FOR IMMEDIATE RELEASE **14 June 2010**

PRELIMINARY RESULTS

'Profit increase of 117%, like for like sales up 8.4%'

Majestic Wine PLC ("Majestic"), the UK's largest wine warehouse chain, today announces its preliminary results for the 52 weeks ended 29 March 2010.

HIGHLIGHTS

Financial

- Profit before tax increased by **117%** to **£16.0m** (2009: £7.4m).
- Underlying profit growth of **26%** after adjusting for last year's £5.3m reduction in the carrying value of our French business.
- Total sales up **15.6%** to **£233.2m** (2009: £201.8m), now including £12.4m from Lay & Wheeler, the fine wine specialist we acquired in March 2009.
- Like for like sales in UK retail stores up **8.4%**.
- Final dividend of **7.5p** net per share, bringing the total dividend for the year to **10.3p**, an increase of 5.1% on last year (2009: 9.8p)

Key Metrics

- The move to a six bottle minimum purchase (from twelve bottles) has resulted in a substantial increase in the number of customers who have made purchases in the last twelve months, up **54,000** to 472,000.
- Average spend per transaction is just 4% down at **£129** but strong growth in transaction numbers, up **14.6%** to 1.7m.
- Average bottle of still wine purchased at Majestic is now **£6.56** (2009: £6.35).
- Online sales increased **19.7%** on last year and now represent **10.0%** of UK retail sales.
- Sales of fine wine (priced at £20 per bottle and above) increased by **22.7%** on last year, representing 5.1% of UK store sales.

Stores

- During the period we opened **six** new stores in Shrewsbury, Southend, Leith Walk in Edinburgh, Market Harborough, Abingdon and Sale. Since the year end we opened in Redhill.
- We now operate from **153** stores in the UK and are encouraged by an increase in the level of opportunities for new sites appearing on the market.
- We will roll out fine wine display areas to all stores over the next two years.

Current Trading

- In the ten weeks from 30 March to 7 June 2010, like for like sales up **7.3%.**

Commenting on the results Steve Lewis, Chief Executive, said:

*"*We are very encouraged by our ability to attract new customers which will allow us to continue to grow our market share. While the UK economic outlook remains uncertain, we believe that Majestic is well positioned for future growth.*"*

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High resolution images are available for the media to download free of charge from www.fovea.tv Tel :0207 089 2627

Chairman's Statement

I am very pleased to announce that profit before tax was £16.0m, an increase of 117% on last year. Total Group sales were up 15.6% to £233.2m and like for like UK sales grew 8.4%.

Underlying profit growth was 26% after adjusting for last year's £5.3m reduction in the carrying value of our French business.

Dividend
We are proposing a final dividend of 7.5p per share, bringing the total dividend for the year to 10.3p, an increase of 5.1% on last year.

People
I am proud of our exceptional team of retailing professionals whose knowledge of, and passion for wine make Majestic what it is. At the heart of our business is the excellent customer service that they deliver. I would like to pay tribute again to the outstanding contribution they make to the success of Majestic.

Current trading
Sales growth in the first ten weeks of the new financial year, from 30 March to 7 June 2010, has continued to be encouraging with UK like for like sales up 7.3%.

Board changes
Having completed 10 years on the Board I will be stepping down at the Annual General Meeting on 6 August 2010. Phil Wrigley, who joined the Board in April as a non-executive Director will succeed me as non-executive Chairman. Phil has a financial background and brings extensive retail management experience to Majestic. Currently he is Chairman of Habitat PLC and until recently he was Chairman of New Look having previously been its Chief Executive.

It has been a privilege to serve on the Board of such a wonderful business and I shall be very sorry to go. I believe Majestic is well placed to deliver another ten years of great service to its customers and great returns to its shareholders. In Phil Wrigley the Board will have an experienced and enthusiastic Chairman who will bring out the best in Majestic. I wish everyone in the business well for the future.

Simon Burke
Chairman
14 June 2010

Operational Review

I am pleased to report that underlying profit before tax was £16.0m, up from £12.7m last year. Total Group sales for the year increased by £31.4m to £233.2m which now includes £12.4m from Lay & Wheeler, the fine wine specialist we acquired in March 2009.

