

JOINT MEDIA RELEASE / ASX ANNOUNCEMENT

Arrium announces sale of Moly-Cop

KordaMentha today announces that it has executed an agreement with funds advised by American Industrial Partners for the sale of the entities comprising Arrium Mining Consumables Division ("Moly-Cop"). Under the terms of the Share Sale Agreement the total enterprise value is USD\$1.23 billion.

The announcement follows a competitive dual track divestment process conducted by Deutsche Bank over a five month period which simultaneously considered an Initial Public Offering of Moly-Cop on the Australian Securities Exchange and a broad trade sale process. The consideration achieved in this transaction exceeds the final offer price under the prior 2015 divestment process.

Scott Kershaw, Partner at KordaMentha, stated "The sale of Moly-Cop is the first step in realising value with the sale process for the remainder of the Arrium business ongoing."

John Barbagallo, CEO of Moly-Cop said: "The sale of Moly-Cop brings certainty and confidence for our customers, suppliers and employees. The Moly-Cop team looks forward to working with American Industrial Partners to grow the business and achieve our long-term strategic goal of being the leading supplier of consumable products to the mineral processing industry."

Richard Hoffman, Partner with American Industrial Partners, said: "Moly-Cop is a world class company and the innovator in its industry. We are strong advocates of the operating strategies that have been implemented by Moly-Cop management and we intend to continue to invest in the business and its growth, further building upon Moly-Cop's leadership position in its industry."

Completion is expected in early 2017 and is subject to certain regulatory approvals and the approval of the Arrium lenders.

About American Industrial Partners

American Industrial Partners is an operationally-oriented middle-market private equity firm that makes control investments in industrial businesses serving domestic and global markets. The Firm has deep roots in the industrial economy and has been active in private equity investing since 1989. To date, AIP has completed over 65 transactions and currently has USD\$3.2 billion of assets under management on behalf of leading pension, endowment and financial institutions. AIP invests in all forms of corporate divestitures, management buyouts, recapitalizations, and going-private transactions of established businesses with revenues of USD\$200 million to USD\$1 billion+.

About Moly-Cop

Moly-Cop is predominantly focused on the production of forged steel grinding media which is used extensively in the processing of copper, gold and other minerals. Moly-Cop's products are primarily sold to customers located in North and South America and Australasia. Within these regions, Moly-Cop is the largest supplier of grinding media by sales volumes and is also the largest supplier globally by production capacity. In FY2016, Moly-Cop reported sales and EBITDA of USD\$1,021 million and USD\$156 million respectively.

Contact

For more information about American Industrial Partners, please contact Ben DeRosa, Partner or Daryl Yap, Partner at +1 212 627 2360.

For more information on the sale process, please contact Miche Paterson on +61 400 353 762.

For personal use only