



**Media Release**

**24 September 2019**

**Ziera Retail NZ Limited, Ziera Shoes NZ Limited, Kumfs Brand Limited, Kumfs Group Limited, Ziera Retail Pty Limited (all in Administration) (collectively "Ziera")**

**Appointment of Voluntary Administrators**

Conor McElhinney and Andrew Grenfell, partners of McGrathNicol, have been appointed Voluntary Administrators ("Administrators") of Ziera's New Zealand entities by a resolution of their Board of Directors. Shaun Fraser and Kathy Sozou, partners of McGrathNicol Australia, have been appointed Administrators of Ziera's Australian operations.

The appointment follows a number of challenging trading years for Ziera, caused by the rapidly changing retail landscape, changing consumer trends and major changes in their supply chain.

Ziera, previously branded as Kumfs, was founded in 1946 on the principle of providing stylish and comfortable women's footwear. It sells footwear to independent shoe retailers around the world, including in the United States, Australia, and Singapore, as well as through its own retail store network in New Zealand and Australia.

Despite a loyal customer base, in recent years the business has been impacted by the changing retail landscape. Globally independent footwear retailers have been closing as larger competitors and online sales take more market share, limiting Ziera's wholesale market.

Ziera has also been impacted by the falling New Zealand dollar increasing the cost of manufacturing; the United States-China trade dispute, with United States tariffs on shoes increasing to 25%, impacting the profitability of selling into the United States; and issues with its supply chain. With Australia as the key market for Ziera, weakness in the Australian dollar has negatively affected sales margins.

Ziera was slow to launch an online offering, with the website only going live in December 2016. Despite over 50% growth per annum in the online stores in New Zealand and Australia, rising rents and staff costs combined with falling sales at Ziera's bricks and mortar stores have led to the business becoming uneconomical to continue trading.

With new season orders having to be placed this week and lease agreements coming up for renewal, the Directors were faced with a difficult decision. After much consideration, the Directors resolved to appoint administrators rather than risk further losses.



The Administrators have taken control of Ziera and intend to continue operating the companies whilst seeking a sale of the business, either in whole or in part.

Conor McElhinney, one of the Administrators, said, "Ziera offers something unique in the women's footwear market: stylish, quality shoes that have been orthopedically designed to be able to be worn all day in comfort. There is an incorrect perception that the shoes are only for mature women. The business rebranded from Kumfs to Ziera to appeal to a broader customer base, but the message about Ziera's technology did not cut through. In our assessment, the technology has real value and we hope to find another footwear retailer to take on the Ziera mantle and continue to supply its loyal market, while bringing the comfortable fashion message to all women."

Interested parties should contact the Administrators urgently.

Fact sheet

1. 22 stores in New Zealand and 23 stores in Australia
2. Approximately 140 staff in New Zealand and 110 in Australia (including part-time retail staff)
3. Formerly Kumfs, founded by David Robertson and Mervyn Adams in 1946
4. Footwear sold around the world, including New Zealand, Australia, United States, Canada, Singapore

For further enquiries

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**About McGrathNicol:**

McGrathNicol is an independent firm specialising in advisory and restructuring services. McGrathNicol has offices throughout Australia and New Zealand and an association with Alvarez & Marsal globally.