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MATALAN FINANCE PLC

Matalan Finance plc Announces Results of Tender Offers for its £250,000,000 8⁷/₈% Senior Secured Notes due 2016 and its £225,000,000 9⁵/₈% Senior Notes due 2017

30 May 2014 — Matalan Finance plc (the “**Offeror**”) announces today the results of its cash tender offer (the “**Secured Notes Tender Offer**”) for any and all of the Offeror’s 8⁷/₈% Senior Secured Notes due 2016 with Common Code 061441433 and ISIN XS0614414331 (the “**Secured Notes**”) and its cash tender offer (the “**Senior Notes Tender Offer**”) and, together with the Secured Notes Tender Offer, the “**Tender Offers**”) for any and all of the Offeror’s 9⁵/₈% Senior Notes due 2017 with Common Code 049889119 and ISIN XS0498891190 (the “**Senior Notes**”), which expired at 4:00 p.m., London time, on 28 May 2014 (the “**Expiration Date**”). The Tender Offer was made upon the terms and conditions of the tender offer memorandum dated 13 May 2014 (the “**Tender Offer Memorandum**”). Capitalized terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Tender Offer Memorandum.

The Offeror hereby announces £133,962,000 in aggregate principal amount of Secured Notes were validly tendered and not withdrawn prior to the Expiration Date and will be accepted for repurchase, subject to the conditions set forth in the Tender Offer Memorandum, including satisfaction of the Financing Condition.

Security Description	Common Code/ ISIN	Aggregate Principal Amount Accepted	Aggregate Principal Amount Outstanding Following the Completion of the Secured Notes Tender Offer	Purchase Price per £1,000	Accrued Interest per £1,000
8 ⁷ / ₈ % Senior Secured Notes due 2016	061441433 XS0614414331	£133,962,000	£116,038,000	£1,023.69	£7.88889

The Offeror hereby announces £113,433,000 in aggregate principal amount of Senior Notes were validly tendered and not withdrawn prior to the Expiration Date and will be accepted for repurchase, subject to the conditions set forth in the Tender Offer Memorandum, including satisfaction of the Financing Condition.

Security Description	Common Code/ ISIN	Aggregate Principal Amount Accepted	Aggregate Principal Amount Outstanding Following the Completion of the Senior Notes Tender Offer	Purchase Price per £1,000	Accrued Interest per £1,000
9 ⁵ / ₈ % Senior Notes due 2017	049889119 XS0498891190	£113,433,000	£111,567,000	£1,025.56	£16.57639

The Tender Offers are expected to settle on 2 June 2014 (the “**Payment Date**”), and all payments for Notes tendered prior to the Expiration Date will be made on the Payment Date. The Tender Offers are conditional on, and are being made in conjunction with, a refinancing transaction pursuant to which the Offeror is issuing new sterling first lien secured notes (the “**New First Lien Notes**”) and new sterling second lien secured notes (the “**New Second Lien Notes**”) and, together with the New First Lien Notes, the “**New Notes**”), the proceeds of which are being used to fund the repurchases (the “**Repurchases**”) of Notes pursuant to the Tender Offers. The Repurchases are also subject to other customary conditions as set forth in the Tender Offer Memorandum. The Offeror reserves the right, in its sole discretion, to waive any and all conditions.

The Offeror intends to redeem Secured Notes and the Senior Notes that are not validly tendered and accepted for payment in the Tender Offers in accordance with the terms of the indenture governing the Secured Notes dated as of 11 April 2011 among Matalan Finance plc, as issuer, Missouri TopCo Limited, Matalan Group Limited, Matalan Limited, Matalan Retail Limited and Matalan Holding Company Limited (the “**Secured Notes Indenture**”) or the indenture governing the Senior Notes dated as of 31 March 2010 among Matalan Finance plc, as issuer, Missouri TopCo Limited, Matalan Group Limited, Matalan Limited, Matalan Retail Limited, Matalan Holding Company Limited and Wolsey Limited (the “**Senior Notes Indenture**”) and, together with the Secured Notes Indenture, the “**Indentures**”).

Morgan Stanley and Co. International plc and Lloyds Bank plc acted as “**Dealer Managers**” for the Tender Offers. In connection with the Tender Offers, Lucid Issuer Services acted as tender agent and as information agent (in such capacities, the “**Tender Agent**”).

THE OFFEROR

Matalan Finance plc
Gillibrands Road
Skelmersale, West Lancashire WN8 9TB
United Kingdom

Requests for information in relation to the Tender Offers should be directed to:

THE DEALER MANAGERS

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom
Tel: +44 (0)20 7677 5040
Fax: +44 (0)20 7056 4984
Attention: Liability Management Group
Email: liabilitymanagementeuropa@morganstanley.com

Lloyds Bank plc
10 Gresham Street
London EC2V 7AE
United Kingdom
Tel: +44 (0)20 7158 2720
Fax: +44 (0)20 7158 3233
Attention: Liability Management
Email: liability.management@lloydsbanking.com

A copy of the Tender Offer Memorandum is available to eligible persons upon request from the Tender Agent:

THE TENDER AGENT

Lucid Issuer Services Limited
Leroy House
436 Essex Road
London N13QP
United Kingdom
Telephone: +44 207 704 0880
Attention: Victor Parzyjagla
Email: matalan@lucid-is.com

None of the Offeror, the Trustee, the Dealer Managers or the Tender Agent makes any recommendation as to whether you should tender any or all of your Notes. This announcement is not an offer to purchase any Notes or a solicitation of an offer to sell any Notes. The Tender Offers are being made solely by means of the Tender Offer Memorandum.

DISCLAIMER

NOT FOR DISTRIBUTION FROM, WITHIN, IN OR INTO THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA.

The Tender Offers are not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. The Notes may not be tendered in the Tender Offers by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Tender Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Tender Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located or resident in the United States, or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Noteholder participating in the Tender Offers will represent that it is not located or resident in the United States and is not participating in the Tender Offers from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Tender Offers from the United States. For the purposes of this and the immediately preceding paragraph, "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum comes are required by the Offeror, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

This announcement is neither an offer to purchase nor the solicitation of an offer to sell any of the securities described herein (including the New Notes), nor shall there be any offer or sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Tender Offers are made solely pursuant to the Tender Offer Memorandum dated 13 May 2014.

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Tender Offers. If any Holder is in any doubt as to the action it should take, it is recommended that such Holder seek its own financial and legal advice, including as to any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes in the Tender Offers. None of the Offeror, the Dealer Managers or the Tender Agent makes any recommendation as to whether Holders should tender Euro Notes in the Euro Tender Offers or participate in the Tender Offers.

Any deadlines set by any intermediary will be earlier than the deadlines specified in the Tender Offer Memorandum.

The information contained in this announcement does not constitute an invitation or inducement to engage in investment activity within the meaning of the United Kingdom Financial Services and Markets Act 2000. In the United Kingdom, this announcement is being distributed only to, and is directed only at (i) persons who are outside the United Kingdom, (ii) persons in the United Kingdom falling within the definition of investment professionals (as

defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), (iii) persons who are within Article 43 of the Financial Promotion Order or (iv) any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”). This announcement and the Tender Offer Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

This announcement contains forward-looking statements and information that is necessarily subject to risks, uncertainties, and assumptions. No assurance can be given that the transactions described herein will be consummated or as to the terms of any such transactions. The Offeror assumes no obligation to update or correct the information contained in this announcement.