WE HAVE A SOLID PLATFORM FOR GROWTH

- Core Retail sound – growth needs transformation
- Commercial growing well – but needs structure
- Naked profitable & ready to grow faster

WE HAVE A SIMPLE PLAN TO DELIVER IT

- Core: back to retail basics!
- Commercial: Growth infrastructure
- Naked: accelerate growth
- We now have the team to deliver this

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN

- 3 year plan
- Strategic costs will impact H2 and 2017
- £0.5bn in sales by 2019
- Restore Dividend by 2018
WE HAVE A SOLID PLATFORM FOR GROWTH

WE HAVE A SIMPLE PLAN TO DELIVER IT

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN

…and I’m putting my money where my mouth is…
WE HAVE A SOLID PLATFORM FOR GROWTH

WE HAVE A SIMPLE PLAN TO DELIVER IT

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN
H1 FINANCIAL HIGHLIGHTS

Sales £m (exc EP, constant currency)

- Majestic Retail trading well as early initiatives pay off
- Committed legacy cost growth of £1.6m impacts conversion to profit
- Strategic project spend of £0.8m in the half vs. £3m previously stated

Adjusted EBIT £m (exc EP, constant currency)

- Trading ahead of expectations
- H1 profit – no change to full year outlook

+£4.8m gain from one-off property sale

Strong underlying CASHFLOW – focus on deleveraging
3 PLANNED CHANGES TO THE WAY WE PRESENT OUR FULL YEAR RESULTS

1. Adjusted Business Segment Presentation
   - Majestic Retail (inc. Calais)
   - Majestic Commercial
     - Naked Wines
     - Lay & Wheeler
     - Central Costs

2. Underlying Growth Rates
   - Excluding exceptionals
   - Excluding acquisition related amortisation and Share Based Payment charges
     - Excluding En Primeur Adjustment
   - Translation of Naked Wines and Calais at constant FX rates

3. No Longer Reporting...
   - Fine Wine Sales
   - % of business online
   - Detailed Gross Margin reconciliation
## FY2016 H1 RESULTS SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16 Reported</th>
<th>H1 FY15 Reported</th>
<th>% YoY</th>
<th>% YoY exc. NW</th>
<th>% YoY inc. NW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (exc En Primeur Adjustment)</td>
<td>182.6</td>
<td>133.3</td>
<td>36%</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Adjusted EBIT (exc En Primeur Adjustment)</td>
<td>9.5</td>
<td>8.4</td>
<td>12%</td>
<td>6%</td>
<td>53%</td>
</tr>
<tr>
<td>Non-cash charges relating to acquisition of Naked Wines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Amortisation of acquired intangibles</td>
<td>-1.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Acquisition related Share Based Payment Charges</td>
<td>-3.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional Items</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Impairment of subsidiary</td>
<td>-2.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gain on disposal of property</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Termination payments</td>
<td>-0.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Acquisition costs</td>
<td>-0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>5.2</td>
<td>8.6</td>
<td>-39%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>-0.9</td>
<td>-0.1</td>
<td>+1330%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>4.3</td>
<td>8.5</td>
<td>-50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>1.8</td>
<td>6.4</td>
<td>-72%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Sales excludes net en primeur movement of (£1m) in H1 FY16, £0.5m in H1 FY15
2. Adjusted EBIT excludes adjustments for En Primeur (£0.1m in H1FY16, £0.2m in H1 FY15), exceptional items and non-cash acquisition related charges
3. % YoY comparator at constant FX translation rates
4. Trend excluding any contribution from Naked Wines, at constant FX translation rates
5. Year on year trend including full 6 months of Naked Wines in both the current and comparator period, at constant FX translation rates

