



Elderslie Finance Corporation Limited

Frequently Asked Questions

1. As a debenture holder in Elderslie, why will I receive a return 10 cents in the dollar?

The receivers of Elderslie, PricewaterhouseCoopers were appointed by Perpetual in July 2008. Since that time they have been progressively investigating the affairs of the company.

PricewaterhouseCoopers recently said their investigations have revealed a number of factors which will impact the return including the following:

- lack of buyers at an acceptable price for the lease book resulting in a significant reduction in estimated return for this asset;
- relatively small amounts of interest and consequent poor offers in relation to investments in going concern businesses;
- estimates from the Elderslie Group's directors in relation to assets without formal valuations proved to be optimistic;
- significant costs associated with realising assets¹; and
- the financial crisis which has led to significant decrease in buyer interest.

As a result, PricewaterhouseCoopers current estimate of the return of funds to debenture holders from the sale of Elderslie's assets has been revised downwards and PWC now consider it now likely to be less than 10 cents in the dollar.

2. When can I expect to receive my money?

PricewaterhouseCoopers said the returns to debenture holders would be determined largely by the run-off of the assets in the lease book. Given current market conditions and the relatively illiquid nature of the assets, this could take between four to five years.

3. Is this amount likely to be revised down again in the future?

Our priority is to continue to focus on a strategy that will maximise returns to Elderslie's debenture holders.

PricewaterhouseCoopers will continue to provide debenture holders with information on this matter through their regular reports.

In the meantime, PricewaterhouseCoopers has a special telephone hotline for any inquiries on Elderslie on 1300 788 510 for the cost of a local call. Otherwise they can be emailed at efcl@au.pwc.com

¹ The significant costs referred to arise because of the varied nature of the assets in the portfolio. Some examples include; regional and interstate property holdings, investments in businesses outside Australia, and a lease book with over 14,000 individual contracts.

4. What is a public examination and when is it likely to take place?

PricewaterhouseCoopers are currently looking at potential claims against third party persons associated with Elderslie.

One way of further assessing potential claims is to conduct a public examination.

PricewaterhouseCoopers has applied to the corporate regulator for permission to seek to conduct a public examination.

If the receiver gets the permission of the regulator, PricewaterhouseCoopers in consultation with Perpetual will have to look at how a public examination may benefit debenture holders and also how a public examination would be funded. If PricewaterhouseCoopers decide a public examination is the right strategy for debenture holders, the receivers will seek to examine various parties in court about matters relating to Elderslie.

5. Will debenture holders have to fund the public examination?

The funding of the public examination, if any, will be from the funds available, or which become available, from the realisation of assets secured by charges granted by Elderslie to Perpetual on behalf of debenture holders. Amounts realised from such secured property, after the payment of the costs including the costs of any examination, would ultimately be available to debenture holders.

PricewaterhouseCoopers, in consultation with Perpetual, will only proceed to conduct a public examination if there are benefits to debenture holders in doing so based on their investigations.

6. Will the directors be called as part of the public examination?

Perpetual and PricewaterhouseCoopers unfortunately cannot provide further details on the investigations at this time as it may prejudice the receiver's ability to obtain the best possible return for debenture holders.

7. Where I can go for further information?

Debenture holders in EFC should contact PwC on 1300 788 510 for the cost of a local call or send an email to efcl@au.pwc.com

PwC will be sending a circular to debenture holders, which will also be available at www.pwcrecovery.com in the 'Businesses under management' section, refer Elderslie Group.

There is also additional information in Perpetual's press release on Elderslie, which is available under [News and media centre](#) on our website at perpetual.com.au

8. I am calling from outside Australia and cannot access the PwC's 1300 number. What is an alternative number?

Callers from outside Australia seeking to contact PwC, should call +61 2 8266 2500.