

3 August 2007

**FIRST REPORT OF THE LIQUIDATORS
TO CREDITORS AND MEMBERS OF
MAIL INVESTMENTS LIMITED (In Liquidation)**

INTRODUCTION

We advise that Mail Investments limited (In Liquidation) ("the company") was placed into liquidation on 27 July 2007 at 9:30 am by a special resolution of shareholders pursuant to Section 241(2)(a) of the Companies Act 1993 ("the Act"). Kevin David Pitfield and Gareth Russel Hoole were appointed joint and several liquidators of the company at that time.

RESTRICTIONS

This report is not intended for general circulation, nor is it to be reproduced or used for any purpose without the liquidators' written permission in each specific instance. The liquidators, Staples Rodway Limited, its employees and agents do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

The liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to us after that date.

BACKGROUND AND STATEMENT OF POSITION

Director and Shareholders

On the date of the appointment of the liquidators the records of the company reflected the following:

Shareholders: Margaret Isabel Laidlaw, Murray James Laidlaw, Margaret Isabel Laidlaw Family Trust and Murray James Laidlaw Family Trust

Directors: Elizabeth Ann Cooper, Geoffrey Colin Laidlaw, Margaret Isobel Laidlaw and Murray James Laidlaw

History

The company was incorporated as Laidlaw Printing Company Limited on 13 December 1968 and changed its name to Mail Investments Limited on 18 June 1996.

The principal business of the company was that of asset ownership.

The liquidators understand that the company experienced cash flow difficulties for some months prior to the appointment of the liquidators, due to the trading difficulties experienced by the company's principal debtor, which difficulties were in turn caused by consolidation within the printing market, strong competition and the loss of certain key accounts together with the illness of the principal director. The cash flow constraints prevented the company from meeting its debts as they fell due.

Actions Taken To Date

The liquidators and their representatives attended the premises of the company at 694 Great South Road, Penrose on the morning of the appointment. The premises were secured and rights of entry were restricted.

The liquidators have established that the company has assets in the form of several printing machines, office equipment and a number of computers.

Statement of Position

Attached by way of Appendix 1 is the Statement of Position of the company as at 27 July 2007, as advised by the management of the company. The information contained in the attached statement of position was provided by the management of the company and, as yet, has not been investigated by the liquidators. It is possible that subsequent investigation could result in a revision of the information thus presented.

Securities and Charges

A search of the Personal Property Securities Register has revealed registered security interests, including a holder of a General Security Agreement.

Apart from creditors designated as preferential in terms of the Seventh Schedule of the Companies Act 1993 and the secured creditors referred to above, all other creditors of the company will rank as unsecured.

PROPOSALS FOR THE CONDUCT OF THE LIQUIDATION

Investigations into the existence and whereabouts of any assets not identified at the date of this report will be undertaken.

The liquidators will initially seek to sell the company's assets in conjunction with the principal debtor's printing business, as a going concern. To the extent that any assets cannot be sold as part of a going concern business, they will be realised to their best potential on an individual basis.

The liquidators will review disbursements made by the company in the period beginning on 27 July 2005 through to their appointment for purposes of determining whether any such transactions can be considered voidable within the ambit of Section 292 of the Companies Act 1993.

From the records made available to the liquidators, at the time of appointment the company appeared to have a surplus of assets over liabilities, but lacked the necessary cash flow to meet its obligations as they fell due. At this time the liquidators have not been able to determine how long the company traded under insolvent circumstances, if at all. However, they will conduct the appropriate investigation in this regard and report their findings to the Registrar of Companies as considered necessary. The liquidators will pursue appropriate action against the directors to the extent considered economically beneficial if evidence exists to support such action.

CREDITORS' MEETING

The liquidators advise that a meeting of creditors will be held at Level 11, Tower Centre, 45 Queen Street, Auckland on 16 August 2007 at 10.00am.

UNSECURED CREDITORS CLAIM FORM

An unsecured creditor's claim form is enclosed for your convenience. We request that this be completed and returned to our office together with supporting documentation to register your claim in this liquidation by 30th August 2007.

If you believe that you hold security for your claim please advise the liquidators, in writing, providing supporting documentation and all other details of the nature of the security that you believe that you hold.

ESTIMATED DATE OF COMPLETION OF LIQUIDATION

Subject to any matters which may arise during the investigation of the company's affairs and the timeframe associated with the realisation of assets, the liquidators tentatively estimate that this liquidation will be completed within the next six months.

Please note that any further reports prepared by the liquidators will not be mailed to the creditors and members of the company, but will be available on the New Zealand Companies Office and Staples Rodway websites.

Should you have any queries regarding the liquidation of the company, please do not hesitate to contact the liquidators at their office on telephone 309 0463 during business hours.



Kevin David Pitfield
JOINT LIQUIDATOR



Gareth Russel Hoole
JOINT LIQUIDATOR

APPENDIX 1

**MAIL INVESTMENTS LIMITED (In Liquidation)
 STATEMENT OF POSITION AS AT 27 July 2007**

Assets

Cash	2,060	
Tax paid	15,629	
GST refunds due	50,302	
Fixed Assets (book value)	574,944	<i>Note 1</i>
	<u>642,935</u>	

Liabilities

Secured Creditors	174,838	
Unsecured Creditors	253,444	
Contingent Liabilities	309,981	<i>Note 2</i>
	<u>428,282</u>	

PRIMA FACIE SURPLUS: ASSETS OVER LIABILITIES \$214,653

Notes:

1. The liquidators are obtaining an independent valuation of fixed assets to determine their market value.
2. The company has a contingent liability in that it has provided a cross-guarantee to a secured creditor of Laidlaw Printing Company Limited (In Liquidation). The companies are related by virtue of common ownership. The liquidators are unable to accurately quantify the contingent liability at this time as it is dependent upon the quantum of asset realisations in the liquidation of Laidlaw Printing Company Limited (In Liquidation).