**Core Majestic Sales and Profit up 6%**

**Non-cash & exceptionals impact £4.1m**
ALL 4 BUSINESS UNITS IN GROWTH

<table>
<thead>
<tr>
<th>% of Group Sales</th>
<th>H1 Sales Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lay &amp; Wheeler</td>
<td>3% +23%</td>
</tr>
<tr>
<td>Naked Wines</td>
<td>24% +35%</td>
</tr>
<tr>
<td>Commercial</td>
<td>13% +8%</td>
</tr>
<tr>
<td>Retail</td>
<td>60% +5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100% +12%</td>
</tr>
</tbody>
</table>

Notes:
Naked Wines shown on basis of full half in both current and comparator.
Lay & Wheeler shown excluding net En Primeur adjustment.
Growth shown using constant FX rates.
<table>
<thead>
<tr>
<th>Category</th>
<th>Adjusted EBIT (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 FY15 Adj. EBIT (exc. EP)</td>
<td>8.3</td>
</tr>
<tr>
<td>Restated H1 FY15 baseline</td>
<td>6.4</td>
</tr>
<tr>
<td>Naked Wines H1 FY15</td>
<td>0.3</td>
</tr>
<tr>
<td>Commercial</td>
<td>0.3</td>
</tr>
<tr>
<td>Lay &amp; Wheeler</td>
<td>2.9</td>
</tr>
<tr>
<td>0.2 Plc/unallocated</td>
<td></td>
</tr>
<tr>
<td>(0.3) NW Stub adjust</td>
<td></td>
</tr>
<tr>
<td>FY16 Full H1 Adj. EBIT</td>
<td>9.8</td>
</tr>
<tr>
<td>FY16 H1 Adj. EBIT (exc. EP)</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Note: FY15 translated at constant currency
RETAIL SALES: GROWTH RESTORED – EVEN IN MATURE STORES

<table>
<thead>
<tr>
<th></th>
<th>FY15 H1 LFL</th>
<th>FY16 H1 LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2.6)%</td>
<td>10 yrs +</td>
<td>0.2%</td>
</tr>
<tr>
<td>2.5%</td>
<td>5-10 yrs</td>
<td>2.9%</td>
</tr>
<tr>
<td>5.1%</td>
<td>0-5 yrs</td>
<td>7.3%</td>
</tr>
<tr>
<td>0.2%</td>
<td>TOTAL</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Early initiatives are paying off – but investment required to sustain improvement

Note: Like for Like includes UK Retail plus Calais, at Constant Currency
RETAIL SALES: GROWTH DRIVEN BY UPTURN IN NEW CUSTOMERS AND IMPROVED RETENTION

Number of New Customers (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY15 H1</th>
<th>FY16 H1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>103</td>
<td>111</td>
</tr>
</tbody>
</table>

% of New Customers who repeat purchase

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>45%</td>
<td>44%</td>
<td>43%</td>
<td>44%</td>
</tr>
</tbody>
</table>

New customers up +7% year on year...

...and we are converting a higher proportion of them into repeat shoppers
COMMERCIAL SALES SLIGHTLY SLOWER DUE TO LATER PHASING OF NEW BUSINESS

New Accounts
- 35% YoY change +6%
- 65% YoY change +15%

Established Accounts
- 21% YoY change 0%
- 79% YoY change +12%

YoY change +8%

Flat – later winning of business
LEGACY COST GROWTH IN MAJESTIC IMPACTED
CONVERSION OF SALES GROWTH TO PROFIT

Notes:
1. Excludes Majestic Central Costs.
2. FY15 H1 translated at constant FX
3. £0.1m of strategic costs recognised in plc/unallocated
NAKED WINES: PROFITABLE AHEAD OF PLAN AS WE ACHIEVED CRITICAL MASS & GREW CUSTOMER VALUE

Impact of last year’s new customers maturing

Angel economics improving

Naked Wines Adjusted EBIT (£m)

-2.0
-1.5
-1.0
-0.5
0.0
0.5
1.0
1.5

FY15 H1 EBIT
Growth in Mature Angel numbers
Increased Contribution per Mature Angel
Movement in new business spend
Movement in fixed costs
FY16 H1 EBIT

