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

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

LIQUIDATORS FIFTH REPORT

Pursuant to Section 255(2)(d)
 of the Companies Act 1993

**For the Period from 13 June 2008
 to 12 December 2008**

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 fifth report to creditors follows the fourth and earlier reports and should be read in conjunction with previous reports. This report is being sent to all shareholders and to all creditors who have filed a claim in the liquidation.

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 no changes to 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 September 2008 the following repayments have been made to the ANZ bank.

	A\$
By the New Zealand receivers	\$49.2 million
By the Australian receivers	\$56.3 million
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Total	A\$105.5 million
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The remaining balance due to the General Security Agreement holder as at 21 September 2008 (according to the receivers' reports) was A\$14 million, plus accrued interest since the date of appointment.

3.2 Unsecured Creditors

As at the date of preparing this report 611 unsecured creditors claims have been received which total \$15,879,880 and 146 Shareholders claims have been received totalling \$6,287,619. The top 20 creditors represent \$6.45 million of the total claims.

Many employees have not lodged claims for the unsecured amounts that they may be entitled to.

The receivers do not expect there to be any surplus funds following the conclusion of the receivership to pass on to the liquidators.

3.3 Shareholders

Many Shareholders have lodged claims as unsecured creditors. Further detailed information has been sought from these shareholder claimants and no decisions have been made as yet to admit or reject the ranking of such claims. A letter requesting further information is posted on our website www.mvp.co.nz (look immediately below our logo on the right of the home page).

Shareholder claimants should take notice that if they do not progress their claims they run a real risk that the claims will be rejected simply due to lack of information. We do not intend to leave the claims in abeyance indefinitely and due to the findings of the Securities Commission that the company did breach the Securities Markets Act, we feel obliged to advance these claims in particular.

4. INVESTIGATIONS AND LEGAL ISSUES

Liquidators Issues

The Liquidators are pleased to advise two significant events which assist in advancing recovery proceedings.

1. Directors' Liability

We remain intent on pursuing the claims against directors. Counsel has commenced drafting the statement of claim. We continue to move the claim forward.

2. Other Recovery Actions

The liquidators pursued a voidable claim and settlement has been achieved.

5. FUNDS / LIKELY OUTCOME

The receivers have reported that there may be a shortfall out of the physical assets to the debentureholder. It therefore follows that any return to creditors and to shareholders will be through successful Court actions taken by the liquidators.

The liquidators received moneys from the Liquidation Surplus Account managed by the Ministry of Economic Development. These funds were used to progress proceedings in relation to a directors claim and the ANZ bank matter.

The liquidators have predominantly self funded their own actions to date.

6. MATTERS DELAYING COMPLETION OF THE LIQUIDATION

Pursuit of the recovery action, particularly the claims against directors, is expected to take some time. It has been difficult to make substantial progress on a claim without being adequately funded, and there are added complexities due to the shareholders positions. However, the preparatory work to that end is continuing. Significant information has been provided to funders and a decision is pending.

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

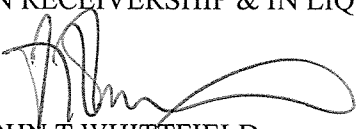
Creditors are advised that this report and all subsequent reports will be available on the liquidator's website. The liquidators will provide a regular bulletin updating creditors with current progress in actions taken. This bulletin will be lodged on the website to reduce costs. Please send us your 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 John Whittfield, 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)


JOHN T WHITTFIELD
LIQUIDATOR


JOHN L VAGUE
LIQUIDATOR


PERI M FINNIGAN
LIQUIDATOR

DATED this 15th day of December 2008