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Press Release8th August 2006**UPDATE RE FELTEX CARPETS**

Godfrey Hirst today said its proposal to buy the assets and businesses of Feltex Carpets was fair to shareholders, staff and creditors, was fully priced and was fully funded particularly in view of Feltex's financial position.

Godfrey Hirst said its proposal delivered certainty to staff, shareholders and suppliers and with more than 40 years in carpet manufacturing, Godfrey Hirst is, by far, best placed to improve the business and provide ongoing investment.

Godfrey Hirst is presently undertaking due diligence and is also seeking the approval of regulatory authorities in Australia and New Zealand before the proposal is voted on by Feltex shareholders.

The Finance Director of Godfrey Hirst, Jim Walsh, said today: "We will complete due diligence and the regulatory processes required and then review our position. We are concerned that today's announcement will create unnecessary uncertainty for employees and other stakeholders."

"We have said all along that our offer is fair, fully funded and fully priced. As the leading carpet manufacturer in New Zealand and Australia, Godfrey Hirst is uniquely placed to meet all of the challenges facing Feltex," he said.

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