

KordaMentha

4 December 2019

COMMERCIAL IN CONFIDENCE

MEDIA RELEASE

Receivers' appointed to Claymark Group

As publicly reported, the Claymark Group entered into a sale and purchase agreement for the sale of the business and assets to New Zealand Future Forest Partnership ('NZFFP'). As a result of NZFFP not yet settling, the Group came under increasing working capital pressure to stabilise the business and fund future growth. The Group has been unable to secure additional funding and, as a result, the Board of Claymark has had to take the unfortunate step of requesting its senior debt provider to appoint Receivers.

Grant Graham, Brendon Gibson and Neale Jackson of financial advisory firm KordaMentha have today been appointed as receivers to Claymark Limited and its related entities. Their appointment covers all Claymark's operations in Rotorua, Katikati, Thames and Auckland.

The Claymark Group is a long-established business producing high quality radiata pine wood products with a global blue-chip customer base.

The Receivers' intention is to continue to trade the business while they work through the key issues. This is, however, reliant on the support of many stakeholders including log suppliers and key customers.

Mark Clayton, Managing Director of Claymark, confirmed that he is committed to working with the Receivers to maximise the return to all stakeholders. His immediate focus is to help the Receivers to focus on the protection (and realisation) of assets and communication with employees, creditors, customers and other stakeholders.

Mr Gibson said, "NZFFP had entered into an agreement to acquire the Claymark Group. We will obviously be having discussions with NZFFP regarding its contract. Ultimately, the business will have to be sold,"

Claymark employs approximately 510 people across six manufacturing sites in the Bay of Plenty, Thames and Auckland.

The following companies are in receivership:

Claymark Group Holdings Limited, Claymark Limited, Claymark Assets Limited, Claymark International Limited, Claymark Europe Limited, Claymark Us Limited, Claymark Group Trustee Limited, Profiles Woodproducts Limited

The receivership does not affect Claymark USA, Inc, the Group's US-domiciled business, which continues to trade as normal.

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