



Announcement 40
Allerød, 25 March 2014

Matas A/S withdraws action against the Danish Ministry of Taxation regarding the deductibility of transaction costs

The Board of Directors of Matas A/S today resolved to withdraw the action against the Danish Ministry of Taxation regarding deductibility of transaction costs in fiscal years 2006-2009.

As described in the offering circular published by Matas A/S on 13 June 2013, the Danish tax authorities challenged the tax deductibility of transaction costs incurred in relation to the acquisition of the Group in 2007. On 12 September 2013, the Danish National Tax Tribunal upheld the decision of the Danish tax authorities that the claim set up by Matas A/S for deductibility of transaction costs could not be allowed.

In consultation with the company's advisers, it was decided to appeal the decision of the Danish National Tax Tribunal to the civil courts. However, following a ruling by the Danish Supreme Court in a corresponding case, it is deemed to be difficult to succeed in the appeal against the Danish Ministry of Taxation, and the appeal will therefore be withdrawn.

As a consequence thereof, DKK 43.7 million of extra taxes will be recognised in Q4 of the 2013/14 financial year ending 31 March 2014. This corresponds to the full amount previously paid of DKK 12.6 million in the 2012/13 financial year and DKK 31.1 million in the 2013/14 financial year. Accordingly, the withdrawal of the action will have no cash flow effect in Q4 2013/14. Matas A/S will have to bear the costs of the case, which are expected to be limited.

The expectation of Adjusted EBIT for 2013/14 to be in the range of DKK 540-560 million is not affected by the withdrawal of the action against the Danish Ministry of Taxation.

Matas A/S

For further information, please contact:

Jesper Breitenstein
Head of Investor Relation
Tel: +45 2780 7675

About Matas

Matas is the largest health and beauty retailer in Denmark. Since its incorporation in 1949 as an association of independently owned stores, the company has developed a strong reputation for professional advice and customer service excellence that it has leveraged to establish one of the best-known retail chains in Denmark. Matas offers a distinctive one-stop retail concept which serves a broad range of health, beauty, household and personal care needs. The company has more than 2,400 employees and in the financial year 2012/13, revenue amounted to DKK 3,200 million.

Matters discussed in this communication may constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and anticipated or planned financial and operational performance and can be identified by words such as "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "continues", "estimate" or similar expressions. The forward-looking statements in this communication are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Matas A/S believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this communication by such forward-looking statements.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.