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CHFP021

COMPANIES FORM No. 155(6)b

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

Please do not
write in
this margin

Pursuant to section 155(6) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

--	--	--

02984862

Name of company

Note
Please read the notes
on page 3 before
completing this form.

* insert full name
of company

Ø Insert name(s) and
address(es) of all
the directors

† delete as
appropriate

§ delete whichever
is inappropriate

* **Lee Cooper Group Limited**

† We Ø Ajay Kkaitan, of Leider, Main Street, East Hanney, Wantage OX12 0JE and Mark Young, of 2 Oyster
Quay, Port Solent, Portsmouth PO6 4TE

~~the sole director~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of the company is:

~~(a) that of a [recognised bank] [licensed institution] within the meaning of the Banking Act 1979~~§

~~(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to
carry on insurance business in the United Kingdom~~§

(c) something other than the above§

The company is ~~the~~ [a] holding company of * **Vivat Holdings Limited, Lee Cooper International
Limited and Lee Cooper (UK) Limited, each of** which is

proposing to give financial assistance in connection with the acquisition of shares

in ~~this company~~ [**Lee Cooper Group Limited**~~the holding company of this company~~†

Presenter's name address
and reference (if any) :

For official Use
General Section



LD2 *L25AA5Q4* 0113
COMPANIES HOUSE 31/05/05
LD4 *L21PC5C3* 0305
COMPANIES HOUSE 17/05/05

The assistance is for the purpose of [that acquisition] [~~reducing or discharging a liability incurred for the purpose of that acquisition~~].† (note 1)

Please do not
write in
this margin

The number and class of the shares acquired or to be acquired is: 1,417,000 ordinary shares of £0.10 each
and 13,036,400 deferred shares of £0.10 each

Please complete
legibly, preferably
in black type, or
bold block lettering

The assistance is to be given to: (note 2) LC Acquisition Limited, company number 05416238, with
registered office at (c/o Kirkland & Ellis International LLP) Tower 42, 25 Old Broad Street, London EC2N
1HQ

The assistance will take the form of:

Please see Section A of Addendum

The person who [~~has acquired~~][will acquire]† the shares is:

† delete as
appropriate

LC Acquisition Limited, company number 05416238, with registered office at (c/o Kirkland & Ellis
International LLP) Tower 42, 25 Old Broad Street, London EC2N 1HQ

The principal terms on which the assistance will be given are:

See Section B of Addendum

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced
by giving it is See Section C of Addendum

The amount of cash to be transferred to the person assisted is £ See Section D of Addendum

The value of any asset to be transferred to the person assisted is £ See Section E of Addendum

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

* delete either (a) or
(b) as appropriate

The date on which the assistance is to be given is Within eight weeks of today

~~X~~/We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~X~~/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

~~(b) [it is intended to commence the winding up of this company within 12 months of the date, and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.]* (note 3)~~

And ~~X~~/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at STEPDF & JOHNSON,
CLEMENTS
~~STEELE~~ HOWE, GRESHAM STREET,
LONDON


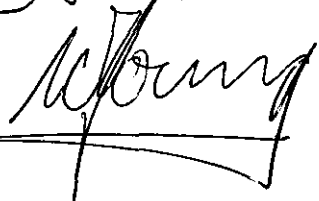
on

Day	Month	Year
04	05	2005

before me  JAMES GRAY

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

ADDENDUM

Statutory Declaration in the Prescribed Form

Form 155(6)(b)

LEE COOPER GROUP LIMITED

(the "Company")

Section A

The assistance will take the form of:

