

HIH Group of Companies (In Liquidation)
(the "HIH Companies")

Statement by Tony McGrath, Liquidator of the HIH Companies

27 August 2001

Legal representatives for the provisional liquidators of the HIH Companies appeared in the NSW Supreme Court at 10am today. The Court ordered the winding up of each of the HIH Companies.

Tony McGrath and Alex Macintosh were appointed as Liquidators of each of the HIH companies, following their appointment as Provisional Liquidators.

The substantial amount of work already undertaken by the Provisional Liquidators has included an extensive review of the financial position of each of the HIH Companies. This review has confirmed that each of the main HIH Companies is clearly insolvent. The work to date has also resulted in the revision of estimates for the total deficiency of the HIH Group of companies, which is presently estimated to be between \$3.6 billion and \$5.3 billion.

The Liquidators will continue realising the companies' assets, reviewing and assessing liabilities and their investigations into the circumstances surrounding each company's failure.

The Liquidators will also continue their consideration of whether a scheme or schemes of arrangement should be proposed.

As stated on 25 May 2001, in the case of each of the main HIH Companies, we expect that reliable estimates of creditor payment outcomes will not be possible for at least one year. It is also likely that there will be a delay of at least two years before the first general dividend payment, and a delay of up to ten years before the final payment to creditors.

Tony McGrath
Liquidator



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