

MATALAN

12 October 2015

Matalan results for the 13 weeks ended 29 August 2015

Matalan, the UK's leading out of town fashion and homeware retailer, announces its results for the 13 weeks ended 29 August 2015.

Financial highlights

- Total revenue of £261.7m (2014: £264.1m)
- EBITDA of £2.3m (2014: £21.9m)
- Closing cash position of £76.9m

Overview & Outlook

Commenting on the second quarter's performance Jason Hargreaves, Managing Director of Matalan, said:

"In July we outlined the challenges experienced following the transition to our new distribution centre in Liverpool. The results for the second quarter reflect the severe financial impact of the action taken to sell through the unprecedented level of excess spring summer stock.

After a significant effort from our warehouse and store colleagues, we closed the quarter with a much healthier seasonal stock package. However, this was only achieved by more aggressive markdowns than initially anticipated.

The performance of the new distribution centre in Liverpool has improved and we have launched our Autumn ranges across the UK more effectively. As we approach peak trading, we continue to carefully manage the demands placed on the new warehouse, including scaling back our online growth expectations for the year. This, coupled with the additional markdown costs incurred, lead us to revise our full year EBITDA guidance to £60m-£65m. Closing cash guidance remains unchanged in the range of £80-£85m.

A number of key steps designed to improve performance have been identified and are being implemented throughout the business. Implementation is supported by new senior appointments in Supply Chain, IT, Trading and E-Commerce."

Ends

Enquiries:

FTI Consulting **020 3727 1000**
Jonathon Brill
Josephine Corbett
Eleanor Purdon

About Matalan Retail Limited

Matalan is the UK's leading out of town fashion and homeware retailer and operates through 224 stores in the UK, an e-commerce platform and 21 overseas franchise stores. Matalan Retail Limited was taken private in December 2006 by the acquisition of its parent company, Matalan Plc (now delisted and known as Matalan Limited), by Missouri Bidco Limited, subsequently renamed Matalan Finance Limited. Matalan Finance Limited has subsequently become a public limited company and is ultimately controlled by the Hargreaves family.

This press release may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of Missouri TopCo Limited or its subsidiaries about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.