

# MATALAN

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## **Matalan announces full year audited results for the 53 weeks ended 1 March 2014 and launch of a £342 million first lien secured notes offering and a £150 million second lien secured notes offering**

**13 May 2014**

Matalan, the UK's leading out of town fashion and homeware retailer, announces its full year audited results for the 53 weeks ended 1 March 2014.

### **Financial highlights**

- EBITDA of £95.4m (2013: £100.4m),
- Total revenue of £1,122.9m (2013: £1,125.4m)
- Closing cash position of £71.9m (2013: £120.7m)

### **Trading update for the nine-week period ended 3 May 2014**

The preliminary results reflected in the Company's non-IFRS management accounts indicate that for the nine-week period ended 3 May 2014, the Company generated revenue of £181.7m, an increase of 5.5% over the same period in the prior year. Like-for-like sales increased 0.2% compared to the same period in the prior year. The Company generated EBITDA of £13.0 million, an increase of 43.8% compared to the same period in the prior year. The increases in revenue, like-for-like sales and EBITDA were due to strong performance in ladieswear, footwear and kidswear categories, with margins benefiting from improvements in the Company's buying process and fewer markdowns in the current period.

The above information is based on preliminary results and estimates and is not intended to be a comprehensive statement of the Company's financial or operational results. Such information has been prepared by and are the responsibility of management and has not been audited, reviewed or verified by the Company's independent auditors. The preliminary results mentioned above are derived from the Company's non-IFRS management accounts, rather than its IFRS financial statements, and for a two-month period. The Company has not yet prepared its financial statements as of, or for any period following the 53 weeks ended 1 March 2014. The Company's preliminary results are based on its preliminary review of its results of operations and are inherently subject to modification during the preparation of its financial statements. As a result, the Company's actual results could vary from these estimates and these differences

could be material.

## **Notes offering**

Matalan announces today that it intends to launch the issue of £342 million first lien secured notes due 2019 and £150 million second lien secured notes due 2020 through Matalan Finance plc. The proceeds of the offering will be used to refinance in full Matalan's existing senior secured notes and senior notes and to pay costs, fees and expenses incurred in connection with the refinancing. Simultaneously with the issue of the notes, Matalan plans to enter into an amendment and restatement of its existing revolving credit facility which is expected to provide for utilizations of up to £50 million and mature in early 2019.

## **About Matalan Retail Limited**

Matalan is the UK's leading out of town fashion and homeware retailer and operates through 227 stores in the UK, an e-commerce platform and 14 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.

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*In connection with the issuance of the notes, the stabilizing manager (or any person acting on behalf of the stabilizing manager) may over-allot notes or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the stabilizing manager (or any person acting on behalf of the stabilizing manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by the stabilizing manager (or person acting on behalf of the stabilizing manager) in accordance with all applicable laws and rules.*