Majestic Wine
Sales in the year were £213.5m, an increase of £21.9m, or 11.4%, on last year. This performance has been underpinned by strong like for like sales growth of 8.4%. We have previously reported good sales and profit growth in the first half of the year. However we have seen an acceleration in the rate of growth during the second half following the reduction in our minimum purchase requirement from twelve to six bottles. This change, which was implemented following extensive trials, has proved extremely popular with our existing customer base and has also made Majestic more accessible to new customers.

The move to six bottles has resulted in a substantial increase in the number of customers who have made purchases in the last twelve months, up 54,000 to 472,000. We have seen strong growth in transaction numbers, up 14.6% to 1.7m. Despite the halving of our minimum purchase requirement the average spend per transaction has only declined 4% to £129. The average bottle price of still wine purchased at Majestic is £6.56, up from £6.35 last year.

Product
We have seen particularly strong growth in sales of New World wines, especially those from New Zealand, South Africa, Chile and Argentina. We have also seen very encouraging growth in sales of sparkling wine.

We aim to present customers with a broad selection of wines that is innovative, interesting and great value. During the year, our buying team have been very active sourcing new wines from all over the world. They continue to build a range of wines which is widely recognised as amongst the most imaginative and diverse available to the UK consumer.

Fine Wine
Sales of wine priced at £20 per bottle and above increased 22.7% on last year and now represent 5.1% of UK store sales. Given the continued success of the proposition we have decided to install fine wine display areas in all our stores. Currently fine wine fixtures are installed in 50% of the estate and we will progressively roll out to the remaining stores over the next two years.

Customer Service
The core of the Majestic proposition is excellent customer service delivered by our personable and knowledgeable staff. We have built a team of high quality people and developed a culture strongly orientated towards exceeding customer expectations.

We therefore recognise that we need to recruit and retain staff of the highest calibre and do so not only with a comprehensive package of salary and benefits, but also a training programme regarded as the best in the wine industry. The programme was designed in-house and consists of a series of courses that focus on customer service, management and product knowledge. We see the commitment to staff development as a key competitive advantage.

A typical new member of staff would be expected to sit the Wine and Spirit Education Trust's (WSET) Advanced Certificate after about six months in the Company. The most able staff are encouraged to further their knowledge by studying for the WSET Diploma over a two year period. At present 149 staff either hold or are studying for their Diploma. We are particularly proud that seven members of staff were awarded WSET "Awards of Excellence" in January 2010.

Customer Engagement
Alongside monthly mailings which communicate our offers and new additions to the range, we have developed a series of initiatives to engage customers and demonstrate our staff's enthusiasm and extensive product knowledge.

Last year we introduced "The Wine Course". This is a two hour informal wine course for our customers which is free to attend and held in our stores. Participants learn how to taste wine alongside the principles of food and wine matching. This event continues to be extremely successful and to date we have run it for over 10,000 customers.

Earlier this year we launched "Grape to Glass". This is a seasonal guide to wine which is written by our staff. The publication includes articles about new wines, reports from vineyards visited by our staff, food and wine matches and manager's favourite wines. Customer feedback on "Grape to Glass" has been extremely positive.

Later in the year we will be launching "The Majestic Tasting". These will be seasonal events, held in-store showcasing wines new to the range.

ECommerce
We have seen a further year of particularly strong growth in orders placed online. Sales were up 19.7% and now represent 10.0% of total UK retail sales, compared with 9.1% in the previous year.

The need to engage and interact with customers while they shop online is becoming ever more important. We have worked hard to increase significantly the content available on our website, including the introduction of "manager's choice" videos. We launched a completely redesigned blog in the summer. Staff contribute articles that allow us to showcase their extensive product knowledge and enthusiasm. Customers can also demonstrate their own knowledge by writing reviews of our wines and we have published over 1,000 of these online.

We have increased the level of promotional activity on the web and allocated more resource to pay per click and affiliate marketing. We now have a rolling programme of offers that are exclusive to online customers and these are proving extremely popular.

Majestic Commercial
We see increasing sales to business customers as an important part of the future growth of Majestic. We currently have a team of 25 business development managers who source new restaurant, hotel and larger corporate accounts.