1. The entering into a loan agreement between Matalan Holding Company Limited ("Matalan") and Vivat Holdings Limited ("VHL") whereby Matalan makes a loan of €45,500,000 to VHL.
2. The subscription by VHL for 1,500,000 ordinary shares of £1 each in the capital of Lee Cooper (UK) Limited ("LCUK") by way of payment of £1,500,000.
3. The subscription by VHL for 30,750,000 ordinary shares of £1 each in the capital of Lee Cooper International Limited ("LCIL") by way of payment of £30,750,000.
4. The sale by VHL of the entire issued share capital of its wholly owned subsidiary LCIL to Vivat Holdings BV ("VHVBV") for consideration of £1.
5. The entering into by VHL, LCUK and LCIL (together the "Subsidiaries") of a debenture by and between, inter alia, the Company and Lee Cooper Holdings LLC (the "Debenture"), in connection with the provision of financing by Lee Cooper Holdings LLC of the acquisition of the entire issued share capital of the Company (the "Acquisition"), pursuant to which each of the Subsidiaries grants fixed and floating security over substantially all of their assets and undertakings.
6. The sale by VHL of the entire issued share capital of its wholly owned subsidiary VHVBV to Avatar Holdings BV ("Avatar") for consideration of £52,202,000.
7. The entering into a loan agreement between VHL and the Company whereby the Company makes a loan of €3,100,000 to VHL.
8. The entering into a license agreement for the licensing of certain trademarks (the "License Agreement"), to Matalan Retail Limited and Matalan Plc by VHL, such that on the occurrence of an Insolvency Event, the license granted shall be extended to grant Matalan Retail Limited and Matalan Plc a broader license than that granted in the normal course under the terms of the License Agreement, to include Jeans within the scope of the products licensed thereunder.
9. The entering into an inter-company loan agreement between LCUK as lender and VHL as borrower, in the amount of €1,500,000 for the purposes of VHL repaying Matalan as a

part repayment of the loan outstanding between the two parties (the "Intercompany Loan").

10. The entering into by LCUK of a supply agreement by and between Matalan, Matalan Retail Limited, Matalan Plc and LCUK, (the "Supply Agreement") which includes the right of Matalan to set-off the "Indebtedness" (as defined therein) owed to it by LC Acquisition Limited under a promissory note to be entered into of even date with the Supply Agreement (the "Promissory Note"). The Promissory Note forms part of the Acquisition finance for the purchase of the Company's shares by LC Acquisition Limited.
11. The entering into a loan agreement between LCIL and VHL whereby LCIL makes a loan to VHL in the amount of €8,090,000.

Section B

The principal terms on which the assistance is given are:

1. By entering into the loan agreement between VHL as borrower and Matalan as lender, VHL shall agree borrow €45,500,000 from Matalan.
2. By subscribing for 1,500,000 ordinary shares of £1 each in the capital of LCUK for a total payment of £1,500,000, VHL agrees to hold the shares in accordance with the memorandum and articles of association of LCUK.
3. By subscribing for 30,750,000 ordinary shares of £1 each in the capital of LCIL for a total payment of £30,750,000, VHL agrees to hold the shares in accordance with the memorandum and articles of association of LCIL.
4. By entering into a share sale and purchase agreement, VHL shall agree to sell the entire share capital of LCIL to VHBV, for consideration of £1.
5. By entering in to the Debenture each of the Subsidiaries will, amongst other things:
 - (i) as primary obligor and not merely as surety, undertakes to the Chargee that it will pay or discharge each of the Secured Obligations in the manner provided for in the Foukona Loan.
 - (ii) as continuing security for the payment, discharge and performance of all the Secured Obligations charge in favour of the Chargee: by way of first fixed charge, all its:
 - (A) property;
 - (B) all estates or interests in any freehold, leasehold or other immovable property;

- (C) all present and future estates or interests in any freehold, leasehold or other immovable property;
 - (D) all plant and machinery, computers and vehicles;
 - (E) all moneys (including interest) from time to time standing to the credit of any of the Subsidiaries' present and future accounts;
 - (F) rights, interests and benefits to and in respect of the Insurances;
 - (G) present and future book and other debts;
 - (H) all stocks, shares, debentures, notes, bonds, warrants, coupons or other securities and investments
 - (I) to the extent not prohibited all of Each Subsidiaries's rights and benefits under all Material Contracts;
 - (J) any beneficial interest, claim or entitlement of Each Subsidiary to any assets in any pension fund;
 - (K) present and future goodwill;
 - (L) the benefit of all present and future licences;
 - (M) present and future uncalled capital;
 - (N) present and future Intellectual Property Rights
- (iii) by way of first equitable charge:
- (A) Shares held now or in the future by it and/or any nominee on its behalf
 - (B) Related Rights held now or in the future by it
- (iv) With full title guarantee assigns to the Chargee:
- (A) all of its rights, title, interests (if any) to all proceeds of the Insurances;
 - (B) all of its rights, title, interest and benefits under the Material Contracts, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
- (v) By way of first floating charge:
- (A) all its undertaking, property, assets and rights whatsoever and wheresoever both present and future to the extent such assets have

not otherwise been validly and effectively mortgaged or charged pursuant to items (i) to (iv) above.

