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NZX ANNOUNCEMENT AND MEDIA RELEASE**

McGRATHNICOL+PARTNERS APPOINTED RECEIVERS TO FELTEX CARPETS LIMITED

Colin Nicol, Peter Anderson and Kerryn Downey of the independent restructuring and corporate advisory firm, McGrathNicol+Partners, have today been appointed as receivers and managers of Feltex Carpets Limited ("Feltex"), the New Zealand listed carpet manufacturer. We have applied for trading in its shares to be suspended.

In addition, Colin Nicol and Peter Anderson have been appointed as receivers and managers of Feltex's Australian subsidiaries.

The appointment of receivers and managers follows the deterioration in Feltex's financial performance which has led to unsustainable debt levels and a share price collapse.

Feltex is one of the two largest Australasian manufacturers of woollen and synthetic carpets. It employs around 1,400 people at sites in New Zealand, Australia and the United States of America and has annual revenues of approximately NZD270 million.

"Having just been appointed we are not in a position to immediately comment on either the operational or exact financial position of the company. Feltex is a New Zealand icon and we are moving quickly to ensure that it continues to operate as normal" said Mr Nicol.

Mr Nicol also advised that he has taken control of discussions with parties who have expressed interest in acquiring Feltex.

"Feltex's strong household brand names, excellent customer base and outstanding employees provide me with confidence that a going concern sale of Feltex will be achieved" he said.

"Continued support from Feltex's employees, unions, suppliers and customers is vital to maintaining operations and business value. Over the next few days, we will be communicating with all key stakeholders" said Mr Nicol.

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