators to verify the claims made by related entities. The report should also disclose when the debt was incurred and how the debt was incurred.	Partial compliance	Intercompany creditors are disclosed at DOXG level (i.e. 1999 DOXG and 2008 DOXG) and not at a company level. Due to the nature of dealings between Arrium Group Companies, it is not practicable to disclose when and how each related entity debt was incurred however an overview of the financial dealings between Arrium Group Companies has been provided.
25.6.3 – Voidable transactions	If able to be ascertained, the Section 439A report should disclose the quantum of any voidable transactions identified, the beneficiaries of those transactions and the likelihood and estimated cost of recovery	Partial compliance	As our investigations are at a preliminary stage, the quantum of any voidable transactions is not able to be ascertained.
25.6.3 – Insolvent trading	The Section 439A report must include comment regarding whether the company engaged in insolvent trading and should, if possible, provide an estimate of the loss incurred by the company as a result.	Partial compliance	As our investigations are at a preliminary stage, the date of insolvency has not been conclusively determined.
25.6.3 – Directors' personal financial position	Where voidable transactions against a company director or a potential insolvent trading claim are identified, the Administrator should comment on the likelihood of recovering monies from the directors in the event that the company were to proceed into liquidation.	Non compliance	Based on the quantum of creditor claims, it is unlikely that any recovery from directors' personal assets would have a material impact on the return to creditors.

ARITA Code Section	ARITA Code guidance	Compliance	Administrators' comments
25.6.4 – Estimated return from a winding up	The report must disclose the estimated return to creditors from a winding up of the company, the effect of related party creditor claims on the estimated return, likely timing of the return to creditors from a winding up of the company, the basis on which Remuneration will be sought by the liquidator if the company is placed into liquidation and the Administrator is appointed liquidator, an estimate of the likely costs of administering the winding up of the company	Non compliance	This Report does not include an estimated return to creditors from winding up or likely timing of the return to creditors for the reasons noted in the Report. As no estimated return is provided, the effect of related party creditor claims on the estimated return is not disclosed. Given the complexities and uncertainty regarding timeframe for realisation of Arrium Group Companies' assets in a liquidation scenario, we are unable to provide an estimate of the likely costs of administering the winding up of the Arrium Group Companies. However, in our experience, the costs of administering the winding up of the Arrium Group Companies would be significantly higher than the costs of administering the proposed DOCAs.
25.6.4 – Estimated return from a winding up	Where a Deed is proposed, the Section 439A report should include a table providing creditors with a direct comparison of the estimated returns and costs in a liquidation and under the Deed.	Non compliance	This Report does not include an estimated return to creditors from winding up or DOCA for the reasons noted in the Report. As the sale and recapitalisation process is still underway, the Administrators are not currently in a position to provide creditors with an indication of the estimated distribution that will be paid by the Arrium Group Companies. If creditors resolve that the Arrium Group Companies execute the DOCAs, the Deed Administrators will provide a report to creditors following completion of the Arrium Australia sale and recapitalisation process which will include the estimated return to creditors.
25.6.6 – Proposal for a deed of company arrangement	If a Deed is being proposed, the Section 439A report must disclose the estimated return to creditors and likely timing of the return to creditors from the proposed Deed. The report must also include a comparison of the estimated return to creditors from the proposed Deed to the estimated return to creditors from a winding up of the company.	Non compliance	This Report does not include an estimated return to creditors from the DOCA for the reasons noted in the Report. As the sale and recapitalisation process is still underway, the Administrators are not currently in a position to provide creditors with an indication of the estimated distribution that will be paid by the Arrium Group Companies. If creditors resolve that the Arrium Group Companies execute the DOCAs, the Deed Administrators will provide a report to creditors following completion of the Arrium Australia sale and recapitalisation process which will include the estimated return to creditors.
25.6.6 – Proposal for a deed of company arrangement	The report must disclose an estimate of the total Remuneration payable for administering the proposed Deed.	Non compliance	Due to the uncertainty regarding the timeframe for sale of the Arrium Group Companies' assets and finalisation of DOCAs, we are not able to provide an estimate of the prospective remuneration of the Administrators or Deed Administrators.

