

27 January 2012

Statement from Cor Cordis Chartered Accountants

The Administrator of Fletcher Jones and Staff Pty Ltd, Bruno Secatore, Senior Partner of Cor Cordis Chartered Accountants, today announced the Administrators' acceptance of an offer from Hilco Merchant Australia Pty Ltd to realise the value of the stock in Fletcher Jones stores through a structured sell down process.

"As part of the Voluntary Administration of Fletcher Jones & Staff Pty Ltd, we have accepted an offer from Hilco Merchant Australia to assist in selling the large assortment of stock in Fletcher Jones stores," Mr Secatore said.

"We advertised the sale of the business early last month and received a number of expressions of interest including an offer from Hilco. After negotiations took place with a number of parties we decided to accept Hilco's offer to liquidate the stock at all 30 Fletcher Jones locations and continue to negotiate with parties who are interested in acquiring the Fletcher Jones brand/store network.

"Hilco Merchant Australia will help the administrators to maximise the value of the stock and therefore maximise the return to creditors. It is too early to speculate what the final return to creditors will be.

"Hilco Merchant Australia's involvement will commence on Saturday 28 January 2012. Hilco has a vast amount of experience in working with companies to realise the value of inventory and was recently involved in the stock realization process undertaken by the Receivers of Borders bookstores.

"As Voluntary Administrators, we will continue to work towards the sale of the Fletcher Jones brand/store network," he said.

Mr Secatore also confirmed that:

- He had applied to the Supreme Court to extend the convening period until 14 May 2012 so that he can oversee the sale of the stock, continue with negotiations to sell the Fletcher Jones brand/store network and to complete the Administration.
- The next meeting of creditors will be held shortly after 14 May 2012 prior to which a full report of the company's overall financial position will be released.

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