

*The Liquidators of EXFTX Limited (formerly Feltex Carpets Limited) announce that they have entered into a full and final settlement of their claims against the company's former directors.*

*The Liquidators were appointed in December 2006 and issued proceedings against the directors in 2009. In 2010 the District Court found, after a 15 day trial concerning related issues, that the "overwhelming evidence" was that the directors had conducted themselves at all times with "unimpeachable integrity."*

*The District Court's findings naturally caused the Liquidators to reevaluate their claim, which was due to be heard in a trial starting next week in the Auckland High Court. The Liquidators and the directors have today reached a settlement the terms of which, as is usual in such matters, are confidential.*

*The Liquidators acknowledge that the settlement is entered into without any admission of liability by the directors. This is reflected in what is a modest and pragmatic settlement reached on a costs saving basis.*

*12 May 2011*