Appendix 4 - Corporate structure

Corporate structure



KordaMentha
restructuring

- In Voluntary Administration
- Not in Voluntary Administration
- 2008 ASIC Deed Of Cross Guarantee entities
- 1999 ASIC Deed Of Cross Guarantee entities
- 2011 Corporate Deed of Guarantee
- 2008 Corporate Deed of Guarantee
- Full ownership
- Partial ownership



Appendix 5 - ASIC Deeds of Cross Guarantee

1999 ASIC Deed of Cross Guarantee

Austube Mills Holdings Pty Limited
Austube Mills Pty Limited
Comsteel Pty Limited
SSG No.2 Pty Limited
SSG No.3 Pty Limited
SSX Holdings Pty Limited
The ANI Corporation Pty Limited
Commonwealth Steel Company Pty Limited (not subject to Voluntary Administration)

2008 ASIC Deed of Cross Guarantee

Arrium Finance Pty Limited
Arrium Iron Ore Holdings Pty Limited
Arrium Limited
Litesteel Technologies Pty Limited
OneSteel Americas Holdings Pty Limited
OneSteel Coil Coaters Pty Limited
OneSteel Manufacturing Pty Limited
OneSteel MBS Pty Limited
OneSteel NSW Pty Limited
OneSteel Recycling Holdings Pty Limited
OneSteel Recycling Overseas Pty Limited
OneSteel Recycling Pty Limited
OneSteel Reinforcing Pty Limited
OneSteel Stainless Australia Pty Limited
OneSteel Stainless Pty Limited
OneSteel Trading Pty Limited
OneSteel US Investments 1 Pty Limited
OneSteel Wire Pty Limited
Southern Iron Pty Limited
SSX Acquisitions Pty Limited
SSX International Pty Limited
The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited)
SSX Services Pty Limited
The Australian Steel Company (Operations) Pty Limited
Whyalla Ports Pty Limited
XMS Holdings Pty Limited

Appendix 6 - Corporate guarantors of debt facilities

Guarantor	In Administration	2008 Deed of Guarantee	2011 Deed of Guarantee
AltaSteel Limited	x	✓	✓
Arrium Finance Pty Limited	✓	✓	✓
Arrium Iron Ore Holdings Pty Limited	✓	✓	✓
Arrium Limited	✓	✓	✓
Arrium Mining Sales Asia Limited	x	✓	✓
Austube Mills Holdings Pty Limited	✓	✓	✓
Austube Mills Pty Limited	✓	✓	✓
Central Iron Pty Limited	✓	✓	✓
Commonwealth Steel Company Pty Limited	x	✓	✓
Cooper Pedy Resources Pty Limited	✓	✓	✓
LiteSteel Technologies America, LLC	x	✓	✓
LiteSteel Technologies Pty Limited	✓	✓	✓
Maple Leaf Metals (A Partnership)	x	✓	✓
Metpol Pty Limited	✓	✓	✓
Moly-Cop Adesur S.A.	x	✓	✓
Moly-Cop Canada	x	✓	✓
Moly-Cop Chile S.A.	x	✓	✓
Moly-Cop Mexico S.A. de C.V.	x	✓	✓
Moly-Cop USA LLC (previously known as OneSteel Grinding Systems LLC)	x	✓	✓
Molycop Steel Inc.	x	✓	✓
OneSteel Coil Coaters Pty Limited	✓	✓	✓
OneSteel Group (US Holdings) Inc	x	✓	✓
OneSteel Manufacturing Pty Limited	✓	✓	✓
OneSteel NSW Pty Limited	✓	✓	✓
OneSteel Recycling Hong Kong Limited	x	✓	✓
OneSteel Recycling, Inc.	x	✓	✓
OneSteel Recycling Pty Limited	✓	✓	✓
OneSteel Reinforcing Pty Limited	✓	✓	✓
OneSteel Stainless Pty Limited	✓	✓	✓
OneSteel Trading Pty Limited	✓	✓	✓
OneSteel US Investments (Delaware General Partnership)	x	x (Issuer)	✓
OneSteel US Investments 1 Pty Limited	✓	x (Issuer)	✓
OneSteel US Investments 2 Pty Limited	✓	x (Issuer)	✓
OneSteel Wire Pty Limited	✓	✓	✓
P&T Tube Mills Pty Limited	✓	✓	✓
PT Commonwealth Steel Indonesia	x	✓	✓
Southern Iron Pty Limited	✓	✓	✓
The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited)	✓	✓	✓

