

THE TAKEOVER PANEL

MATALAN PLC
(“MATALAN”)

MR JOHN HARGREAVES (“MR HARGREAVES”)

On 27 July, the Panel Executive announced that it had ruled that Mr Hargreaves must, by 12 noon on 12 September 2006, either announce a firm intention to make an offer for Matalan under Rule 2.5 of the Code or announce that he does not intend to make an offer for Matalan.

Following representations made by the advisers to Matalan, and having consulted with the advisers to Mr Hargreaves, the Panel Executive has ruled that the deadline by which Mr Hargreaves must either announce a firm intention to make an offer for Matalan under Rule 2.5 of the Code or announce that he does not intend to make an offer for Matalan is hereby extended until 12 noon on 11 October 2006. No extension to the revised deadline will be granted, except with the consent of the Panel Executive.

In the event that Mr Hargreaves announces that he will not proceed with an offer for Matalan, Mr Hargreaves and any person acting in concert with him will, except with the consent of the Panel Executive, be bound by the restrictions contained in Rule 2.8 of the Code for six months from the date of such announcement.

Each of the parties has accepted this ruling.

22 August 2006