1.9
0.6
0.1

Naked Wines Adjusted EBIT (£m)

Full 6 months April to September 2015, translated at constant FX rates
NAKED WINES: SALES STRONGLY DRIVEN BY USA GROWTH

...BUT low US inventory levels need to be restored before we can accelerate further
MAJESTIC **CASHFLOW STRONG** DUE TO REDUCED CAPEX, PROPERTY SALE AND WC MANAGEMENT

\[+£13m \text{ vs. H1 FY15} \]

Majestic Wine Cashflow

- \[+£3m\] Working capital
- \[+£2m\] CapEx reduction
- \[+£6m\] Freehold sale

*Note: Majestic Wine = Retail and Commercial combined but excluding Central Costs*
SUMMARY: A **SOLID PLATFORM** FOR GROWTH

- **Strong top-line performance**
- **Sales growing**
- **Profits at Majestic held back by committed legacy costs**

- **H2 will be impacted by investment costs**
- **Strategic investment in Majestic**
- **Continued legacy costs**

- **Supported by strong operating cashflow**
WE HAVE A SOLID PLATFORM FOR GROWTH

WE HAVE A SIMPLE PLAN TO DELIVER IT

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN
Our Plan for Growth
Rowan Gormley, Group CEO
IF TRADING IS SO GOOD, **WHY** DO WE NEED TO INVEST?
THE KEY TO **SUSTAINED** GROWTH IS CUSTOMER LOYALTY

- **Unrivalled Customer Loyalty**
- **Generates Cash**
- **Disciplined Investment in Growth**
- **Attract & Retain Best People & Suppliers**
- **Compelling Competitive Position**
WE ARE GOING TO GROW THROUGH ACQUIRING CUSTOMERS - NOT OPENING MORE STORES

ROI from opening branches is falling

Branch costs are inflexible...

ROI from acquiring customers is high

...while customer acquisition costs can be turned on/off
THIS IS A **TRANSFORMATION**

<table>
<thead>
<tr>
<th>FROM...</th>
<th>TO...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth through STORE expansion</td>
<td>Growth through acquiring &amp; retaining CUSTOMERS</td>
</tr>
<tr>
<td>Short-term SALES</td>
<td>Long-term LOYALTY</td>
</tr>
<tr>
<td>SINGLE COUNTRY warehouse operation</td>
<td>INTERNATIONAL business model tuned to market opportunity</td>
</tr>
<tr>
<td>INFLEXIBLE bought-in Systems</td>
<td>AGILE, in-house Systems</td>
</tr>
<tr>
<td>CAPEX heavy</td>
<td>OPEX heavy</td>
</tr>
</tbody>
</table>
3 STEPS TO GROWTH: NAKED READY TO ACCELERATE – RETAIL NEEDS MOST WORK

Retail Basics
- Best in class customer experience
- Market leading range

Structure for Growth
- Right wine, right place, right time
- Joined up IT & Multi-channel

Accelerate
- Proven ROI, ready for growth
WE HAVE THE **RIGHT TEAM** TO DELIVER THIS

Phil Wrigley  
**Chairman**

Ian Harding  
**Kingfisher**

Anita Balchandani  
**OC&C Strategy Consultants**

Greg Hodder  
**Laithwaite’s**

James Crawford  
**CFO**

John Colley  
**MD, Majestic Retail**

Luke Jecks  
**MD, Naked Wines**

Rowan Gormley  
**Group CEO**

Ben Nicholl  
**MD, Majestic Commercial**

Justin Apthorp  
**JusWn Apthorp**

Phil Wrigley  
**Chairman**
WHAT WILL THE PLAN LOOK LIKE **IN EACH PART** OF THE BUSINESS...?

- Resolve falling LFL and rising manager attrition
- Back to retail basics - six point plan
- Good progress already
THE CORE BUSINESS IS **SOUND**

- **Growth restored**
- **Outstanding people**
- **Solid Range**

Less than 10% of estate under review*

*detail in appendix page 56
...SO WHAT’S THE PROBLEM?

Overall Retail LFL* FY15 = (0.1)%

LFL sales have been going backwards in more mature stores

*Note: Like for Like includes UK Retail plus Calais, at Constant Currency
STORE MANAGER ATTRITION IS UNACCEPTABLE

Our people are the key to CUSTOMER LOYALTY

...and customers value them highly...

...but rising attrition makes it hard to maintain consistency

Retail Store

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>14%</td>
</tr>
<tr>
<td>2012</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>16%</td>
</tr>
<tr>
<td>2014</td>
<td>20%</td>
</tr>
<tr>
<td>2015</td>
<td>23%</td>
</tr>
</tbody>
</table>
RETAIL BASICS – NOT ROCKET SCIENCE

1. ‘Best in Class’ Customer Experience
2. Market leading range
3. Right Product
   Right Place
   Right Time
4. Joined-up IT & multi-channel
5. Attract & retain the best talent
6. Disciplined investment in growth
Retail

WE HAVE MADE **GOOD PROGRESS** ON THE ISSUES WE FLAGGED IN JUNE

1. New simplified pricing, no minimum purchase – successfully trialled & rolled out
2. Cut the store opening programme
3. Released cash from Majestic: £13m improvement H1 FY16 against H1 FY15
4. Manager retention – new remuneration programme and Project Jedi (20 stores given autonomy)
5. IT team hired and in place

**Employee satisfaction up 74% (unprompted)**
WE’VE LEARNED A LOT IN TESTING

Retail

Strong Craft Beer offer

Craft Spirits

Clear Sightlines

Clear Signage

No minimum purchase

2500 SKUs to 1250

Our first in-house brand

Simple Pricing

Clean!

Hotspot

Shopping Baskets

Retail

34
• Great performance despite disruption
• Focusing on new customer acquisition AND retention
GROWTH ENGINE DRIVEN BY CUSTOMER LOYALTY

- Customer funding model = cost/quality advantage = customer and winemaker LOYALTY
- Launched 2008 in the UK, followed by USA and Australia in 2012
- OVER 130 independent winemakers in 14 countries
- 300,000+ subscriber base ('Angels') = strong recurring revenue

Customers typically invest £20 p/m

Guaranteed sales mean producers don’t need to focus on promotion...

...so Naked customers get exclusive wines at preferential prices
**STILL PERFORMING STRONGLY** DESPITE DISTRACTIONS OF THE ACQUISITION

---

**Mature Angel Numbers (thousands)**

- **UK**
- **USA**
- **AUS**

<table>
<thead>
<tr>
<th>Year</th>
<th>UK</th>
<th>USA</th>
<th>AUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>100</td>
<td>200</td>
<td>50</td>
</tr>
<tr>
<td>2009</td>
<td>150</td>
<td>250</td>
<td>75</td>
</tr>
<tr>
<td>2010</td>
<td>200</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>2011</td>
<td>250</td>
<td>350</td>
<td>125</td>
</tr>
<tr>
<td>2012</td>
<td>300</td>
<td>400</td>
<td>150</td>
</tr>
<tr>
<td>2013</td>
<td>350</td>
<td>450</td>
<td>175</td>
</tr>
<tr>
<td>2014</td>
<td>400</td>
<td>500</td>
<td>200</td>
</tr>
<tr>
<td>2015</td>
<td>450</td>
<td>600</td>
<td>250</td>
</tr>
</tbody>
</table>

---

**H1: +29k net new Mature Angels**

*Reminder: A Mature Angel is an Angel who has started their fourth month*
BUSINESS MODEL DELIVERS **HIGH ROI**

*Contribution compounds year-on-year, driving growth – with even the earliest cohorts of Angels still in growth*
SOLID TRACK RECORD OF INVESTING IN PROFITABLE GROWTH

If we stopped investing in growth, we would make £5m a year

Growth spend & ROI history (rolling 12 months)

ROI going up & investing more

If we stopped investing in growth, we would make £5m a year

2 areas to focus on:

1. Retention
   Key value driver – US lags behind UK/Australia

2. Availability
   Tight cash flow pre-acquisition has led to stock/range restrictions in US
LONGER TERM INVESTMENT ALLOWS US TO MAXIMISE SHAREHOLDER RETURN

**Target higher value customers**
- Lower volumes short term – but greater lifetime return
- Higher acquisition cost per customer

**More attentive customer service**
- Increases service cost but delivers enhanced ROI

---

**Strengthen our Value proposition to enhance customer lifetime value**
- Improved quality by investing deeper in supply chain
- Hold wine longer
- Improve range breadth & depth
Retail

- Great growth potential
- Will focus on core market
- Investment required in IT and supply chain
UNIQUELY POSITIONED TO SUIT INDEPENDENT CATERERS

200 delivery depots – the practical solution for independent restaurants and bars

+20% CAGR

Merchant of the year – 3 years running!

Majestic Commercial: Sales Revenue

<table>
<thead>
<tr>
<th>£m</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15</td>
<td>20</td>
<td>22</td>
<td>25</td>
<td>30</td>
<td>35</td>
</tr>
</tbody>
</table>

FY10- FY15

SwA 2015

GREAT VALUE MERCHANT

42
Invest in Systems to...
- Simplify order entry, collections etc.
- Understand Cost to Serve accurately

Invest in Supply Chain to...
- Build on our competitive advantage without compromising retail sales
• Not for sale
• Reposition away from en-primeur
• Build to critical mass
## WHAT WE WILL DELIVER – AND WHEN

**We will deliver...**

<table>
<thead>
<tr>
<th>KPI</th>
<th>Today</th>
<th>2017 H1</th>
<th>2017 H2</th>
<th>2018 H1</th>
<th>2018 H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>5* service rating</td>
<td>85%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Retention</td>
<td>45%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manager retention</td>
<td>77%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wine quality</td>
<td>New KPI</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td>67%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

...which will translate into...

**Sales:** £500m+ by 2019  
**Dividend:** Restored by 2018
WE HAVE A SOLID PLATFORM FOR GROWTH

WE HAVE A SIMPLE PLAN TO DELIVER IT

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN
Financial Outlook
James Crawford, CFO
DISCIPLINED INVESTMENT APPROACH

Generate CASH
- Focus on maximising value over medium term
- Release under-performing capital

Invest in GROWTH
- Focus on proven ROI – whether CapEx or OpEx
- Switch investment for maximum return

Report TRANSPARENTLY
- Report progress against targets we have set
- Course correct where necessary

Return SURPLUS Cash
- Minimum targeted ROI is 25%
- Once we have deleveraged the balance sheet, we will return surplus cash we cannot deploy

ROI = Return on Investment (See Glossary)
## HOW MUCH WILL IT COST?

<table>
<thead>
<tr>
<th>Gross Investment Cost £m</th>
<th>FY16</th>
<th>Ongoing Annual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>One-off expenses</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>CapEx</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

*Significant proportion of cost is reversible if we see no return*

- IT Team
- Additional Store Staff
- Staff incentivisation
- Store repair/Maintenance
- Leadership team
- Customer acquisition & retention
- Restructuring costs
- Transaction costs
- New stores
- Refits / redesigns
- IT hardware
WE ARE NOT SPENDING LOTS MORE MONEY – WE’RE SPENDING IT **DIFFERENTLY**

**CapEx**
- £12m
- £10m
- £8m
- £6m
- £4m
- £2m
- 0
- **Av FY13/14**
- **Run rate**
- **Save £6m**

**Annual incremental OpEx**
- £12m
- £10m
- £8m
- £6m
- £4m
- £2m
- 0
- **Av FY13/14**
- **Run rate**
- **Invest £8m**
- **Strategic projects**
- **inflation**
CASH PRIORITY

- **Invest in Future Growth**
- **Rebuild balance sheet strength**
- **Pay dividends**

- **Our investment plans can be internally financed**
- **Current Lease Adjusted net debt c. 3.5 x EBITDAR**
  - Naked Wines Fine Wine Bond redeemable during FY17
  - Deleverage per previous guidance (Net debt 0.5x EBITDA at end FY18)

**Reiteration of previous guidance:**
- Interim dividend for FY2016 will be withheld
- Progressively restored by 2018
IN SUMMARY...

WE HAVE A SOLID PLATFORM FOR GROWTH

- Solid H1
- Business is sound – and has potential for growth

WE HAVE A SIMPLE PLAN TO DELIVER IT

- ...and we now have the team in place to do it

SHORT TERM PAIN FOR SUSTAINED SHAREHOLDER GAIN

- Will take time & money
- But we can finance it internally & restore the dividend
- We will report progress & course correct along the way
Questions...
Appendices
STORE ESTATE: SOLID CORE – LESS THAN 10% OF STORES NEED TO BE REVIEWED

2015/16 Performance – Stores trading minimum of 18 months
1. Walk in Retail sales per store (excludes commercial sales and online ordered sales)
2. Walk in Retail contribution. Modelled profitability of stores based on only walk in retail sales
3. Walk in retail sales ex VAT
NAKED WINES: INTERNATIONAL BUSINESS MEANS TENFOLD INCREASE IN TARGET MARKET

Size of Naked Wines target market

US $14.0bn
UK $2.2bn
Aus $0.5bn

Our target Customer...
- Spends over £6 a bottle in the UK, and $8 in US and Australia
- Actively prefers to try new and different wines, rather than sticking to wines they know
- Prefers to make considered purchase decisions

Source: Wine Intelligence

US direct to consumer market growing at 15+% / year

Source: Wine Intelligence
## BUSINESS UNIT DETAIL: MAJESTIC RETAIL

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16</th>
<th>H1 FY15</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>111,763</td>
<td>106,908</td>
<td>5%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>26,812</td>
<td>25,111</td>
<td>7%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>24.0%</td>
<td>23.5%</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(12,697)</td>
<td>(12,173)</td>
<td>4%</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>(6,638)</td>
<td>(5,765)</td>
<td>15%</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>7,477</td>
<td>7,174</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Note:** FY15 Restated at FY16 FX Rates
## BUSINESS UNIT DETAIL: MAJESTIC COMMERCIAL

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16</th>
<th>H1 FY15</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>23,146</td>
<td>21,511</td>
<td>8%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>4,298</td>
<td>3,813</td>
<td>13%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>18.6%</td>
<td>17.7%</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(1,494)</td>
<td>(1,386)</td>
<td>8%</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>(537)</td>
<td>(490)</td>
<td>10%</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>2,267</td>
<td>1,936</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Note: FY15 Restated at FY16 FX Rates*
## BUSINESS UNIT DETAIL: NAKED WINES

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16</th>
<th>H1 FY15</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>44,720</td>
<td>33,085</td>
<td>35%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>16,886</td>
<td>10,567</td>
<td>60%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>37.8%</td>
<td>31.9%</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(7,966)</td>
<td>(6,164)</td>
<td>30%</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>(7,941)</td>
<td>(6,326)</td>
<td>26%</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>949</td>
<td>(1,923)</td>
<td>+149%</td>
</tr>
</tbody>
</table>

**Note:**
- **H1** is full 6 months April to September
- **FY15 Restated at FY16 FX Rates**
## BUSINESS UNIT DETAIL: LAY & WHEELER

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16</th>
<th>H1 FY15</th>
<th>% YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>5,472</td>
<td>4,440</td>
<td>23%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,508</td>
<td>1,368</td>
<td>10%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>27.6%</td>
<td>30.8%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(435)</td>
<td>(422)</td>
<td>3%</td>
</tr>
<tr>
<td>Admin Costs</td>
<td>(923)</td>
<td>(969)</td>
<td>-5%</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>150</td>
<td>(23)</td>
<td>752%</td>
</tr>
</tbody>
</table>
## BUSINESS UNIT CASH PERFORMANCE

<table>
<thead>
<tr>
<th>Cashflow Type</th>
<th>FY16 GROUP</th>
<th>FY16 Naked</th>
<th>FY16 Other/plc</th>
<th>FY16 Majestic</th>
<th>FY15 Majestic</th>
<th>YOY Majestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cashflows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>+9.3</td>
<td>+0.6</td>
<td>-1.0</td>
<td>+9.7</td>
<td>+8.4</td>
<td>+1.3</td>
</tr>
<tr>
<td>Movement in working capital</td>
<td>-7.4</td>
<td>-7.6</td>
<td>-1.0</td>
<td>+1.2</td>
<td>-2.2</td>
<td>+3.4</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>+3.2</td>
<td>+0.1</td>
<td>+0.2</td>
<td>+2.9</td>
<td>+2.8</td>
<td>+0.1</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>-2.6</td>
<td>-0.4</td>
<td>-0.2</td>
<td>-2.0</td>
<td>-4.4</td>
<td>+2.4</td>
</tr>
<tr>
<td>Tax paid</td>
<td>-2.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional Cashflows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+5.6</td>
<td></td>
</tr>
<tr>
<td>Cash impact of exceptional costs</td>
<td>-0.9</td>
<td>-0.8</td>
<td>-0.1</td>
<td></td>
<td>-0.1</td>
<td></td>
</tr>
<tr>
<td>Disposal of fixed assets</td>
<td>+5.8</td>
<td></td>
<td></td>
<td></td>
<td>+5.8</td>
<td></td>
</tr>
<tr>
<td>Financing Cashflows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest paid</td>
<td>-0.4</td>
<td>-0.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issue share cap</td>
<td>+0.4</td>
<td>+0.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiary</td>
<td>-36.1</td>
<td>-36.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New loans</td>
<td>+39.2</td>
<td>+39.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL CASHFLOW</strong></td>
<td>+8.2</td>
<td>-7.3</td>
<td>-2.0</td>
<td>+17.5</td>
<td>+4.6</td>
<td>+12.8</td>
</tr>
</tbody>
</table>
OTHER GUIDANCE

‘Non Trading’ items

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of purchased intangibles</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Share based payments</td>
<td>7</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These estimates are subject to change for reasons including, but not limited to:
- The expected life of intangible assets and/or the results of impairment testing
- The rate that employees holding share options leave the business
- The likelihood of certain performance criteria relating to Naked Wines being achieved, and the timing of their achievement

Interest

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCF</td>
<td>~£1.5m</td>
<td>~£1.1m</td>
</tr>
<tr>
<td>FWB</td>
<td>~£0.5m</td>
<td>~£0.3m</td>
</tr>
</tbody>
</table>
NAKED WINES: KPIs ARE FOCUSED ON ACQUIRING & RETAINING CUSTOMERS

<table>
<thead>
<tr>
<th>Measure</th>
<th>Description</th>
<th>H1 FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Mature Angels</td>
<td># Mature Angels as of Sep 30th</td>
<td>269k</td>
</tr>
<tr>
<td>Growth in Mature Angels</td>
<td>Change in # Mature Angels in period</td>
<td>+29k</td>
</tr>
<tr>
<td>Investment in new MAs</td>
<td>Marketing and loss on sales focused on growing the MA base</td>
<td>£1.2m</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>Recurring MA contribution / cost per New Mature Angel</td>
<td>112%</td>
</tr>
</tbody>
</table>

Note: Full 6 months April to September 2015
RoI tends to be seasonal and higher in H1 than H2
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