

SOLUTION RED PTY LTD
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)

- Messrs Bruno A Secatore and Daniel P Juratowitch were appointed Administrators to the company on 21 April 2010 after meeting with the company's directors. The company subsequently executed a Deed of Company Arrangement ("DOCA") on 27 May 2010 and Messrs Secatore and Juratowitch were appointed Deed Administrators.
- The company operates a technical and creative supply business for the events and conference industry and operates in Victoria, New South Wales and Queensland. In recent years the company enjoyed an annual turnover of approximately \$7,700,000 and at the date of appointment, employed approximately twenty five (25) full time employees and up to seventy (70) contractors and owed in excess of \$1,200,000 to secured creditors including approximately \$700,000 to the first ranking charge holder which it was reliant on for financial support.
- Upon appointment, Cor Cordis undertook an immediate review of the company's financial position which included an assessment of its immediate ongoing viability which was questionable due to the company's inability to access any working capital. After discussions with key stakeholders, Cor Cordis was able to implement a plan which involved the refinancing of the company's debtor factoring facility, which if unable to be achieved would have resulted in the immediate cessation of the business. Cor Cordis was able to arrange for the plan to be implemented within a tight timeframe whilst managing to continue to trade the business without major disruption.
- After discussions with Cor Cordis, the company's directors expressed a view that it was their intention to submit a proposal that the company enter into a DOCA which would involve employees being paid entitlements as and when they fall due, the company's superannuation debt being paid in full and a dividend equal to 20 cents in the dollar being paid to unsecured creditors.
- Cor Cordis arrived at a view that the proposal was in creditors' best interests and on that basis, recommended it to them. The proposal was accepted and the company is currently finalising its arrangements under the DOCA whilst continuing to trade under the control of the directors.