We have made improvements to our on-trade proposition including the listing of a range of products exclusive to business customers. We have introduced two training courses for our customers' staff. These are "Confidence in Wine", which is an introduction to wine and "Perfect Pairings", which concentrates on how to recommend food and wine matches. These activities add value to our proposition helping us to both win new business and retain existing customers.

New stores
We opened six new stores during the financial year in Shrewsbury, Southend, Leith Walk in Edinburgh, Market Harborough, Abingdon and Sale. In addition we resited our store in central Glasgow. Since the year end we have opened in Redhill giving us 153 stores trading in the UK.

We will open in Windsor and Canterbury prior to the end of August and we have several new stores at advanced stages of negotiation. We are encouraged by an increase in the level of opportunities for new sites appearing on the market and envisage being able to expand Majestic to at least 250 locations in the UK.

Lay & Wheeler
Lay & Wheeler is a specialist in the fields of en primeur sales, cellarage and broking of customer reserves. We acquired this business in March 2009 because we know that many of our customers are interested in using these services.

We are pleased with the progress made with the business in the first year of our ownership. The cost base has been reduced and the integration of back office functions into Majestic will be completed during the summer. In the year the business made a profit of £248k, before amortisation charges of £225k and interest and tax.

We have introduced a competitive pricing structure for cellarage and are currently trialling sales of customer reserves through Majestic stores. The 2009 Bordeaux en primeur vintage is regarded as one of exceptional quality and we are encouraged by initial sales.

Wine and Beer World
This business operates from three stores in northern France catering to the cross-channel market and generated profit before interest and tax of £416k, up from £405k in the previous year. This increase in profitability was achieved against a sales decline of 28% on a constant currency basis. We saw an improvement in product margin and benefited from cost savings arising from having restructured the business in the prior year.

The continued strength of the Euro relative to Sterling over the past year has contributed to the reduction in sales. However, the differential in duty rates between the UK and France remains substantial and there is a strong core of customers wishing to take advantage of these savings. In order to attract these customers we launched a new marketing message in February 2010. This is a guarantee that customers will make a saving of at least £2 per bottle on Majestic's UK wine prices. This message is complemented by attractive discounts for placing large orders prior to travel.

The trading environment is becoming less challenging and we have been encouraged by our performance since the improvements made to our marketing in February 2010. In the period from 2 February to 7 June 2010, sales on a constant currency basis were up 19.2%.

Awards
We were delighted to be recognised as the "Most Admired Specialist Retailer" at the Management Today Readers Awards in November 2009. Our buying team was recently awarded the Drinks Business Awards "Retail Buying Team of the Year" for 2010.

We were also recognised again as the "High Street Chain of the Year" at the International Wine Challenge Awards 2009. Decanter magazine have awarded us "Wine Chain of the Year" for 2009 and its readers voted Majestic as "Best Large Merchant".

Future Prospects
We are very encouraged by our ability to attract new customers which will allow us to continue to grow our market share. While the UK economic outlook remains uncertain, we believe that Majestic is well positioned for future growth.

Steve Lewis
Chief Executive
14 June 2010

Financial Review

Trading
Sales for the Group at £233.2m were up 15.6% on the previous year (2009: £201.8m) giving profit before tax of £16.0m, an increase of 117.0% (2009: £7.4m). Underlying profit growth was 26.0% after adjusting the prior year for an exceptional non-cash impairment charge of £5.3m, relating to the carrying value of our French retailing business. The Group's underlying margin before tax was 6.9% (2009: 6.3%).

Taxation
The effective rate of tax in 2010 on underlying profit was 29.5% (2009: 32.4%). This is higher than the corporation tax rate of 28.0% mostly due to the excess of depreciation over tax writing down allowances as certain assets are non-qualifying.

Earnings per share
Underlying basic earnings per share for the year at 18.4p were 31.4% higher than the previous year (2009: 14.0p). Underlying diluted earnings per share for the period of 18.3p were up 30.7% on the previous year (2009: 14.0p).

Basic earnings per share for the year at 18.4p were 247.2% higher than the previous year (2009: 5.3p). Diluted earnings per share for the year at 18.3p were 245.3% higher than the previous year (2009: 5.3p).

