For Immediate Release 20 June 2016

Majestic Wine PLC
("Majestic" or the "Group")

Full Year Results for the year ended 28 March 2016

Majestic Wine today announces FY2016 results on track with its previously announced three year transformation plan:

- Early signs from initiatives implemented to date are encouraging
- A new Dividend policy, suited to maintaining a strong balance sheet and accelerating growth investment plans, will commence in H1 2017

	FY2016 £m	FY2015 £m	% YoY Reported	% YoY Underlying[1]	% YoY Pro-Forma[2]
Sales	402.1	284.5	41.3%	6.2%	11.0%
Adjusted EBIT[3]	16.6	21.7	(23.6%)	(27.9%)	(10.9%)
Finance Charges	(1.5)	(0.1)			
Adjusted PBT[4]	15.0	21.6	(30.3%)		(11.9%)
Profit before Tax	4.7	18.4	(74.5%)		
Basic EPS	3.5p	20.5p			
Adjusted EPS	19.2p	25.3p			
Net Debt / Cash	(25.5)	10.9			

Highlights:

A good year showing encouraging progress against our goals

- Revenue
  - Majestic Retail like-for-like sales performance[5] up 4.8%, the first positive performance in four years
  - Record sales delivered by Naked Wines up 27.3% to £104.3m on a pro-forma basis (£102.5m reported since acquisition), driven by strong growth in US
- Profit
  - Naked Wines delivered £1.0m Adjusted EBIT, ahead of expected breakeven due to combination of better angel economics and lower growth spend
  - Adjusted Profit Before Tax of £15.0m, 30.3% lower year on year due to investment in transformation plan and acquisition borrowing costs
- Balance sheet
  - Free cashflow[6] of £13.8m demonstrates sustained ability to convert profits to cash
  - Year-end net debt of £25.5m, post-acquisition deleveraging underway
  - New Dividend policy targeting payout of 35% of FY adjusted earnings, commencing H1 2017

On track to deliver £500m in sales by 2019

- Good progress in the first year of our three year transformation plan
- New senior management team in place
- New Key Performance Indicators introduced and heading the right way

Rowan Gormley, Group Chief Executive, commented:

"We have taken the first step on a long journey – it was a good start but it is just the first step.

Early signs are that the plan is starting to work. Strong sales figures reflect the hard work being done on the ground by the whole team.

The management re-organisation is now complete, I am delighted with the teams we have in place across the Group. At Naked Wines we had a belter of a year – breaking through the £100m sales barrier and delivering a maiden profit.

We still have lots to do and although we are on course to deliver our three year plan, it won't be without challenges.

- Trading conditions remain tough in the UK especially, and we expect them to stay that way
- Volatile currency movements will push up cost of goods
- We are implementing a new supply chain and IT system, both of which are complex projects

Our plan however remains unchanged, as does our goal - £500m sales by 2019."

Majestic Wine PLC will host an analyst and investor briefing on Monday 20 June 2016 at 9.30am at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN. To attend please contact Buchanan.

An audio webcast will be available on:
http://vm.buchanan.uk.com/2016/majesticwine200616/registration.htm

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Notes:

(1) Underlying movement (a) excludes impact of Naked Wines; (b) includes en primeur revenues in year of order not year of fulfilment, and (c) is calculated using constant FX rates for translation
(2) Pro-forma presentation per underlying movement but assuming that Naked Wines was included in the Group results for all of FY15 and FY16
(3) Adjusted EBIT is operating profit adjusted for amortisation of acquired intangibles, acquisition costs, share based payment charges, impairment of goodwill, restructuring costs, fair value movement through P&L on financial instruments and adjusting en primeur results to reflect profits on orders rather than on wine fulfilment
(4) Adjusted PBT is defined as Adjusted EBIT less net finance charges
(5) Like-for-like sales trends refer to Retail sales only, include Calais and exclude the impact of new stores and store closures during the year (2015: -0.1%)
(6) Free cash flow is defined as cash generated by operating activities less capital expenditure and excluding one-off items

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About Majestic Wine PLC:
Majestic Wine PLC is a leading wine specialist, operating in four separate divisions, each with the fundamental goal of delivering sustained growth in shareholder value by doing the right thing for the Group's customers, suppliers and people:

•Majestic Retail - The UK's largest specialist wine retailer, with 210 branches in the UK and 2 in France. We help people find the wines they will love through over 1000 highly trained, specialist people. Sales for the year ended 28 March 2016 were £244.0m.

•Naked Wines – Funds independent winemakers to make exclusive wines at preferential prices which we pass onto customers. Naked Wines currently has 152 winemakers in 14 countries and 300,500 Mature Angels (Customers). Sales for the full year ended 28 March 2016 were £104.3m (£102.5m of this was post acquisition).

•Majestic Commercial - A specialist on-trade supplier who aims to support businesses to make their wine lists more profitable, with the unique advantage of running their supply chain through Majestic Retail stores. Sales for the year ended 28 March 2016 were £45.6m.

•Lay and Wheeler - A Specialist fine wine merchant. Lay & Wheeler aims to be a trusted guide for people who love fine wine, supplying the world's finest wines with a personal service. Sales for the year ended 28 March 2016 were £10.0m.

Chairman's Statement

Overview
In my last report I described the year to come as one of transformation, and so it has proved. We acquired Naked Wines and brought in a new management team, started the process of restoring the Retail business to growth whilst delivering an impressive performance at Naked Wines. Our plan is progressing well and we are on track with where we said we'd be.

Performance
I am pleased to report that, despite all the changes in the past year, the Group has traded strongly.

Reported Group Revenue is up 41.3% to £402.1m and Reported Profit before Tax at £4.7m reflects substantial non-cash charges relating to the Naked Wines acquisition. Adjusting for these and other non-recurring items Profit before Tax was £15.0m, down from £21.6m in the prior year as a result of previously committed investment costs, the investments related to our plan to drive growth in the original Majestic Retail business and interest on our debt facilities.

Had Naked Wines performance been consolidated into the Group's results the prior year, i.e. on a pro forma basis, Revenue would have been up 11.0% and Adjusted Profit before Tax down 11.9%, the majority of which is attributable to the investment costs associated with the Retail transformation plan.

The key factors driving our performance were;

- An improvement in like-for-like sales in our core Retail business from -0.1% to +4.8%, supported by our focus on getting back to "retail basics"
- Continued strong growth from Naked Wines, most significantly in the exciting US wine market
- +7.9% sales growth in Commercial, our specialist B2B division

It is encouraging to see early signs that the transformation plan is working but I should emphasise that this is a three year long exercise, and there remains much to do before we can safely say that the Group is back on the growth trajectory we are aiming for.

