



**Focus on Furniture Pty Ltd (Administrators Appointed)
ACN 089 394 712
and associated entities listed in Schedule 1
(collectively known as the Focus Group).**

Customer Frequently Asked Questions

15 May 2019

Barry Kogan, Katherine Sozou and Matthew Caddy were appointed Joint and Several Voluntary Administrators (**Administrators**) of the Focus Group on 15 May 2019 following a resolution of its board of directors.

The purpose of this document is to answer some frequently asked questions that customers may have about the Administration.

This information sheet covers the following key areas:

- operations;
- administration process;
- deposits, gift cards, extended orders; and
- returns and warranties.

As Administrators, we act as agents of the Focus Group. The Administrators assume control of the Focus Group and make all financial and strategic decisions, working with Focus Group management.

Please note that this document will be revised periodically by the Administrators and is subject to change. Any revised documents will be made available in store and on McGrathNicol's website: www.mcgrathnicol.com/creditors/focusgroup.

Queries

Customer queries should be directed to FocusCustomers@mcgrathnicol.com.

The Administrators or the Focus Group staff may respond directly or by update to this FAQ. The Administrators will also add to this document as required and updated versions will be provided to stores.



OPERATIONS

Is the business continuing to trade?

Yes.

The Administrators are working with the company and its management team to restructure its physical store footprint, and recalibrate the network to the core, profitable locations in Victoria, regional New South Wales, South Australia and the Australian Capital Territory.

The Administrators are conducting an urgent review, including a possible exit of unprofitable stores in New South Wales and Queensland.

How soon will a decision be made about the future of Focus Group?

No timetable has been set at this time. The Administrators will provide updates throughout the administration.

ADMINISTRATION PROCESS

What has happened to Focus Group? Why did the administration come about?

The Directors resolved to appoint the Voluntary Administrators following sustained challenges to the Focus on Furniture business, stemming from New South Wales and Queensland operations.

As part of the administration process, these stores will likely be exited in order to return the group sustainable, profitable performance.

What is a voluntary administration?

Voluntary administration is an insolvency procedure where the directors of an insolvent company (i.e. one that is unable to pay its debts) appoint an external administrator called a 'Voluntary Administrator'.

The role of the Voluntary Administrator is to investigate Focus Group's affairs to assess the potential for rehabilitation or recapitalisation, to report to creditors and to recommend to creditors whether Focus Group should enter into a Deed of Company Arrangement, go into liquidation or be returned to the directors.

For more information regarding administrations, please visit www.asic.gov.au.

What is the role/authority of the Focus Group directors? Do we take direction from them or from the Administrators?

The Administrators make all financial and strategic decisions relating to Focus Group and have ultimate executive control of Focus Group.

The Administrators continue to work with Focus Group management and employees to serve customers.

Who is McGrathNicol?

McGrathNicol is an independent advisory and restructuring firm specialising in Advisory, Forensic, Transactions, Restructuring and Insolvency.

Where can I get information in relation to the administration?

Information will periodically be posted to the Administrators' website:

www.mcgrathnicol.com/creditors/focusgroup. We will also continue to update employees through the usual Focus Group internal systems.



What is the first meeting of creditors?

Please see below for information on gift cards, store credits, lay-bys and the baby registry as to whether customers are creditors of Focus Group.

The Administrators are required to hold a meeting of creditors within 8 business days of their appointment.

If you believe you are a creditor, please see the FAQ for creditors on the Administrators' website:

www.mcgrathnicol.com/creditors/focusgroup.

What is the second meeting of creditors?

The Administrators are required to hold a second meeting of creditors within approximately 1 month of their appointment. You will receive formal notification of the meeting details ahead of that time.

The purpose of this meeting is predominantly for creditors to determine the future of Focus Group. The options available to creditors can include returning control of Focus Group back to its directors; executing a Deed of Company Arrangement; or, placing Focus Group into liquidation.

CUSTOMERS

If I have paid a deposit or put goods on extended orders, will it be honoured?

Ordinarily, deposits or goods placed on extended orders represent an unsecured claim against Focus Group and would not be able to be recovered.

However, during the administration period, the Administrators have agreed to complete sales if deposits have already been made subject to payment of the outstanding balance and stock availability.

Deposits and extended order payments cannot be refunded. If the stock is not available, the value of the deposit can be applied to purchase an alternate item.

I have placed and paid for an order online, will I still receive my goods?

Ordinarily, goods paid for online represent an unsecured claim against Focus Group and would not be able to be recovered.

However, during the administration period, provided Focus Group has the stock available, the Administrators will fulfil your order. If the stock is not available, the value of the order can be applied to purchase an alternate item.

Are gift cards and store credits being honoured?

Ordinarily, gift cards and store credits represent an unsecured claim against Focus Group and would not be able to be redeemed.

The Administrators have agreed to honour gift cards and store credits in store.

If customers do not utilise or are unable to utilise their gift cards or store they can complete a Proof of Debt for the balance they are owed.

No new gift cards or store credits are to be issued.

Can I exchange my goods?

Exchanges must be processed in a single transaction and are subject to stock availability. The Administrators will not issue or authorise any cash refunds or store credits for exchanged stock.

A copy of the receipt must be provided at the time of exchange.

**Can I return my goods?**

Returns will only be accepted by way of exchange. The Administrators will not issue or authorise any cash refunds for returned stock.

How do we deal with faulty goods or warranty claims?

Ordinarily, warranty claims for items purchased prior to 15 May 2019 represent an unsecured claim against Focus Group and would not be able to be recovered.

However, during the administration period, the Administrators have agreed to honour warranty claims in accordance with Focus Group's policy.

Faulty goods policy will continue in accordance with the existing store policy for goods purchased on or after 15 May 2019.

What happens if I place a deposit after the date of Administration?

Any sale transaction entered into by deposit after the date of the Administration is guaranteed by the Administrators.



Schedule 1 – Entities over which the Administrators are appointed

Company name	ACN
Focus On Furniture Pty Ltd (Administrators Appointed)	089 394 712
Beds Online Australia Pty Limited (Administrators Appointed)	122 205 029
Best Furniture Group Pty Limited (Administrators Appointed)	101 571 699
D. Gallery Pty Limited (Administrators Appointed)	131 012 318
E-Commerce Ventures Pty Limited (Administrators Appointed)	154 473 364
Furniture Online Australia Pty Ltd (Administrators Appointed)	151 871 313
Loveadeal Pty Ltd (Administrators Appointed)	107 198 578
Oz Retail Pty Ltd (Administrators Appointed)	161 618 293
Pacific Global Furniture Pty Limited (Administrators Appointed)	106 668 026
Pillows Online Australia Pty Limited (Administrators Appointed)	158 267 013
Trusted Web Sites Pty Ltd (Administrators Appointed)	158 267 675
United Furniture Warehouse Pty Ltd (Administrators Appointed)	127 727 959