Guarantor	In Administration	2008 Deed of Guarantee	2011 Deed of Guarantee
The Australian Steel Company (Operations) Pty Limited	✓	✓	✓
Tubemakers of Australia Pty Limited	✓	✓	✓
Whyalla Ports Pty Limited	✓	✓	✓
XMS Holdings Pty Limited	✓	✓	✓

Appendix 7 - Directors and secretaries of Arrium Group Companies

Directors

Company	Director	Appointment date	Cessation date
A.C.N. 006 769 035 Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Akkord Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
ANI Constructions (W.A.) Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Arrium Finance Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Arrium Iron Ore Holdings Pty Limited	Robert Carvin Bakewell	18 August 2011	5 April 2016
	Anthony Neville Brooks	18 August 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Atlas Group Employees Superannuation Fund Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Atlas Group Staff Superannuation Fund Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Atlas Group Superannuation Plan Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Australian National Industries Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Australian Wire Industries Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Austube Mills Holdings Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	05 August 2013	
	Delia Johanne Sparkes	05 August 2013	29 January 2016
Austube Mills Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	20 August 2007	21 October 2016
	Stephen Herbert Hamer	12 August 2015	18 December 2015
	Naomi Margaret James	01 August 2013	12 August 2015

Company	Director	Appointment date	Cessation date
AWI Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
B.G.J. Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Bradken Consolidated Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Central Iron Pty Limited	Robert Canvin Bakewell	06 October 2011	5 April 2016
	Anthony Neville Brooks	12 October 2011	
	Matthew Thornton Reed	08 September 2015	
	Gregory Allan Waters	06 October 2011	08 September 2015
Cockatoo Dockyard Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Comsteel Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	10 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Coober Pedy Resources Pty Limited	Robert Canvin Bakewell	06 October 2011	5 April 2016
	Anthony Neville Brooks	12 October 2011	
	Matthew Thornton Reed	08 September 2011	
	Gregory Allan Waters	06 October 2011	08 September 2015
Eagle & Globe Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Email Accumulation Superannuation Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Email Executive Superannuation Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Email Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Email Management Superannuation Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
Email Metals Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016

Company	Director	Appointment date	Cessation date
Email Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Email Superannuation Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Emwest Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Emwest Properties Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
GSF Management Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
J. Murray-More (Holdings) Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
John McGrath Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Kelvinator Australia Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Litesteel Products Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Litesteel Technologies Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	22 April 2013	
	Delia Johanne Sparkes	22 April 2013	29 January 2016
Metals Properties Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Metalstores Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Metpol Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	10 May 2015	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
	Naomi Margaret James	01 August 2013	11 May 2015

Company	Director	Appointment date	Cessation date
N.K.S. (Holdings) Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
O Dee Gee Co. Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel Americas Holdings Pty Limited	Robert Canvin Bakewell	27 October 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
OneSteel Building Supplies Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel Coil Coaters Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	02 July 2014	
	Delia Johanne Sparkes	02 July 2014	29 January 2016
OneSteel Manufacturing Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Matthew Thornton Reed	08 September 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Theuns Jacobus Victor	18 December 2015	
	Stephen Herbert Hamer	01 July 2013	18 December 2015
	Gregory Allan Waters	12 October 2011	08 September 2015
OneSteel MBS Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel NSW Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	01 July 2013	18 December 2015
OneSteel Queensland Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel Recycling Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel Recycling Overseas Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 May 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Onesteel Recycling Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Geoffrey Doyd Alexander Feurtado	12 October 2011	
	Andrew Gerard Roberts	13 May 2013	21 October 2016

Company	Director	Appointment date	Cessation date
OneSteel Reinforcing Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Geoffrey Doyd Alexander Feurtado	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	09 August 2007	18 December 2015
OneSteel Stainless Australia Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
OneSteel Stainless Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	10 May 2015	
	Delia Johanne Sparkes	10 May 2015	29 January 2016
	Andrew Gerard Roberts	13 May 2013	11 May 2015
	Naomi Margaret James	01 August 2013	11 May 2015
OneSteel Technologies Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
OneSteel Trading Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Geoffrey Doyd Alexander Feurtado	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	13 February 2009	18 December 2015
	Naomi Margaret James	01 August 2013	02 July 2014
OneSteel US Investments 1 Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	21 May 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
OneSteel US Investments 2 Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	21 May 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
OneSteel Wire Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	01 July 2013	18 December 2015
Overseas Corporation (Australia) Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
P & T Tube Mills Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	12 August 2015	18 December 2015
	Naomi Margaret James	02 July 2014	12 August 2015
	Leo John Selleck	31 March 2011	02 July 2014

