

12 January 2010

**CIRCULAR TO EMPLOYEES**

Dear Sir/Madam

**Clevedon Australia Pty Ltd (Receivers & Managers Appointed)  
ACN 106 437 870 (“the Company”)**

Notice is given pursuant to Section 429(2) of the Corporations Act 2001 (“the Act”) that John Melliush and I were appointed Receivers and Managers of the Company on 12 January 2010 pursuant to the provisions contained in a registered debenture charge created by the Company in favour of the Commonwealth Bank of Australia Limited.

I have taken control of the operations of the Company, and have commenced an urgent assessment of its financial position.

Enclosed is an information sheet, from the Australian Securities and Investments Commission and the Insolvency Practitioners Association of Australia, which provides general advice to employees whose employer is in receivership.

This circular is to advise you about specific matters regarding your employment by the Company.

**1. Cessation of employment**

Following a review of business viability, the Receivers and Managers have decided the Company’s trading must cease. Accordingly, the Company ceased to trade on 12 January 2010.

I regret to advise that your employment has been terminated effective from this date. This letter is confirmation and formal notice of termination of your employment.

A separation certificate will be issued to you shortly following calculation of your final entitlements.

I will provide a group certificate for the period from 1 July 2009 to the date of my appointment.

**SYDNEY**

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Zolfo Cooper  
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Kroll Worldwide  
UNITED STATES  
UNITED KINGDOM



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## **2. Your employee entitlements at the date of my appointment**

Please note that employees, other than directors or related persons, have a statutory priority of payment ranking ahead of the secured creditor's right to certain assets. The priority extends to outstanding employee entitlements such as wages, superannuation, holiday pay and long service leave.

The assets concerned are those which are subject to the floating portion of the debenture charge under which I was appointed. The priority claims of directors and related persons are limited to \$2,000 for wages and superannuation contributions and \$1,500 for holiday pay and long service leave.

At this stage, I am unable to say whether sufficient funds will become available from floating charge assets to pay employee entitlements.

The enclosed information sheet provides information concerning the government's *General Employee Entitlements and Redundancy Scheme* ("GEERS"). Please note that the GEERS does not apply in a receivership where your employment ceased after 1 November 2005.

However, if the Company is placed into liquidation, you might have standing to submit an application and be compensated for unpaid entitlements under the GEERS. For further information regarding the GEERS, including your eligibility, please contact the Department of Workplace and Employment Relations on 1300 135 040 or [geers@dewr.com.au](mailto:geers@dewr.com.au) or visit its website at [www.workplace.gov.au](http://www.workplace.gov.au).

## **3. Change of address**

Please advise me in writing of any change of address. If you do not, you may not receive future communications regarding the Company and your entitlements.

## **4. Confidentiality**

While employed by the Company or after leaving the Company, you must not disclose, (except in the proper course of your duties or as is required by law), any confidential information acquired by you about the Company and associated businesses, its products and customers to any person or organisation, including the Company's directors, except where written permission is granted by the receivers and managers or their authorised representatives. You must not use any confidential information in a manner which may cause injury or loss to the Company and associated businesses.

You must return all Company property and confidential documents. Please contact Charitha Renugadevan of this office to arrange delivery.



12 January 2010

## 5. Further information

For further information concerning the receivership process and Ferrier Hodgson, you may wish to visit our website at [www.ferrierhodgson.com](http://www.ferrierhodgson.com). Queries regarding the administration should be directed to Charitha Renugadevan of this office on (02) 9286 9829 or [cjr@fh.com.au](mailto:cjr@fh.com.au).

Yours faithfully  
**Clevedon Australia Pty Limited**

A handwritten signature in black ink, appearing to be 'MK' or similar initials.

**Morgan Kelly**  
Receiver and Manager

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