Majestic People
Among the many talented new faces that have joined us this year, I would like to welcome John Colley, who has joined us to head up our ~£250m revenue Retail division. John has a wealth of retail experience and is the perfect person to lead the Retail division through this transformation.

John has made significant progress on getting the basics right. The store experience is already much better, prices have been simplified and the range is tighter. However most importantly, he has made a good start at improving morale amongst our excellent store colleagues.

In our Commercial division, Ben Nicholl has also made a great start at setting up his business as a separate entity to maximise the growth opportunity. Ben has been in the Commercial division from the beginning and knows his market from top to bottom. He is the right person to take this already strong business to the next level.

Naked Wines
I am pleased to report that our acquisition of Naked Wines has been a great success. Naked has had a strong year, and looks well set to continue to perform. This year the division delivered a record performance with sales up 27.3%, exceeding the £100m milestone for the first time and delivering its maiden full year profit.

The very talented team there, led by Luke Jecks, continue to excite us with its innovative approach to growing their business, and doing the right thing for wine makers and wine drinkers.

The Plan

The team has developed a clear and simple plan to restore Majestic's original businesses to growth and support Naked Wines and Commercial's already strong trajectories. Led by our inspirational new CEO Rowan Gormley, we remain committed to delivering £500m of Group Sales by 2019. Details of each division's plan are covered in detail below.

The element of the plan that I find particularly pleasing is the intention to deliver this growth in a sustainable way – by doing the right thing for customers, people, suppliers and shareholders. In my view, this is the way of the future – companies that look after all their stakeholders will be the winners in an increasingly competitive retail landscape.

Dividend

The Board has decided not to pay a dividend for this financial year. We are still in the early stages of the transformation plan and the Board believes that shareholder interests are best served by investing in the business while deleveraging the balance sheet post the acquisition of Naked Wines.

We plan to reinstate the Dividend in H1 2017 and have put in place a new policy of a base of circa 35.0% of adjusted earnings being returned to shareholders each year subject to no major changes in outlook. In addition, we intend to pay special dividends if management determine that excess cash is available that cannot be better used strengthening the balance sheet or reinvesting into the Group. The Board remains committed to maintaining a disciplined allocation of cash between deleveraging, growth and shareholder returns.

Thank you

As a specialist retailer, our people are what make us special. In a year with a huge amount of change, I have been enormously impressed by the commitment and enthusiasm they have shown. So I'd like to take this opportunity to give a very heartfelt thank you to every employee who has supported our plan, from Scotland to Australia.

Looking forward

Although trading conditions in the UK remain tough, the Group is on track with our transformation plan. We remain positive about our long-term prospects and believe that our strategy will deliver our medium to long-term goals.

I look forward to reporting on further development as we execute our plan to restore Majestic to growth.

Phil Wrigley
Chairman
20 June 2016

Chief Executive's Business Review

1. Results

I am pleased to say Reported Group Revenue is up 41.3% (11.0% Pro-forma). Due to the increased investment as part of our transformation programme in the original Majestic Retail business Group Adjusted Profit before Tax is 11.9% lower on last year on a pro forma basis (30.3% lower on a reported basis). Reported Profit before Tax of £4.7m was achieved after recognition of significant non-cash and one-off items.

As previously stated we withheld our dividend payment in order to deleverage and invest in our transformation. We are today announcing our new policy which will commence in H1 2017.

In short, the early signs are encouraging and we've performed well this year. I am delighted with our new team and the progress they have made. However this is the start of a three year plan, all of our big projects are at a very early stage and we still have a long way to go before we see their full effects.

We are seeing early signs that the plan is working, we now have a solid foundation and the team to deliver in this exciting next stage for our Group.

2. Our Plan remains the same

Like every CEO, my job is to create value for shareholders. What I would like to think we are doing differently is delivering that growth in a **sustainable** way – in other words, doing it in a way that we can repeat year after year. Why? Because customer loyalty is the engine that drives sustainable growth.

This year has been about starting some of the key changes needed to deliver this, bringing the original Majestic Retail business back to basics and continuing the growth in Naked Wines.

The transformation plan involves three stages:

1. Implementing the retail basics within our Majestic Retail division to deliver a best in class customer experience with a market leading range. We have made good progress on this, improving the shopping experience, pricing proposition, refining our range and making the first steps to improving employee engagement levels.

2. Building a structure for growth in our Retail and Commercial divisions. We are working on improving our supply chain so that the right wine is in the right place at the right time. This will be supported by a joined up multi-channel IT platform. We are migrating the Retail and Commercial divisions onto the Naked Wines IT platform.

3. Accelerating growth in our Retail, Commercial and Naked Wines divisions by investing aggressively but with discipline into our business using a test and learn approach. We measure Return on Investment on all of our investments, if we don't produce the required result we either modify or stop that action.

It will take time before we see the full results but we remain committed to our ambition to reach £500m of sales by 2019.

3. Segmental commentary

Retail

The positive results in Retail were driven heavily by our "get the basics right" project, which was about doing a better job at:

1) Experience - Simplifying pricing, removing the six bottle minimum purchase, making the stores more shoppable and digital re-platforming
2) Product – Innovating and rationalising the range
3) Making it easier for teams to do a great job – Improving the store experience, availability of product, staffing levels in stores and support to the store teams
4) People - Looking after our people, removing bonus caps, introducing new and fair remuneration to all team members

I think the new team has done a great job at getting the basics right – just walk into a Majestic store and see what I mean. This is also reflected in the increase in number of active customers by 12% to 775,000.

The supply chain and IT projects have a two year delivery timetable so we did not anticipate any benefit in the past financial year but will be working hard on these areas this year.

Although we are delighted with the early results in Retail, it is too early to be sure that this is a trend, rather than a bounce. Much remains to be done. However, I am delighted by how well our people have responded to the changes and this alone gives me cause for optimism for the future.

Naked Wines

Since being acquired by Majestic Wine we have been able to invest in Naked Wines for long term growth. We believe that to deliver sustainable growth you need to do the right thing by your customers, suppliers and people.

The removal of our previous capital constraints therefore allowed us to focus on:

a) Improving wine quality (measured through Buy it Again Ratings)
b) Improving service levels (measured through Five Star Service ratings)

These changes have had a big impact; improving customer retention by shifting from a high mass, high churn consumer model to one where we have recruited high quality customers with greater retention and lifetime values. In the USA alone our customer attrition rate in the past year has fallen 20% thanks to these new measures.

As a result we've improved our financial results, exceeding the £100m sales milestone and making our maiden profit.

We have to admit we weren't planning to have made a profit this year. This is a sign that we have not invested as strongly as we should have (particularly in the USA where we had less inventory than we needed during the year). Our goal is to keep finding opportunities to invest in and so we plan to increase our growth spend in the business this year.

Our target Return on Investment ("ROI") for Naked is 75%. We achieved a total of a 104% ROI this year and made £3.3m of investment directed at growth, giving us confidence it is the right strategy to increase investment to maximise return.

Commercial

The Commercial division has the right customer proposition, it now needs the structure for growth behind it to push it forwards.

To enable Commercial to fulfil its potential as a specialist B2B merchant, with the key competitive advantage of 200+ delivery depots, our focus has been to:

1) Establish Commercial as a stand-alone business unit
2) Like Retail, rebuild supply chain and IT capabilities
3) Improve the efficiency of our new customer acquisition process

We are at the early stages of these projects but there are encouraging signs that Commercial will revert to long-term double-digit sales growth as we progress with our plan.

Lay & Wheeler

Lay and Wheeler is our smallest division by some way. The market in which it operates has fundamentally changed and innovation is required for the division to deliver its potential.

Our current thinking is:

- The brand is strong and has recognition and respect among the target audience
- The en primeur market is challenging due to its volatility, and the business needs to be reconfigured to prosper
- There is a good business in there, we need to give it the opportunity to prosper

4. KPIs

In our view, these five Key Performance Indicators are the best way of measuring how we are doing in delivering our **"deliver value by doing the right thing"** plan.

We are in the process of embedding these across the Group, so there remain a number of "N/A"s in the table below which we will get populated in the coming months.

The one number that is going the wrong way is team retention. As we've said before we expect this to get worse before it gets better, as the changes we are making to the business bed in and staff decide whether the new Majestic is right for them or not.

KPI	Definition	Retail	Naked Wines	Commercial	Lay & Wheeler
Customer retention	% of repeat customers from 12 months ago that are still repeat customers, as measured from our customer databases	68% (FY15: 66%)	66% (FY15: 64%)	80% (FY15: 78%)	92%[1] (FY15:90%)
Product availability	% of targeted range available in stores / on websites as indicated by our inventory reporting	66% (FY15: N/A)	N/A	N/A	N/A

Team retention	% of key staff (e.g. store managers) as of 12 months ago still working per payroll records	75% (FY15: 78%)	N/A	81%[2] (FY15: N/A)	76% (FY15: 84%)
Wine quality (Buy it Again Ratings)	% of "Yes" scores in the last 12 months as recorded by websites / apps	N/A (FY15 N/A)	89% (FY15: 88%)	N/A	N/A
Proportion of 5-star service ratings	% of service ratings scoring 5 stars in last 2 months as recorded by websites / apps / telephone feedback	86% (FY15: N/A)	90% (FY15: 86%)	N/A	N/A

[1] Cellar Circle only
[2] All Staff

5. People

By far the most exciting accomplishment so far is the quality of the people we have been able to attract to the Group and the broad level of expertise they bring:

- John Colley, MD of Majestic Retail, brings fantastic levels of energy and people leadership - two qualities we sorely needed.
- Luke Jecks, MD of Naked Wines, has done a brilliant job at Naked Wines, over delivering against the investment case at the time of acquisition, but more importantly, positioning Naked Wines for future growth
- Ben Nicholl as done a fantastic job of establishing the Commercial division as a separate business
- James Crawford, is an exceptional CFO. He combines a firm grasp of the financial detail with the ability to apply that strategically.

Within the broader team, I have been delighted at how open the Majestic team has been to the transformation programme, and how loyal they are to the company they joined. To the Naked people, I want to say a huge thank you for sailing through all the changes in such an eventful year.

In line with these changes, and as previously announced, we have done a full review of our remuneration policies. Doing the right thing for our people means reward should not just be for the senior management team. We're serious about our people so we've extended our remuneration plan to everyone.

6. What hasn't gone so well?

Below are a few things that we haven't got right this year. We've learnt from our mistakes and will make sure we focus on these areas this year.

1. Inventory control in Naked Wines USA. For several reasons, some of them self-inflicted, we lost sales in the US because we ran out of key selling lines at peak trading times. This was avoidable, and we now have a planning process in place to avoid a repetition and have recruited to ensure that our supply and demand processes are up to scratch

2. Commercial growth rate. While Commercial grew at 7.9%, which is significantly ahead of the market, we could have done better. The reason is that we brought on some key people later in the year, so

we did not get a full year's contribution from them. We have matched this year's sales and recruitment plans much better

3. Lay and Wheeler. We are still too dependent on en primeur, which is in the hands of the weather gods and the châteaux. We have a plan in place to reposition L&W in a more sustainable and predictable market but are still in very early stages on how this will work in practice

4. Naked Australia. As part of the acquisition, we moved the MD of Australia to the USA, which was the right thing to do for the business, but left a big gap in Australia. We now have a new MD of Australia, Greg Banbury, who was one of the founders of Naked Wines in 2008

7. Outlook

The Board believes that our plans are clear, simple and right. However, there is a lot to do, at the same time as doing the day job.

That is why we have built a team, not just for today, but for the future.

I have addressed all the areas that cause us to be cautious. We are excited because we now have a solid foundation for growth, and the team to deliver it.

However, to repeat

- This is a three year programme and we are too early in it to be able to confidently forecast success but we are definitely well placed
- Trading conditions remain tough in the UK especially, and we expect them to stay that way, but we remain comfortable with current market growth expectations[1]
- The full impact of the investments made last year will be felt this year adding a further £4m to the Majestic Retail and Commercial cost base and creating a drag on profit growth
- The long-term indicators are looking positive and the signs are that the plan is working but we have a lot to do!

Overall we remain cautious as we execute our transformation plan.

Rowan Gormley
Group Chief Executive
20 June 2016

[1] As of 20 June we believe the range of revenue expectations for FY17 is between £435.2m and £441.4m.

Financial Review

1. **Group Results**

Note: Financial values used in this commentary reflect the adjusted figures, as reconciled in the notes to the financial statements.

Financial Year 2016 was a period of significant change in the Majestic business, and the financial performance and standing of the Company now reflects an international group that is both investing in growth and delivering it. Sales increased by 41.3% vs Financial Year 2015, up 6.2% on an underlying basis and with Naked Wines growing by 27.3% resulting in pro forma growth for the Group of 11.0%.

However it is worth me sounding a note of caution in these trends as Financial Year 2016 benefitted from two Easter Holidays falling within the year whereas Financial Year 2017 will not see one. We will benefit from a 53rd week as we hit a retail leap year but will report growth trends next year excluding this extra week.

We have communicated the investment programme required to transform the core Majestic business into a customer relationship focused omni-channel retailer. During Financial Year 2016 we invested an additional £4.1m of cost into the Majestic Retail and Commercial businesses. Due to the costs of this programme and the committed historic investments, Adjusted EBIT was reduced by 23.6% vs Financial Year 2015, a 27.9% decline on an underlying basis and pro forma decline of 10.9% as Naked Wines moved from loss making to a maiden profit.

The total finance charge incurred in the year of £1.5m was lower than we had guided to, as we drew down appreciably less on our facility during H2 due primarily to the phasing of working capital investments occurring later than we had expected.

Our effective tax rate of 51.0% (2015: 26.8%) has been substantially increased due to the large level of disallowable expenditure, mainly share based payment charges, transaction costs and impairment charges. Our adjusted effective tax rate (being the ratio of current income tax expense to adjusted PBT) was 27.6% (2015: 23.2%) reflecting the higher proportion of profits made overseas.

On an Adjusted basis, earnings attributable to shareholders of £12.6m resulted in an EPS of 19.2p, a decrease on the prior year of 24.1% due to the investments and financing costs.

2. **Business Unit Highlights**

Majestic Retail: Retail Basics

We have started to see the results of our investments in the Retail business with like-for-like sales growth of +4.8% contributing the majority of total underlying sales growth of 5.8%. Of particular note was the acceleration of performance in the older stores in the estate (>10 years of age) which delivered 2.3% sales growth, giving us confidence that we are on the right track in terms of the changes made to the proposition and store format. Gross Profit Margin, as expected due to the increase in investment in the transformation plan, has fallen slightly to 24.1% (2014/15: 24.4%).

Historic investments, inflation and new stores accounted for £3.8m of additional costs (some of which impacted Gross Margin). Strategic investments in store staffing, IT systems, marketing and management per our investment plan of £3.8m were also made. Additional cost increases relate to store impairments and accelerated depreciation of the IT assets that we will replace over the coming years with the Naked Wines platform.

This resulted in adjusted EBIT of £14.0m, down 26.9% (2014/15: £19.1m).

Majestic Commercial: Structure for Growth
The Commercial business continued to grow strongly at +7.9%, however it was below the levels we aspire to for this business. We opened almost 1,400 new accounts in the year including some big names such as the Ricoh Arena in Coventry. Despite Gross Margins holding relatively steady (16.5% vs 16.7% in Financial Year 2015) increases in operating costs relating to additional account managers and the Majestic investment plan tempered the translation of this growth to the bottom line (the Commercial division is charged for use of the store network and service centre support by the Retail business). Due to this adjusted EBIT of £3.8m was just 1.0% higher than Financial Year 2015 (2014/2015: £3.7m).

Naked Wines: Continued Growth
Sales at Naked Wines grew 27.3% to £104.3m for the year on a pro forma basis. (2014/2015: £82.0m) (Note that as Naked Wines was acquired on 10 April 2015 only a proportion of this result is consolidated into the Group results). Adjusted EBIT was £1.0m, representing a maiden profit for the division since the launch in the USA and Australia. There was a degree of flattery provided by a lower growth spend than targeted (it is worth noting that we see this as a "bad profit" – we should have been investing harder in the US given the attractive ROI but had insufficient inventory to do so) but the real underpin was our Mature Angel numbers around the world which grew to over 300k at year end. They ordered more often and spent more per order than we had forecast driving significantly higher contribution year on year. This more than covered the 28.5% increase in fixed costs in the year as we continue to build out the management infrastructure of the business.

Lay & Wheeler: Under Review
Lay and Wheeler was marginally profitable for the year, as sales (measured on a management basis including en primeur commitments for the current vintage) moved ahead +10.0% due to the positive Burgundy campaign. However the majority of the profit actually comes from cellarage while the core wine retailing business remains subject to the volatility of the en primeur campaigns. Due to this we are reviewing options to build a more reliable base of revenue and profit in the business.

PLC: A small but expert team
We maintain a small corporate team and built this out during the year with the addition of both new Non-Executive Directors and a small team of management roles. As well as the day to day costs of maintaining a listing, legal advice etc. included in this group is a small team of digital marketeers who are experimenting with using digital media to bring customers into the Group's multiple brands. As a result of this activity and the new roles total corporate costs of £2.3m were almost double those of Financial Year 2015 (£1.2m).

3. Adjustments / One-off items

The impact of adjustments this year is material. Whilst the business reported statutory profits before tax of just £4.7m in the year, down from £18.4m in Financial Year 2015, the adjusted level is £15.0m, down from £21.6m in Financial Year 2015. The main drivers of these variances were the amortisation of acquired intangibles £4.2m and Share based payment charges of £7.5m, of which £7.3m relates to the Naked Wines acquisition. One-off items this year are listed below:

Impairment of Lay & Wheeler Goodwill	£(2.6m)
Gain on property sale	£4.8m
Severance costs	£(1.0)m
Transaction costs	£(0.5)m

In addition we adjust for fair value movement on FX contracts, and en primeur sales timing (so we reflect profits on orders rather than on wine fulfillment). These two impacts totaled £0.7m of additional reported profit.

4. Cash flow and Debt

Cash Flow

Free cash flow of £13.8m was £2.8m below adjusted EBIT, reflecting building inventory at Naked Wines to support growth. Conversion of adjusted EBIT to operating cash flow in the core Majestic business remained over 100% due to lower Capital Expenditure and inventory management. This is lower than FY14/15 (£27.1m) due to the investment made in the business and the unwinding of the £9m payables built in FY14/15 in the Majestic businesses due to the timing of payments made after Easter.

Net Debt

With Net Debt at £25.5m, the Group is carrying modest cash leverage as a result of the cash consideration for the Naked Wines acquisition. During the year acquisition borrowing (which is fully secured by our freehold property portfolio) was reduced to £25.0m from an initial drawdown of £50.0m. To demonstrate the significant liability that our property commitments represent we also review a lease-adjusted net debt ratio calculated by capitalising leases at 8x rent (an approximation to average remaining term), resulting in lease-adjusted net debt of 3.1x EBITDAR.

Bank Covenants and Facilities

We remain comfortably within our facility covenants with Adjusted Leverage (as measured by facility agreement) of 0.9x and interest cover of 27x. Our main facility provided by Barclays and HSBC matures in April 2020.

Dividend

The Group Dividend remains withheld while we rebuild the balance sheet (targeting net debt / EBITDA of < 0.5x and lease adjusted net debt / EBITDAR <2.5x). We have put in place a new dividend policy under which we intend to pay out c. 35% of FY adjusted earnings. The first payment under this policy will be announced with our FY2017 interim results, with the potential for special dividends to be declared in future years if excess cash is available based on foreseeable investment opportunities.

James Crawford
Chief Financial Officer
20 June 2016

Group Income Statement

For the year ended 28 March 2016

	Note	Year ended 28 March 2016 £'000	Year ended 30 March 2015 (restated) £'000
Revenue	*3*	**402,086**	**284,495**
Cost of sales		(297,835)	(218,211)
Gross profit		**104,251**	**66,284**
Distribution costs		(45,836)	(28,337)
Administrative expenses		(52,898)	(20,242)
Other operating income		766	836
Operating profit		**6,283**	**18,541**
Net finance charge		(1,540)	(119)
Profit before taxation		**4,743**	**18,422**
Analysed as:			
Adjusted profit before taxation		15,021	21,566
Adjusted items:			
• Non-cash charges relating to acquisitions	*4*	(11,508)	(225)
• Other adjusted items	*4*	1,230	(2,919)
Profit before taxation		**4,743**	**18,422**
Taxation	*5*	(2,419)	(4,943)
Profit for the year		**2,324**	**13,479**

Earnings per share			
Basic	*6*	3.5p	20.5p
Diluted	*6*	3.3p	20.4p
Adjusted basic	*6*	19.2p	25.3p
Adjusted diluted	*6*	18.1p	25.1p

The results are all derived from continuing operations.

The prior period comparatives have been restated to recognise a reclassification of online listing fee income as a cost of sales, resulting in a reduction to cost of sales and a corresponding increase in administrative expenses of £1,736,000.

Group Statement of Changes in Equity

For the year ended 28 March 2016

	Share capital	Share premium account	Capital reserve – own shares	Capital redemption reserve	Currency translation reserve	Retained earnings	Total Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 31 March 2014	4,922	19,907	(230)	363	2,088	68,980	96,030
Total comprehensive income for the year	-	-	-	-	(583)	13,479	12,896
Share issue	2	63	-	-	-	-	65
Shares vesting under deferred bonus scheme	-	-	213	-	-	(213)	-
Share based payments	-	-	-	-	-	131	131
Deferred tax	-	-	-	-	-	(55)	(55)
Equity dividends paid	-	-	-	-	-	(10,501)	(10,501)
At 30 March 2015	**4,924**	**19,970**	**(17)**	**363**	**1,505**	**71,821**	**98,566**
Total comprehensive income for the year	-	-	-	-	553	2,324	2,877
Share issue	13	471	-	-	-	-	484
Shares issued on acquisition of subsidiary	370	-	-	-	-	(289)	81
Share based payments – ongoing	-	-	-	-	-	172	172
Share based payments – acquisition related	-	-	-	-	-	6,846	6,846
Deferred tax	-	-	-	-	-	188	188
At 28 March 2016	**5,307**	**20,441**	**(17)**	**363**	**2,058**	**81,062**	**109,214**

Group Balance Sheet

As at 28 March 2016

	Note	28 March 2016	30 March 2015
		£'000	**£'000**
Non current assets			
Goodwill and intangible assets		56,671	9,002
Property, plant and equipment		70,038	72,632
En primeur purchases		1,291	526
Prepaid operating lease costs		2,115	2,182
Deferred tax assets	*5*	1,129	401
		131,244	**84,743**
Current assets			
Inventories		80,732	54,237
Trade and other receivables		12,416	8,723
En primeur purchases		1,657	1,792
Financial instruments at fair value		889	41
Cash and cash equivalents		6,875	10,967
		102,569	**75,760**
Total assets		**233,813**	**160,503**
Current liabilities			
Trade and other payables		(61,801)	(52,731)
En primeur deferred income		(2,150)	(2,320)
Deferred Angel income		(18,832)	-
Bank overdraft	*8*	(3,071)	-
Provisions		(747)	(190)
Deferred lease inducements		(433)	(425)
Bond financing	*8*	(4,990)	-
Financial instruments at fair value		-	(552)
Current tax liabilities		(1,443)	(1,985)
		(93,467)	**(58,203)**
Non current liabilities			
En primeur deferred income		(1,469)	(610)
Deferred lease inducements		(2,552)	(2,588)
Bank loan	*8*	(24,317)	-
Deferred tax liabilities	*5*	(2,794)	(536)
Total liabilities		**(124,599)**	**(61,937)**
Net assets		**109,214**	**98,566**
Shareholders' funds			
Called up share capital		5,307	4,924
Share premium		20,441	19,970
Capital reserve – own shares		(17)	(17)
Capital redemption reserve		363	363
Currency translation reserve		2,058	1,505
Retained earnings		81,062	71,821
Equity shareholders' funds		**109,214**	**98,566**

Group Cash Flow Statement

For the year ended 28 March 2016

	Note	Year ended 28 March 2016 £'000	Year ended 30 March 2015 £'000
Cash generated from operating activities			
Cash generated by operations	*9*	18,650	32,913
Foreign exchange differences		229	(247)
UK income tax paid		(3,905)	(5,024)
Overseas income tax paid		(821)	(394)
Net cash generated by operating activities		**14,153**	**27,248**
Cash flows from investing activities			
Interest received		-	28
Purchase of property, plant and equipment		(4,994)	(7,022)
Purchase of intangible fixed assets		(973)	(1,066)
Purchase of prepaid lease assets		(271)	(343)
Acquisition of subsidiary, net of cash acquired		(36,081)	-
Acquisition costs and payments		(8,535)	-
Proceeds from sale of non current assets		6,173	922
Net cash outflow from investing activities		**(44,681)**	**(7,481)**
Cash flows from financing activities			
Interest paid		(1,350)	(143)
Issue of ordinary share capital		566	65
Draw down of borrowings		50,000	-
Repayment of borrowings		(25,007)	-
Loan arrangement fees paid		(844)	-
Equity dividends paid		-	(10,501)
Net cash inflow/(outflow) from financing activities		**23,365**	**(10,579)**
Net (decrease)/increase in cash		(7,163)	9,188
Cash and cash equivalents at beginning of year		10,967	1,779
Cash and cash equivalents at end of year	*9*	**3,804**	**10,967**

Notes to the financial information

1. General information

Majestic Wine PLC is a public limited company ("Company") and is incorporated in the United Kingdom under the Companies Act 2006. The Company's ordinary shares are traded on the Alternative Investment Market ("AIM").

The Company's registered address is Majestic House, The Belfry, Colonial Way, Watford WD24 4WH.

The Group's principal activity is the retailing of wines, beers and spirits.

2. Basis of preparation

The financial information set out above does not constitute statutory accounts within the meaning of section s435(1) and (2) of the Companies Act 2006 or contain sufficient information to comply with the disclosure requirements of International Financial Standards ("IFRS"). The auditors have reported on these accounts and their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain any statements under s498 (2) or (3) of the Companies Act 2006.

The financial statements of Majestic Wine PLC for the year ended 28 March 2016 were authorised for issue by the Board of Directors on 20 June 2016 and the balance sheet was signed on behalf of the Board by James Crawford, Chief Financial Officer.

The financial information presented in this document has been prepared in accordance with International Financial Reporting Standards ("IFRSs") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union as they apply to the financial statements of the Group for the 52 week period ending 28 March 2016.

The Group's financial reporting year represents the 52 weeks to 28 March 2016 and the prior financial year, 52 weeks to 30 March 2015.

There have been no significant impact on the Group's results, net assets, cash flows and disclosures on adoption of new or revised standards.

3. Segment reporting

The Group's operating segments have changed during the period as a result of an internal reorganisation following the acquisition of Naked Wines in April 2015. The Group's operating segments are now organized into four distinct business units, each operating in a separate segment of the overall wine market. Retail is a customer based wine retailer, selling wine, beer and spirits from stores across the UK, and also online, and also incorporates the Group's French business which was previously reported as a separate business segment. Commercial is a Business to Business ('B2B') wine retailer selling to pubs, restaurants and events. Lay & Wheeler is a specialist in the fine wine market and also provides cellarage services to customers. Naked Wines is a customer funded international online wine retailer.

The Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Board of Directors.

Performance of each operating segment is based on Sales, Adjusted EBIT (being operating profit less any Adjusted Items) and Adjusted PBT (being profit before taxation less any Adjusted Items). These are the financial performance measures that are reported to the CODM, along with other operational performance measures, and are considered to be useful measures of the underlying trading performance of each segment. Adjusted Items are not allocated to the operating segments as this reflects how they are reported to the CODM.

The revenue and profits of the Lay & Wheeler operating segment as presented to the CODM are recognised on the receipt of orders, cash receipts and payments in relation to en primeur campaigns. The segment performance is reviewed in this way as resources utilised in generating these sales are expensed as incurred. This differs from the revenue recognition policy required under IAS 18 where revenue is recognised on delivery of the wine to the customer, which may be up to two years after the original order and payment. As a result a reconciling item is presented between the total operating segments revenue and results and the IFRS statutory measure.

Costs relating to centralised group functions are not allocated to operating segments for the purposes of assessing segmental performance and consequently Central Costs are presented as a separate segment.

Inter-segment transactions are conducted on an arm's length basis. The Group is not reliant on a major customer or group of customers.

Segmental results for prior periods have been restated to reflect the current operating structure.

All activities are continuing.

Segment analysis	Retail	Commercial	Naked Wines	Lay & Wheeler	Eliminations	Unallocated	Group
Year ended 28 March 2016	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Third party revenue	244,027	45,557	102,534	10,658	-	-	402,776
Inter-segment revenue	-	-	-	357	(357)	-	-
Segment revenue	244,027	45,557	102,534	11,015	(357)	-	402,776
Movement in en primeur sales	-	-	-	(690)	-	-	(690)
Reported third party revenue	**244,027**	**45,557**	**102,534**	**10,325**	**(357)**	**-**	**402,086**
Adjusted EBIT	**13,984**	**3,770**	**979**	**152**	**-**	**(2,324)**	**16,561**
Net finance costs							(1,540)
Adjusted profit before tax							**15,021**
Adjusted items:							
Non-cash charges relating to acquisitions (see note 4)							(11,508)
Other adjusted items (see note 4)							1,230
Profit before taxation							**4,743**

Depreciation	5,005	-	220	104	-	-	5,329
Amortisation	1,098	-	3,995	276	-	-	5,369

Geographical analysis	**UK**	**Rest of Europe**	**US**	**Australia**	**Group**
Reported third party revenue	344,440	7,544	38,625	11,477	**402,086**
Non current assets	127,338	2,604	1,263	39	**131,244**

Segment analysis Year ended 30 March 2015 Represented	Retail £'000	Commercial £'000	Naked £'000	L&W £'000	Eliminations £'000	Unallocated £'000	Group £'000
Third party revenue	231,377	42,229	-	9,694	-	-	283,300
Inter-segment revenue	-	-	-	894	(894)	-	-
Segment revenue	231,377	42,229	-	10,588	(894)	-	283,300
Movement in en primeur sales	-	-	-	1,195	-	-	1,195
Reported third party revenue	231,377	42,229	-	11,783	(894)	-	284,495
Segment result	19,119	3,734	-	16	-	(1,184)	21,685
Net finance costs							(119)
Adjusted EBIT							**21,566**
Adjusted items:							
Non-cash charges relating to acquisitions (see note 4)							(225)
Other adjusted items (see note 4)							(2,919)
Profit before taxation							**18,422**

Depreciation	4,767	-	-	134	-	-	4,901
Amortisation	619	-	-	225	-	-	844

Geographical analysis	UK	Rest of Europe	US	Australia	Group
Reported third party revenue	276,845	7,650	-	-	**284,495**
Non current assets	82,371	2,372	-	-	**84,743**

4. Adjusted items

	Year ended 28 March 2016 £'000	Year ended 30 March 2015 £'000
Non-cash charges relating to acquisitions		
Amortisation of acquired intangibles	(4,220)	(225)
Acquisition related share based payment charges	(7,288)	-
	(11,508)	**(225)**
Other Adjusted items		
Impairment of Lay & Wheeler goodwill	(2,606)	-
Profit on disposal of property	4,801	-
Acquisition costs	(519)	(1,767)
Restructuring costs	(1,045)	(695)
Fair value movement through P&L on foreign exchange contracts	830	(468)
En primeur adjustment	(59)	142
Share based payment charges	(172)	(131)
	1,230	**(2,919)**
Total Adjusted items	**(10,278)**	**(3,144)**

5. Taxation

(a) Taxation charge

	Year ended 28 March 2016 £'000	Year ended 30 March 2015 £'000
Current income tax expense		
UK income tax	(3,437)	(4,523)
Overseas income tax	(745)	(466)
Adjustment in respect of prior periods	42	(9)
Total current income tax expense	**(4,140)**	**(4,998)**
Deferred tax expense		
Origination and reversal of temporary differences	1,423	(30)
Adjustment in respect of prior periods	84	85
Effect of change in tax rate on prior period balances	214	-
Total deferred tax credit	**1,721**	**55**
Total income tax charge for the year	**(2,419)**	**(4,943)**

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2019 have already been substantively enacted. As the change in corporation rate to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statement. Deferred tax balances have been restated to the substantively enacted rate at which they are expected to reverse.

(b) Taxation reconciliation

The tax charge for the year differs from the standard rate of corporation tax in the United Kingdom of 20% (2014: 21%). The reasons for this are detailed below:

	Year ended 28 March 2016 £'000	Year ended 30 March 2015 £'000
Profit before taxation	4,743	18,422
Taxation at the standard UK corporate tax rate of 20% (2015: 21%)	(949)	(3,869)
Adjustments in respect of prior periods	126	76
Overseas income tax at higher rates	(227)	(168)
Disallowable expenditure	(2,166)	(992)
Income not subject to income tax	196	10
Deferred tax not previously recognised	230	-
Capital gains	157	-
Change in tax rate on prior period deferred tax balances	214	-
Total income tax expense	**(2,419)**	**(4,943)**
Effective tax rate	**51.0%**	**26.80%**
Adjusted effective tax rate	**27.6%**	**23.2%**

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue of the Company, excluding 4,920,863 contingently returnable shares issued as a result of the acquisition of Naked Wines (which have been treated as dilutive share options) and 3,934 (2015: 3,934) held by the Employee Share Ownership Trust which are treated as cancelled.

The dilutive effect of share options is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. These comprise contingently returnable shares and share options granted to employees where the exercise price is less than the average market price of the Company's Ordinary Shares during the year. Share options granted over 331,200 (2015: 423,885) ordinary shares have not been included in the dilutive earnings per share calculation because they are anti-dilutive at the period end.

Adjusted earnings per share is calculated by excluding the effect of Adjusted items (see note 4) This alternative measure of earnings per share is presented so that users of the financial statements can better understand the Group's underlying trading performance.

	Year ended 28 March 2016	**Year ended 30 March 2015**
Basic earnings per share	3.5p	20.5p
Diluted earnings per share	3.3p	20.4p
Adjusted basic earnings per share	19.2p	25.3p
Adjusted diluted earnings per share	18.1p	25.1p

	Year ended 28 March 2016 £'000	**Year ended 30 March 2015 £'000**
Profit for the year	2,324	13,479
Add back adjusted items:		
Non-cash charges relating to acquisitions (see note 4)	11,508	225
Other adjusted items (see note 4)	(1,230)	2,919
Adjusted profit after tax	**12,602**	**16,623**

	Year ended 28 March 2016 £'000	**Year ended 30 March 2015 £'000**
Weighted average number of shares in issue	65,759,587	65,623,774
Dilutive potential ordinary shares:		
Employee share options and contingently returnable shares	3,872,946	560,322
Weighted average number of shares for the purpose of diluted earnings per share	**69,632,533**	**66,184,096**

If all the Company's share option schemes had vested at 100% the Company would have 73,632,424 issued shares.

7. Acquisitions

On 10 April 2015 the Group acquired the entire issued share capital of Naked Wines International Limited ('Naked Wines') for consideration of up to £70m. The acquisition was viewed as increasing shareholder value by bringing together the growth potential of Naked Wines with the strong cash generation of the legacy Majestic business. The goodwill and intangible fixed assets arising on this business combination have been allocated to a single group of cash generating units as this is the lowest level within the Group that the goodwill is monitored internally. Goodwill arising on the acquisition is mainly attributable to the following factors that do not meet the criteria for recognition as a separate asset at the date of acquisition:

- The ability of the Naked Wines business to continue to grow the business by attracting new customers at a rate in excess of attrition of the existing customer base
- The value of the assembled workforce
- Opportunities to improve greater operating efficiency as the business scales up

The net assets and results of the acquired businesses are included in the consolidated financial statements of the Group from the date of acquisition. IFRS 3 Business Combinations has been applied and the goodwill arising has been capitalised and is subject to annual impairment testing.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	£'000
Intangible fixed assets	
- Customer contracts and relationships	14,300
- Brand	10,100
- Internally developed software	900
- Deferred taxation liability on acquired intangibles	(5,060)
Property, plant and equipment	491
Inventories	14,291
Cash and cash equivalents	8,519
Trade and other receivables	6,040
Deferred tax asset	1,784
Trade and other payables	(30,841)
Non current financial liabilities	(27,954)
Corporation tax liability	-
Net identifiable liabilities acquired	**(7,430)**
Goodwill arising on acquisition	29,162
Total cash consideration	(21,732)
Cash paid to settle external debt on acquisition	(22,868)
Cash acquired with Naked Wines	8,519
Net cash outflow on acquisition	**(36,081)**

Acquisition costs of £2,286,000 arose as a result of the transaction. These have been recognised in the Group income statement as follows:

	£'000
Year ended 30 March 2015	1,767
Year ended 28 March 2016	519
Total acquisition costs	**2,286**

The fair value and gross contractual amounts receivable equate to book value. There are no contractual cash flows that are not expected to be collected.

The acquired businesses have contributed £102,534,000 to Group revenues and £240,000 to Group profit in the period since acquisition. If the acquisition had been completed on the first day of the financial period, Group revenues for the period would have been £403,934,000 and Group loss attributable to equity holders of the parent company would have been £3,880,000. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

In addition to the initial cash payment made at the time of the acquisition a further amount of up to £20 million is payable in Majestic PLC's ordinary share capital (based on the closing price at 2 April 2015), conditional on the achievement of certain performance criteria (the 'acquisition related share schemes'). A portion of the shares have been issued in the form of contingently returnable shares and the remaining portion represent share awards that will vest upon achievement of the performance criteria over a maximum period of four years. As continuing employment is a requirement for the final vesting of these shares IFRS 2 Share Based Payments has been applied to this element of the consideration and the amounts are being recorded in the Group Income Statement over the next four years.

The table below sets out the total purchase price:

	£'000
Cash consideration	21,732
Cash paid to settle external debt on acquisition	22,868
Cash funding of pre-acquisition liabilities	6,208
Shares issued or to be issued to former shareholders and employees (at a share price on acquisition of £3.18)	19,758
Total purchase price	**70,566**

8. Bank and other borrowings

	28 March 2016 £'000	30 March 2015 £'000
Current		
Bank overdrafts	3,071	-
Customer bond finance	4,990	-
Total bank and other borrowings due within one year	**8,061**	**-**

Non current		
Revolving credit facility	25,000	-
Transaction costs	(683)	-
Total bank and other borrowings due after one year	**24,317**	**-**
Total bank and other borrowings	**32,378**	**-**

In order to finance the acquisition of Naked Wines, the Group entered into a revolving credit facility of £85m which is due to mature in April 2020. Interest has been charged at margins between 1% and 1.5% above LIBOR, depending on the Group's leverage (being net debt/EBITDA).

Banking covenants are in place and are tested biannually. The covenants tested are the Group's leverage and interest cover (being adjusted EBITDA/net finance charges).

9. Notes to the cash flow statement

a) Reconciliation of profit to cash generated by operations

	Year ended 28 March 2016 £000	Year ended 30 March 2015 £000
Cash flows from operating activities		
Operating profit	6,283	18,541
Add back:		
- Depreciation and amortisation	10,939	5,976
- Profit on disposal of property, plant and equipment	(4,801)	(2)
- Impairment of goodwill	2,606	-
- Impairment of properties, plant and equipment	1,239	290
- Impairment of prepaid operating leases	58	26
- Fair value movement on foreign exchange contracts	(830)	468
- En primeur movement in income statement	59	(142)
- Share based payment charges	7,460	131
Operating cash flows before movements in working capital	**23,013**	**25,288**
(Increase)/decrease in inventories	(13,276)	524
Increase in customer funds in deferred income	3,946	-
Decrease/(increase) in trade and other receivables	3,383	(756)
Increase in trade and other payables	895	9,052
Movement in en primeur balances	689	(1,195)
Cash generated by operations	**18,650**	**32,913**

b) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	28 March 2016 £'000	**30 March 2015 £'000**
Cash and cash equivalents	6,875	10,967
Bank overdraft	(3,071)	-
Total cash and cash equivalents	**3,804**	**10,967**

(c) Analysis of movement in net borrowings

	At 31 March 2015 £'000	Cash flows £'000	Non cash movements £'000	At 28 March 2016 £'000
Cash and cash equivalents	10,967	(4,321)	229	6,875
Bank overdrafts	-	(3,071)	-	(3,071)
Net cash and cash equivalents	**10,967**	**(7,392)**	**229**	**3,804**
Borrowings – revolving credit facility	-	(25,000)	-	(25,000)
Borrowings – customer funded bond	-	7	(4,997)	(4,990)
Gross borrowings nets of cash	**-**	**(24,993)**	**(4,997)**	**(29,990)**
Debt issuance costs	-	870	(187)	683
Total net borrowings	**10,967**	**(31,515)**	**(4,955)**	**(25,503)**

10. Additional unaudited information

A more detailed analysis of the segmental results is shown below. These numbers have been adjusted as follows:

Underlying results show the reported results for the year ended 30 March 2015 retranslated at constant foreign exchange rates and adjusting en primeur results to reflect profits on orders rather than on wine fulfilment.

Pro forma results show the underlying results for the year as per the definition above, and include the full year results for the Naked Wines segment for the year ended 28 March 2016 (compared with the post-acquisition period only included in the reported results) and include the Naked Wines results for the year ended 30 March 2015.

	Reported		Underlying	
	Year ended 28 March 2016 £'000	**Year ended 30 March 2015 £'000**	**Year ended 28 March 2016 £'000**	**Year ended 30 March 2015 £'000**
Retail				
Revenue	**244,026**	**231,377**	**244,027**	**230,681**
Gross profit	58,931	56,430	58,931	56,079
Distribution costs	(27,622)	(25,176)	(27,622)	(24,992)
Administrative costs	(17,325)	(12,136)	(17,325)	(12,039)
Adjusted EBIT	**13,984**	**19,118**	**13,984**	**19,048**
Commercial				
Revenue	**45,558**	**42,229**	**45,558**	**42,229**
Gross profit	7,533	7,057	7,533	7,057
Distribution costs	(2,590)	(2,295)	(2,590)	(2,295)
Administrative costs	(1,173)	(1,028)	(1,173)	(1,028)
Adjusted EBIT	**3,770**	**3,734**	**3,770**	**3,734**
Lay & Wheeler				
Revenue	**9,968**	**10,889**	**10,658**	**9,694**
Gross profit	3,026	2,798	3,026	2,798
Distribution costs	(869)	(864)	(869)	(864)
Administrative costs	(2,005)	(1,918)	(2,005)	(1,918)
Adjusted EBIT	**152**	**16**	**152**	**16**
Central costs				
Administrative costs	(2,324)	(1,184)	(2,324)	(1,184)
Adjusted EBIT	**(2,324)**	**(1,184)**	**(2,324)**	**(1,184)**
Group excluding Naked Wines				
Revenue	299,552	284,495	300,243	282,604
Gross profit	69,490	66,285	69,490	65,934
Distribution costs	(31,082)	(28,335)	(31,081)	(28,151)
Administrative costs	(22,826)	(16,266)	(22,827)	(16,169)
Adjusted EBIT	**15,582**	**21,684**	**15,582**	**21,614**

	Reported		Proforma	
	Year ended 28 March 2016	**Year ended 30 March 2015**	**Year ended 28 March 2016**	**Year ended 30 March 2015**
	£'000	**£'000**	**£'000**	**£'000**
Naked Wines				
Revenue	102,534	-	104,345	81,991
Gross profit	34,761	-	35,417	23,270
Distribution costs	(14,754)	-	(15,035)	(11,972)
Administrative costs	(19,027)	-	(19,357)	(14,267)
Adjusted EBIT	**980**	**-**	**1,025**	**(2,969)**
Group including Naked Wines				
Revenue	402,086	294,495	404,588	364,595
Gross profit	104,251	66,285	104,907	89,204
Distribution costs	(45,836)	(28,335)	(46,116)	(40,123)
Administrative costs	(41,853)	(16,265)	(42,184)	(30,436)
Adjusted EBIT	**16,562**	**21,684**	**16,607**	**18,645**
Net Finance Charges	(1,540)	(119)	(1,540)	(119)
Adjusted PBT	**15,022**	**21,565**	**15,067**	**18,526**