- (vi) Irrevocably and unconditionally guarantees to the Chargee the payment of all moneys and discharge of all liabilities now or hereafter due, owing or incurred to the Chargee by Foukona Holdings Limited under or pursuant to the Foukona Loan
- (vii) Undertakes that if for any reason any of the Chargors fail to discharge any such obligation or liability or to pay any moneys, Each Subsidiary shall immediately on demand by the Chargee discharge such obligation or liability or, as the case may be, pay such moneys to the Chargee;
- (viii) Irrevocably and unconditionally agrees to indemnify and keep indemnified the Chargee against any loss or liability arising from any failure of any Chargor to perform or discharge any purported obligation or liability or from any invalidity or unenforceability of any of the same against any Chargor;
- (ix) without the prior written consent of the Chargee, not hold any security, guarantee, indemnity, bond or other assurance from any other person in respect of any of each Subsidiaries' liabilities thereunder. Each Subsidiary will hold any security held by it in breach of such provision on trust for the Chargee (as trustee as aforesaid) and shall on request promptly deposit the same and/or charge the same to the Chargee in such a manner as the Chargee may require as security for due and punctual performance and discharge by Each Subsidiary of the Secured Obligations.
- (x) make various representations and warranties as to its corporate capacity, identity, power and authority and non-conflict
- (xi) undertakes that, except as permitted under the terms of the Debenture or any other loan document it will not:
 - (A) create or permit to subsist any Liens over all or any of its material assets, rights or property other than (i) the Liens created pursuant to this Debenture or any other Loan Document or (ii) as permitted in the Foukona Loan; or
 - (B) lease, sell, transfer, assign or otherwise dispose of or agree to lease, sell, transfer, assign or otherwise dispose of, all or any part of its material assets, rights or property, including the Charged Assets or any interest therein other than (i) the Liens created pursuant to the Debenture or any other Loan Document or (ii) as permitted in the Foukona Loan;

- (xii) Each Subsidiary shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required in or by the laws and regulations of England to enable it lawfully to enter into and perform its obligations under the Debenture and to ensure the legality, validity, enforceability or admissibility in evidence of the Debenture;
 - (xiii) give various undertakings with respect to intellectual property, maintenance of property;
 - (xiv) shall pay and, forthwith on demand, indemnify the Chargee against any liability it incurs in respect of any stamp, registration and similar tax which is or becomes payable in connection with the entry into, performance or enforcement of the Debenture;
 - (xv) shall, on demand of the Chargee, reimburse to the Chargee or any Receiver, on a full indemnity basis all costs and expenses (including reasonable legal fees), and any VAT thereon incurred by the Chargee or any Receiver in connection with the negotiation, preparation, execution, modification, amendment, release and/or preservation of any of its rights under the Debenture;
 - (xvi) shall indemnify the Chargee and any Receiver on demand against any and all costs, claims, losses, expenses (including legal fees) and liabilities, and any VAT thereon, which the Chargee and any Receiver may incur as a result of the occurrence of any Event of Default or the exercise by the Chargee or any Receiver of any of its rights and powers under this Debenture except where such event arises from the fraud, negligence, wilful default, breach of contract or misconduct of the Chargee or any Receiver.
6. By entering into a share sale and purchase agreement, VHL shall agree to sell the entire share capital of VHBV to Avatar for consideration of €52,202,000, which balance shall remain outstanding.
 7. By entering into a loan agreement with the Company, VHL shall agree to borrow €3,100,000 from the Company.
 8. By entering into the License Agreement with Matalan Retail Limited and Matalan Plc, VHL agrees to license certain trademarks and, the occurrence of an Insolvency Event, to extend the license granted to Matalan Retail Limited and Matalan Plc to include Jeans within the scope of the products licensed thereunder.
 9. By entering into the Intercompany Loan, LCUK will lend €1,500,000 to VHL.
 10. By LCUK entering into the Supply Agreement, Matalan Holding Company Limited may set off any amounts owed to it under the Promissory Note from amounts payable to LCUK under the Supply Agreement, as follows:

- (i) Matalan Holding Co shall be entitled subject to and in accordance with paragraph 4(b) of the Vendor Loan Note to set off the Indebtedness (as defined in the Vendor Loan Note) against the Minimum Payment Obligation (including the Baseline Payment) and Final Payment Obligation on a monthly basis commencing from the last day of the calendar month in which the anniversary of the date of the Supply Agreement falls and any outstanding Invoices after termination or expiry of the Supply Agreement. Further, the rights of set off referred to in paragraph 4(c) of the Vendor Loan Note shall apply and may be exercised by Matalan Holding Co in accordance with such paragraph.

