

HASTIE GROUP LIMITED AND SUBSIDIARIES (ADMINISTRATORS APPOINTED) ('HASTIE GROUP')

Q&A – General queries

Notice: The following information seeks to provide answers to general queries only. Additional Q&A information sheets for the following stakeholders are also available on the PPB Advisory website:

- Employees
- Suppliers

A1. Who is Hastie Group Limited?	<p>Hastie Group is a provider of technical and engineering services to the building, infrastructure and resources sectors. The company designs, manufactures, installs and maintains heating, ventilation and air conditioning; fire, electrical and plumbing solutions; industrial and commercial refrigeration; and marine and offshore systems and equipment.</p> <p>It has operations in Australia, New Zealand, the United Kingdom, Ireland and the Middle East and has approximately 7,000 employees worldwide including approximately 4,000 in Australia.</p> <p>You can find out more at www.hastiegroup.com.au</p>
A2. What has happened to Hastie Group? / Why did the administration come about?	<p>On 28 May 2012 Ian Carson, David McEvoy and Craig Crosbie of PPB Advisory, were appointed as Voluntary Administrators of the Hastie Group of companies (Hastie Group).</p> <p>Prior to the administrators' appointment, Hastie Group has faced very challenging market conditions. In its Shareholder Review for Financial Year 2011 released in September 2011, Hastie Group remarked that sentiment in the non-residential construction sector had weakened considerably in Australia. While in the Middle East, collection of cash had been a major challenge for the company with both clients and main contractors experiencing financial difficulties.</p> <p>The Administrators conducted an urgent assessment of the financial position of the Hastie Group and determined that the Hastie Group was unable to recommence trading.</p> <p>For more information regarding the administration process, please visit www.asic.gov.au.</p>

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A3. Which Hastie companies have been placed into administration?	<p>The Administrators have been appointed over 44 companies within the Hastie Group.</p> <p>A full list of all affected companies can be found under Hastie Group in the Creditors Information section of the PPB Advisory website www.ppbadvisory.com.</p> <p>The banks have also appointed McGrathNicol as Receivers & Managers over 11 companies. A list of those companies affected can be found at www.mcgrathnicol.com as well as on the above list.</p> <p>If Receivers and Managers have been appointed over the Hastie company that affects you, you need to refer to McGrathNicol regarding the status of that particular company.</p>
A4. What is the status of those Hastie entities/divisions that are not subject to the PPB Advisory and/or McGrathNicol's appointment? To whom do they report?	<p>Please refer to the company's website, www.hastiegroup.com.au for further information about the status of each company.</p>
A5. What are the next steps?	<p><u>Hastie companies in Administration only (for those companies in Receivership as well, please refer to McGrathNicol)</u></p> <p>The first meetings of creditors were held on Thursday 14 June 2012 and Friday 15 June 2012 (ACT and NT) at various venues across Australia.</p> <p>Following the first meetings of creditors, at which a number of creditor committees were formed, the Administrators sought and were granted orders from the Federal Court of Australia that the convening period for the second meeting of creditors be extended by up to six months.</p> <p>This will allow the Administrators time to:</p> <ul style="list-style-type: none"> • Conduct appropriate investigations in accordance with their statutory obligations • Identify potential recoveries • Assist with Receivers and Managers requests for information • Prepare a s439A report covering all 44 companies. <p>Creditors should continue to monitor the PPB Advisory website www.ppbadvisory.com for further updates.</p>

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A6. What is a voluntary administration?	<p>Voluntary administration is an insolvency procedure where the directors of a financially troubled company or a secured creditor with a charge over most of the company's assets appoint an external administrator called a 'voluntary administrator'.</p> <p>The role of the voluntary administrator is to investigate the company's affairs, to report to creditors and to recommend to creditors whether the company should enter into a deed of company arrangement, go into liquidation or be returned to the directors.</p> <p>For more information regarding administrations, please visit www.asic.gov.au.</p>
A7. What is the implication of the administration?	<p>The Administrators have been appointed over 44 separate businesses and operations that form part of Hastie Group. McGrath Nicol has also been appointed as Receivers and Managers over 11 of these companies.</p> <p>The Receivers control the companies that are in Receivership and Administration. The Administrators are in control of the companies that are in Administration only.</p> <p>A full list of these companies can be found under the Creditors Information section of www.ppbadvisory.com.</p> <p>For more information regarding administrations, please visit www.asic.gov.au.</p>
A8. How long will the voluntary administration process take?	<p>We were appointed on 28 May 2012. It is too early to comment.</p>

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A9. Is the Hastie Group continuing to trade?	<p>The Administrators undertook an urgent assessment of the financial position of the Hastie Group, the outcome of which was not to recommence trading.</p> <p>For those companies under the control of the Receivers, please refer to McGrathNicol's website www.mcgrathnicol.com regarding their trading status.</p> <p>Creditors should be aware that the Administrators have secured the sale of the business and/or assets of the following Hastie Group companies and consequently the new Purchasers may be in contact with them regarding ongoing trading:</p> <ul style="list-style-type: none"> • D&E Air Conditioning • Cooke & Carrick • Airducter • M&H Air Conditioning • Norfolk Maintenance Holdings • Watters Electrical • Heyday • Border Stainless Steel • Hastie Air Conditioning • DES Air
A10. Are all companies in the Hastie Group in distress?	<p>The Administrators are appointed to 44 companies in the Hastie Group, details of which are available through the PPB Advisory website www.ppbadvisory.com</p> <p>We are not in a position to comment on other companies in the Hastie Group.</p> <p>Please refer to the Hastie Group website for further information. A list of those companies under the control of the Receivers, McGrathNicol, can be found at www.mcgrathnicol.com.</p>

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A11. Where can I get a copy of the first Report to Creditors or other public communications issued by the Administrators?	<p>A copy of the first report to creditors and other key communications issued to stakeholders can be found on either:</p> <p>The PPB Advisory website: www.ppbadvisory.com under the link to Hastie Group Limited in 'Creditor Information'</p> <p>or</p> <p>Emailing a request to hastie@linkmarketservices.com.au and including 'Copy Report Request' in the email subject line.</p>
A12. When and where will the second meetings of creditors be held?	<p>The dates and venues for the second meetings of creditors have not yet been set. The Administrators have until January 2013 to convene the meetings.</p> <p>Further information regarding these meetings will be made available on the PPB Advisory website www.ppbadvisory.com under 'Hastie Group' in the Creditors Information section.</p> <p>The meetings will also be advertised in The Australian newspaper and various metropolitan papers prior to the meetings.</p>
A13. When will the second report to creditors be issued?	<p>The date for issuing the second report to creditors has not been set yet.</p> <p>The second report to creditors will be issued prior to the second meetings of creditors.</p> <p>In accordance with the court order issued by the Federal Court of Australia on 19 June 2012, the Administrators will make the report available through the PPB Advisory website and via email to those creditors whose email addresses they hold.</p>