Company	Director	Appointment date	Cessation date
Palmer Tube Mills Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Pipeline Supplies of Australia Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Reosteel Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 August 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Roentgen Ray Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Southern Iron Pty Limited	Robert Carvin Bakewell	06 October 2011	5 April 2016
	Matthew Thornton Reed	08 September 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Gregory Allan Waters	06 October 2011	08 September 2015
SSG Investments Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSG No. 2 Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSG No. 3 Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSGL Share Plan Nominees Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX Acquisitions Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX Employees Superannuation Fund Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX Holdings Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX International Pty Limited	Robert Carvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016

Company	Director	Appointment date	Cessation date
The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited)	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX Retirement Fund Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
SSX Services Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	20 August 2007	18 December 2015
SSX Staff Superannuation Fund Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Tasco Superannuation Management Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
The ANI Corporation Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
The Australian Steel Company (Operations) Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Neil Murray Gibson	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	20 August 2007	18 December 2015
Tube Estates Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Tube Street Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Tube Technology Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	31 March 2011	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Tubemakers of Australia Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Tubemakers Somerton Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	12 September 2008	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
Western Consolidated Industries Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016

Company	Director	Appointment date	Cessation date
Whyalla Ports Pty Limited	Robert Canvin Bakewell	14 September 2011	5 April 2016
	Matthew Thornton Reed	08 September 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Gregory Allan Waters	14 September 2011	08 September 2015
	Geoffrey John Plummer	14 September 2011	02 July 2015
X.C.E. Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
XEM (Aust) Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
XLA Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
XLL Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Anthony Neville Brooks	20 August 2007	
	Delia Johanne Sparkes	01 May 2012	29 January 2016
XMS Holdings Pty Limited	Robert Canvin Bakewell	01 May 2010	5 April 2016
	Geoffrey Doyd Alexander Feurtado	18 December 2015	
	Andrew Gerard Roberts	13 May 2013	21 October 2016
	Stephen Herbert Hamer	11 December 2009	18 December 2015
Zinctek Pty Limited	Robert Canvin Bakewell	01 May 2010	05 April 2016
	Anthony Neville Brooks	01 July 2013	
	Delia Johanne Sparkes	01 July 2013	29 January 2016

Secretaries

Company	Director	Appointment date	Cessation date
A.C.N. 006 769 035 Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Akkord Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
ANI Constructions (W.A.) Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Arrium Finance Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
Arrium Iron Ore Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	18 August 2011	15 May 2015
Atlas Group Employees Superannuation Fund Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Atlas Group Staff Superannuation Fund Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Atlas Group Superannuation Plan Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Australian National Industries Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Australian Wire Industries Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Austube Mills Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Austube Mills Pty Limited	Peter George Hansen	22 July 2009	5 April 2016
	Barton Paul Champness	01 August 2013	
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
AWI Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
B.G.J. Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Bradken Consolidated Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Central Iron Pty Limited	Andrew Tresham Cornfield	09 September 2015	29 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	06 October 2011	09 September 2015
	Michael O'Connell	01 May 2012	15 May 2015

Company	Director	Appointment date	Cessation date
Cockatoo Dockyard Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Comsteel Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Coober Pedy Resources Pty Limited	Andrew Tresham Cornfield	09 September 2015	29 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	01 May 2012	15 May 2015
	Michael O'Connell	06 October 2011	09 September 2015
Eagle & Globe Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Accumulation Superannuation Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Executive Superannuation Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Management Superannuation Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Metals Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Email Superannuation Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Emwest Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Emwest Properties Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
GSF Management Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
J. Murray-More (Holdings) Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
John McGrath Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Kelvinator Australia Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Litesteel Products Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Litesteel Technologies Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Metals Properties Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Metalstores Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Metpol Pty Limited	Barton Paul Champness	01 August 2013	
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
N.K.S. (Holdings) Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
O Dee Gee Co. Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Onesteel Americas Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	27 October 2010	15 May 2015
OneSteel Building Supplies Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-lyn Nicholls	16 September 2009	15 May 2015
Onesteel Coil Coaters Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015

Company	Director	Appointment date	Cessation date
OneSteel Manufacturing Pty Limited	Peter George Hansen	11 October 2011	5 April 2016
	Andrew Tresham Cornfield	09 September 2015	29 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 April 2015	23 December 2015
	Michael O'Connell	11 July 2009	09 September 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel MBS Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 April 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel NSW Pty Limited	Peter George Hansen	13 September 2006	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Queensland Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Recycling Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Recycling Overseas Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	14 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Recycling Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Reinforcing Pty Limited	Peter George Hansen	01 July 2013	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Stainless Australia Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Stainless Pty Limited	Paul Barton Champness	01 May 2012	
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
OneSteel Technologies Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
Onesteel Trading Pty Limited	Peter George Hansen	01 July 2013	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Onesteel US Investments 1 Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Onesteel US Investments 2 Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Onesteel Wire Pty Limited	Peter George Hansen	13 September 2006	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Overseas Corporation (Australia) Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
P & T Tube Mills Pty Limited	Paul Barton Champness	02 July 2014	
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
	Peter George Hansen	31 March 2011	02 July 2014
Palmer Tube Mills Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Pipeline Supplies of Australia Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Reosteel Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Roentgen Ray Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Southern Iron Pty Limited	Andrew Tresham Cornfield	09 September 2015	29 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Michael O'Connell	06 October 2011	09 September 2015
	Kara-Lyn Nicholls	01 May 2012	15 May 2015
SSG Investments Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
SSG No. 2 Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSG No. 3 Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSGL Share Plan Nominees Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Acquisitions Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Employees Superannuation Fund Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Holdings Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX International Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
The Arrium Creditor Distribution Company Pty Limited (formerly known as SSX Pty Limited)	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Retirement Fund Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Services Pty Limited	Peter George Hansen	21 April 2008	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
SSX Staff Superannuation Fund Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tasco Superannuation Management Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
The ANI Corporation Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
The Australian Steel Company (Operations) Pty Limited	Peter George Hansen	21 April 2008	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tube Estates Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tube Street Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tube Technology Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tubemakers of Australia Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Tubemakers Somerton Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Western Consolidated Industries Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
Whyalla Ports Pty Limited	Andrew Tresham Cornfield	09 September 2015	29 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Michael O'Connell	14 September 2011	09 September 2015
	Kara-Lyn Nicholls	01 May 2012	15 May 2015
X.C.E. Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
XEM (Aust) Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
XLA Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
XLL Pty Limited	Sara Vivian Goldstein	01 April 2016	
	Louise Karen Hicks	15 May 2015	23 December 2015
	Kara-Lyn Nicholls	16 September 2009	15 May 2015

Company	Director	Appointment date	Cessation date
XMS Holdings Pty Limited	Peter George Hansen	01 July 2013	5 April 2016
	Sara Vivian Goldstein	01 April 2016	
	Kara-Lyn Nicholls	16 September 2009	15 May 2015
	Louise Karen Hicks	15 May 2015	23 December 2015

Appendix 8 - Related party creditor balances

Related party creditors of 1999 DOXG companies

Related entity	In Administration	Member of DOXG	Corporate Guarantee	Amount
Arrium Finance Pty Limited	✓	2008 DOXG	✓	56,178,422
OneSteel Trading Pty Limited	✓	2008 DOXG	✓	285,436
				56,463,858

Related party creditors of 2008 DOXG companies

Related entity	In Administration	Member of DOXG	Corporate Guarantee	Amount
Austube Mills Pty Limited	✓	1999 DOXG	✓	9,460,087
Austube Mills Holdings Pty Limited	✓	1999 DOXG	✓	76,998,753
Central Iron Pty Limited	✓	x	✓	6,467,778
Metpol Pty Limited	✓	x	✓	10,135,296
OneSteel US Investment 2 Pty Limited	✓	x	✓	1,152
AWI Holdings Pty Limited	✓	x	x	207,427
Cockatoo Dockyard Pty Limited	✓	x	x	3,906,088
J. Murray-More (Holdings) Pty Limited	✓	x	x	155,049
Reosteel Pty Limited	✓	x	x	65,515,900
Tube Street Pty Limited	✓	x	x	6,826,001
Zinctek Pty Limited	✓	x	x	1,321,105
AltaSteel Limited	x	x	✓	358,196
Commonwealth Steel Company Pty Limited	x	x	✓	70,123,304
Moly Cop Adesur SA	x	x	✓	21,788
Moly-Cop Chile SA	x	x	✓	39,771,773
MolyCop Finance UK	x	x	x	228,972,520
Moly-Cop Mexico SA de CV	x	x	✓	25,397,840
Moly-Cop Peru SAC	x	x	x	19,151
OneSteel Group (US Holdings) Inc	x	x	✓	161,770,144
Arrium Mining Services Asia	x	x	x	765,921
OneSteel Asia Limited	x	x	x	19,458,112
OneSteel NZ Holdings Limited	x	x	x	76,947,830
Wembley Insurance	x	x	x	2,449,933
				830,066,409

Related party creditors of other Arrium Group Companies – operating entities

Related entity	Company in which the related entity is a creditor	Corporate Guarantee	Amount
Arrium Finance Pty Limited	P & T Tube Mills Pty Limited	✓	35,657,357
Arrium Finance Pty Limited	Email Pty Limited	x	5,851,125
Arrium Finance Pty Limited	John McGrath Pty Limited	x	2,114,000
Arrium Finance Pty Limited	Palmer Tube Mills Pty Limited	x	15,018,031
Arrium Finance Pty Limited	Tube Estates Pty Limited	x	2,535,408
			61,175,921

Related party creditors of other Arrium Group Companies - dormant entities

Related entity	Company in which the related entity is a creditor	Amount (\$)
Arrium Finance Pty Limited	A.C.N. 006 769 035 Pty Limited	725
Arrium Finance Pty Limited	Akkord Pty Limited	725
Arrium Finance Pty Limited	Ani Construction (W.A.) Pty. Limited	725
Arrium Finance Pty Limited	Atlas Group Employees Superannuation Fund Pty. Limited	135
Arrium Finance Pty Limited	Atlas Group Staff Superannuation Fund Pty. Limited	135
Arrium Finance Pty Limited	Atlas Group Superannuation Plan Pty Limited	135
Arrium Finance Pty Limited	Australian National Industries Pty Limited	725
Arrium Finance Pty Limited	Australian Wire Industries Pty Limited	725
Arrium Finance Pty Limited	AWI Holdings Pty Limited	725
Arrium Finance Pty Limited	B.G.J. Holdings Proprietary Limited	725
Arrium Finance Pty Limited	Bradken Consolidated Pty Limited	725
Arrium Finance Pty Limited	Cockatoo Dockyard Pty Limited	725
Arrium Finance Pty Limited	Eagle & Globe Pty Limited	725
Arrium Finance Pty Limited	Email Accumulation Superannuation Pty Limited	135
Arrium Finance Pty Limited	Email Executive Superannuation Pty Limited	135
Arrium Finance Pty Limited	Email Holdings Pty Limited	725
Arrium Finance Pty Limited	Email Management Superannuation Pty Limited	135
Arrium Finance Pty Limited	Email Metals Pty. Limited	725
Arrium Finance Pty Limited	Email Superannuation Pty Limited	135
Arrium Finance Pty Limited	Emwest Holdings Pty. Limited	725
Arrium Finance Pty Limited	Emwest Properties Pty Limited	725
Arrium Finance Pty Limited	GSF Management Pty Limited	135
Arrium Finance Pty Limited	J. Murray-More (Holdings) Pty Limited	725
Arrium Finance Pty Limited	Kelvinator Australia Pty Limited	725
Arrium Finance Pty Limited	Litesteel Products Pty Limited	725
Arrium Finance Pty Limited	Metals Properties Pty. Limited	725
Arrium Finance Pty Limited	Metalstores Pty Limited	725
Arrium Finance Pty Limited	N.K.S. (Holdings) Proprietary Limited	725
Arrium Finance Pty Limited	O Dee Gee Co. Pty. Limited	725
Arrium Finance Pty Limited	OneSteel Building Supplies Pty Limited	725
Arrium Finance Pty Limited	OneSteel Queensland Pty Limited	725
Arrium Finance Pty Limited	OneSteel Technologies Pty Limited	725
Arrium Finance Pty Limited	Overseas Corporation (Australia) Pty Limited	725
Arrium Finance Pty Limited	Pipeline Supplies Of Australia Pty Limited	725
Arrium Finance Pty Limited	Reosteel Pty. Limited	725
Arrium Finance Pty Limited	Roentgen Ray Pty Limited	725
Arrium Finance Pty Limited	SSG Investments Pty Limited	725
Arrium Finance Pty Limited	SSGL Share Plan Nominees Pty Limited	725
Arrium Finance Pty Limited	SSX Employees Superannuation Fund Pty Limited	135
Arrium Finance Pty Limited	SSX Retirement Fund Pty Limited	135
Arrium Finance Pty Limited	SSX Staff Superannuation Fund Pty Limited	135

