

Company number: 5962488



WE HEREBY CERTIFY THIS TO BE A TRUE COPY OF THE ORIGINAL

DATE 18/03/2010

SIGNED DIA PAPER UK LLP

MATALAN FINANCE LIMITED
("Company")

DIRECTORS' STATEMENT OF SOLVENCY
(for the purposes of section 642 of the Companies Act 2006)

It is proposed that the Company effects the following reduction of capital supported by a solvency statement pursuant to section 642 of the Companies Act 2006 ("**Proposed Reduction**"):

That the Company's share premium account be reduced by the cancellation of the premium of £1 90 per share on the following ordinary shares of 10 pence each (being in aggregate a cancellation of £415,469,621 80) in the capital of the Company:

No. of ordinary shares:	Registered holder:
218,668,222	Matalan Group Limited

Note 20,000 of the ordinary shares of 10 pence each are unaffected by the reduction of capital above, which shares were also issued at a premium of £1 90 per share and therefore the Company continues to have a share premium of £38,000 in aggregate following the reduction of capital referred to above

We, Paul Gilbert, Alistair McGeorge and John Mills, being all the directors of the Company, make the following statements in relation to the Proposed Reduction for the purposes of section 642 of the Companies Act 2006

- 1 we have each formed the opinion, as regards the Company's situation at the date of this statement, that there is no ground on which the Company could then be found to be unable to pay (or otherwise discharge) its debts, and
- 2 we have each formed the opinion that the Company will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the date of this statement, and
- 3 in forming these opinions, we have each taken into account all of the Company's liabilities (including any contingent or prospective liabilities) as required by section 643(2) of the Companies Act 2006

Made and signed on 18 MARCH 2010 by each of the above named directors of the Company

PAUL GILBERT.

) Signature

ALISTAIR MCGEORGE

) Signature

JOHN MILLS

) Signature



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COMPANIES HOUSE