It is also a term of the Supply Agreement that LCUK (and the other parties to the Supply Agreement) shall pay its own costs relation to the negotiation, preparation, execution and implementation of the Supply Agreement.

11. By entering into an inter-company loan agreement between LCIL as lender and VHL as borrower, in the amount of €8,090,000, LCIL agrees to pay VHL €8,090,000 for the purposes of VHL repaying Matalan, thereby reducing the outstanding debt due to Matalan.

Section C

1. The amount by which the net assets of VHL will be reduced by giving the assistance is £0.
2. The amount by which the net assets of LCUK will be reduced by giving the assistance is £0.
3. The amount by which the net assets of International will be reduced by giving the assistance is £0.

Section D

The amount of cash to be transferred to the person assisted is:

4. by subscribing for 1,500,000 ordinary shares of £1 each in the capital of LCUK, VHL will pay £1,500,000 to LCUK;
5. by subscribing for 30,750,000 ordinary shares of £1 each in the capital of LCIL, VHL will pay £30,750,000 to LCIL;
6. under the terms of the Debenture, each Subsidiary has contingent liabilities relating to the US\$ 51,000,000 lent by Lee Cooper Holdings LLC to Foukona Holdings Limited
7. under the terms of the loan agreement between LCIL and VHL, LCIL will lend €8,090,000 to VHL;
8. €1,500,000 pursuant to the Intercompany Loan; and

9. under the terms of the Supply Agreement, LCUK has contingent liabilities relating to the £5,000,000 of indebtedness due under the Promissory Note.

The aggregate amount of the cash to be transferred is currently valued at €9,590,000 and £32,350,000.

Section E

The value of any asset to be transferred to the person assisted is:

1. by subscribing for 1,500,000 ordinary shares of £1 each in the capital of LCUK, VHL will pay £1,500,000 to LCUK;
2. by subscribing for 30,750,000 ordinary shares of £1 each in the capital of LCIL, VHL will pay £30,750,000 to LCIL;
3. under the terms of the Debenture, each Subsidiary has contingent liabilities relating to the US\$ 51,000,000 lent by Lee Cooper Holdings LLC to Foukona Holdings Limited
4. under the terms of the loan agreement between LCIL and VHL, LCIL will lend €8,090,000 to VHL;
5. €1,500,000 pursuant to the Intercompany Loan;
6. under the terms of the Supply Agreement, LCUK has contingent liabilities relating to the £5,000,000 of indebtedness due under the Promissory Note; and
7. by entering into the License Agreement with Matalan Retail Limited and Matalan Plc, the VHL has a contingent liability to extend the license granted to Matalan Retail Limited and Matalan Plc to include Jeans within the scope of the products licensed thereunder.

The aggregate value of the assets to be transferred is currently valued at €9,590,000 and £32,350,000.



BDO Stoy Hayward LLP
Corporate Finance

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DX 9025 West End W1
Web site: www.bdo.co.uk

The Directors
Lee Cooper Group Limited
Lee Cooper House
17 Bath Road
Slough
Berkshire
SL1 3UF

⁴
~~7~~ May 2005

Dear Sirs

Independent auditors' report to the directors of Lee Cooper Group Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated ⁴~~7~~ May 2005 in connection with the proposal that the Company's subsidiary undertaking, Vivat Holdings Limited, should give financial assistance for the purchase of the entire issued share capital of the Company's holding company, Lee Cooper Group Limited.

Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors



BDO Stoy Hayward LLP
Corporate Finance

8 Baker Street London W1U 3LL
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DX 9025 West End W1
Web site: www.bdo.co.uk

The Directors
Lee Cooper Group Limited
Lee Cooper House
17 Bath Road
Slough
Berkshire
SL1 3UF

4
7 May 2005

Dear Sirs

Independent auditors' report to the directors of Lee Cooper Group Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated 4 May 2005 in connection with the proposal that the Company's subsidiary undertaking, Lee Cooper International Limited, should give financial assistance for the purchase of the entire issued share capital of the Company's holding company, Lee Cooper Group Limited.

Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors



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The Directors
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4
7 May 2005

Dear Sirs

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Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors