



The Insolvency & Business Recovery Specialists

**EXFTX LIMITED
(IN RECEIVERSHIP & IN LIQUIDATION)
("Feltex")**

(This company was called Feltex Carpets Limited until 1 December 2006)

**LIQUIDATORS ELEVENTH REPORT
Pursuant to Section 255(2)(d)
of the Companies Act 1993**

**For the Period from 13 June 2011
to 12 December 2011**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

The liquidators report herewith on the progress made in the liquidation of EXFTX Limited (In Receivership & In Liquidation).

This eleventh report to creditors follows the previous reports and should be read in conjunction with all previous reports.

2. REALISATION OF COMPANY ASSETS

The Receivers sold all of the business and assets of Feltex to Godfrey Hirst. Settlement of the sale to Godfrey Hirst took place on 30 November 2006.

3. CREDITORS CLAIMS

There are changes to the report under this section. Refer to section 4, Investigations and Legal Issues for an update on the liquidation.

3.1 Secured Creditors

The Feltex Group of companies were served with demands from Australia and New Zealand Banking Group Limited and ANZ National Bank Limited dated 20 September 2006, for A\$119.5 million. Interest and charges have continued to accrue since that date.

The receivers advise that in the period up to 21 March 2011 the following repayments have been made to the ANZ bank.

	A\$
By the New Zealand receivers	\$49.55 million
By the Australian receivers	\$67.40 million
	<hr/>
Total	<u>A\$116.95 million</u>

The repayments left ANZ owed approximately AUD 2.55 million principal plus interest and costs. Based on information we received earlier this year we expect that the bank will be owed in excess of AUD 16 million.

As at 21 March 2011 the receivers reported that they held NZ\$429,650.

We do not expect there to be any surplus funds from the conclusion of the receivership for the liquidation.

3.2 Unsecured Creditors

As at the date of preparing this report 614 unsecured creditors claims have been received which total \$13,880,557.

The claims can be broken down as follows;

Trade	5,718,271
Employees	8,162,286

We have not yet confirmed the amounts owed to employees.

3.3 Shareholders

166 shareholders have lodged claims as unsecured creditors totalling \$6,287,619. Most of these claims relate to shares purchased in the IPO.

Further detailed information has been sought from these shareholder claimants. A letter dated 19 March 2007 requested further information. This letter is still posted on our website www.mvp.co.nz (look immediately below our logo on the right of the home page).

The liquidators have not made any decisions on Shareholder claims arising from the IPO.

The Liquidators have assessed that shareholder claims against Feltex for breaches of the Securities Market Act continuous disclosure provisions between 1 September 2005 and 23 June 2006. The shareholders who make up this amount are those that made net purchases of Feltex shares from 1 September 2005 to 23 June 2006.

Formal communications will be sent in due course.

The liquidators have the power to review and amend their decisions.

4. INVESTIGATIONS AND LEGAL ISSUES

The liquidators noted in the previous report to creditors that the claim against the directors was significantly impacted by the incorrect 30 December 2005 half year Financial Statement prepared by Ernst and Young.

As a result the liquidators outlined to Ernst & Young ("EY") a claim against them. EY have failed to engage in any dialogue towards a resolution of the claim and have instructed solicitors.

Accordingly, proceedings were issued in early December 2011 against EY (NZ and Australia, as Stuart Painter was the lead adviser to Feltex). Details of the claim will be available on our website in due course.

5. DIVIDENDS

The receivers have reported that there will be a shortfall out of the physical assets to the debentureholder.

It therefore follows that any return to any group of creditors will only be achieved by successful Court actions taken by the liquidators.

6. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

Resolution of any further court proceedings may take time.

7. DISCLAIMER

The Liquidators do not accept any responsibility or liability for any errors, omissions or misinformation contained in this report. The liquidators do not accept responsibility or liability for any losses occasioned to any party as a result of the circulation, publication, reproduction, or use of this report.

8. WEBSITE www.mvp.co.nz

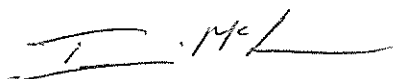
Creditors are advised that this report and all subsequent reports will be available on the liquidator's website. The liquidators will provide a regular bulletin updating creditors with current progress in actions taken. This bulletin will be lodged on the website to reduce costs. Please send us your email address if you would like further reports sent to you.

9. CONCLUSION

Based on the above the liquidators cannot yet estimate an expected date of completion.

Any queries can be directed to Iain McLennan or Peri Finnigan of these offices on 0-9-303 0506 or by visiting our website at www.mvp.co.nz.

Yours faithfully
for EXFTX LIMITED
(IN RECEIVERSHIP & IN LIQUIDATION)



IAIN MCLENNAN
LIQUIDATOR



PERI M FINNIGAN
LIQUIDATOR

DATED this 27th day of January 2012

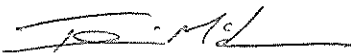
Number of Company: 828025

Name of Company: EXFTX LIMITED (IN LIQUIDATION)
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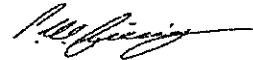
Subject: LIQUIDATOR'S STATEMENT OF REALISATIONS AND
DISTRIBUTIONS FOR PERIOD 13 DECEMBER 2006 TO
12 DECEMBER 2011

DUE TO REASONS OF COMMERCIAL
CONFIDENTIALITY AND BECAUSE THE LIQUIDATORS'
PRIMARY ACTIVITY AT PRESENT INVOLVES
LITIGATION MATTERS WE HAVE ELECTED TO NOT
ITEMISE RECEIPTS AND PAYMENTS AT THIS TIME

Yours faithfully
for EXFTX LIMITED
(IN RECEIVERSHIP & IN LIQUIDATION)



IAIN McLENNAN
LIQUIDATOR



PERI M FINNIGAN
LIQUIDATOR

Dated this 27th day of January 2012