Related entity	Company in which the related entity is a creditor	Amount (\$)
Arrium Finance Pty Limited	Tasco Superannuation Management Pty Limited	725
Arrium Finance Pty Limited	Tube Street Pty Limited	725
Arrium Finance Pty Limited	Tube Technology Pty. Limited	725
Arrium Finance Pty Limited	Tubemakers Somerton Pty Limited	725
Arrium Finance Pty Limited	Western Consolidated Industries Pty Limited	725
Arrium Finance Pty Limited	X.C.E. Pty Limited	725
Arrium Finance Pty Limited	XEM (Aust) Pty Limited	725
Arrium Finance Pty Limited	XLA Pty Limited	725
Arrium Finance Pty Limited	XLL Pty Limited	725
Arrium Finance Pty Limited	Zinctek Pty. Limited.	725

Note:

These dormant companies did not have any liabilities recorded in their accounts. However, our investigations have confirmed that these companies have had expenses paid on their behalf by Arrium Finance Pty Limited prior to the appointment of Administrators. The above creditor balances reflect those expenses paid on behalf of dormant companies which have been quantified to date.

Appendix 9 - Schedule of KordaMentha rates to June 2016

KordaMentha Rates - Arrium Group Companies

Classification	\$ per hour*
Principal Appointee/Partner/Executive Director	650
Director	595
Associate Director 1	550
Associate Director 2	500
Manager	475
Senior Executive Analyst	400
Executive Analyst	375
Senior Business Analyst	325
Business Analyst	275
Administration	150

*Exclusive of GST

KordaMentha disbursement policy

Disbursements incurred from third party suppliers are charged at the cost invoiced. KordaMentha does not add any margin to disbursements incurred through third parties.

There are no charges for internal KordaMentha disbursements, such as internal photocopy use, telephone calls or facsimiles, except for bulk printing and postage that is performed internally, which are calculated on a variable cost recovery basis.

In relation to any employee allowances, being kilometre allowance and reasonable travel allowance, the rate of the allowance set by KordaMentha is at or below the rate set by the Australian Taxation Office.

If a KordaMentha data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room.

Certain services provided by Forensic Technology may require the processing of electronically stored information into specialist review platforms. Where these specific Forensic Technology resources are utilised, the fee will be based on units (e.g. number of laptops), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

GST is applied to disbursements as required by law.

KordaMentha disbursement internal rates and allowances

Description	Charge*
Bulk printing (general)	\$0.02 per page
Envelopes and postage (varies due to size and weight)	\$0.76 to \$1.86 per envelope
Travel Reimbursement	\$0.60 per kilometre
Meal per diem, etc.	Up to \$92.70 per day per staff member (unless other arrangements made)
Dataroom fee (varies based on MB size)	\$1,000 to \$5,000 per month

*Exclusive of GST

KordaMentha classifications

Classification	Guide to level of experience
Principal Appointee/Partner/Executive Director	Registered/Official Liquidator/Trustee, his or her Partners. Specialist skills brought to the administration. Generally in excess of 10 years' experience.
Director	More than eight years' experience and more than three years as a Manager. Answerable to the appointee, but otherwise responsible for all aspects of an administration. Controls staffing and their training.
Associate Director 1	Six to eight years' experience with well-developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Associate Director 2	Five to seven years' experience with well-developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Manager	Four to six years' experience. Will have had conduct of minor administrations and experience in control of one to three staff. Assists with the planning control of medium to large administrations.
Senior Executive Analyst	Three to four years' experience. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Executive Analyst	Two to three years' experience. Required to control the tasks on small administrations and is responsible for assisting tasks on medium to large administrations.
Senior Business Analyst	Graduate with one to two years' experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Business Analyst	Undergraduate or graduate with up to one-year experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Administration	Appropriate skills, including books and records management and accounts processing particular to the administration.