Dividend
The Board is proposing a final dividend for 2010 of 7.5 pence per share. Together with the interim dividend of 2.8p paid to shareholders on 8 January 2010, this would make a total dividend for the financial year of 10.3 pence per share, an increase of 5.1% over the prior year. The total dividend is 1.8 times covered by underlying profit after tax (2009: 1.4 times). The improvement in trading performance has enabled the Group to raise the amount returned to shareholders whilst rebuilding its dividend cover to a more appropriate level.

Subject to shareholders' approval at the Annual General Meeting on 6 August 2010, the final dividend will be payable on 13 August 2010, to shareholders on the register on 16 July 2010.

Lay & Wheeler
In the previous year we paid £4.5m to acquire Lay & Wheeler, a fine wine specialist. During the year, a further £0.6m consideration was paid. Of this amount, £0.4m was for a deferred tax asset and £0.2m was on finalisation of completion accounts. The opening balance sheet has been restated to reflect these changes and the £0.6m cash flow is stated as part of the movement in creditors. The total amount paid for the acquisition was £6.1m, including the assumption of net debt of £1.0m.

Cash flow and net debt
The Group is strongly cash generative with cash flows from operations of £21.2m in the year. This is £5.7m higher than the £15.5m generated in the previous year as a result of the improvement in the level of underlying profit before tax.

Capital expenditure was £6.2m, down from £7.2m in 2010. The previous year's expenditure was higher as we acquired three freehold sites which we are currently in the process of developing.

Other significant cash flows in the year included dividends paid to shareholders of £6.0m (2009: £6.0m), tax payments of £4.1m (2009: £4.3m) and repayment of term loan of £0.7m (2009: nil).

The Group's net debt at 29 March 2010 was £3.9m, a reduction of £4.4m over the year.

Liquidity and funding
At 29 March 2010 the Group had net current liabilities of £0.7m down from £3.4m in the prior year. This is a common position for many retailers and operating with net current liabilities does not affect the Group's ability to maintain its banking facilities. The Group maintains liquidity by arranging funding ahead of requirements. At 29 March 2010 the Group had undrawn short term borrowing facilities of £12.5m which have no expiry date but are reviewed annually. These facilities are in place to allow the Group to finance its seasonal working capital requirements and new store opening programme.

In addition the Group has a requirement for core funding satisfied by a term loan facility which was £6.3m as at 29 March 2010. The loan is a committed facility expiring in March 2012.

Financial Position
It is pleasing to note that we have delivered strong financial growth in the year. The healthy cash flows that the Group generated has enabled us to continue to invest in the business and, at the same time, raise returns to shareholders through increased dividend payments.

Nigel Alldritt
Finance Director
14 June 2010

Group Income Statement
For the year ended 29 March 2010

	Note	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Revenue		**233,220**	201,794
Cost of sales		**(183,528)**	(160,148)
Gross profit		**49,692**	41,646
Distribution costs		**(20,165)**	(18,398)
Administrative costs		**(13,838)**	(16,337)
Other operating income		**777**	631
Profit before finance costs and taxation		**16,466**	7,542
Finance revenue		**7**	55
Finance costs		**(462)**	(218)
Profit before taxation		**16,011**	7,379

Analysed as:			
Underlying profit before tax		**16,011**	12,710
Exceptional items:			
Goodwill impairment included in administrative costs		**-**	(5,331)
		16,011	7,379

UK income tax	4	**(4,591)**	(3,973)
Overseas income tax	4	**(140)**	(144)
Profit for the year		**11,280**	3,262
Earnings per share			
Basic	5	**18.4p**	5.3p
Diluted	5	**18.3p**	5.3p
Underlying basic	5	**18.4p**	14.0p
Underlying diluted	5	**18.3p**	14.0p
Total dividend per share for the year	6	**10.3p**	9.8p

Group Statement of Comprehensive Income
For the year ended 29 March 2010

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Profit for the year	**11,280**	3,262
Other comprehensive income:		
Currency translation differences on foreign currency net investments	**(144)**	1,406
Tax credit/(debit) on employee share options	**182**	(69)
Other comprehensive income for the year, net of tax	**38**	1,337
Total comprehensive income for the year	**11,318**	4,599

Group Statement of Changes in Equity
For the year ended 29 March 2010

	Share Capital £000	Share Premium Account £000	Capital Reserve Own Shares Held in ESOT £000	Capital Redemption Reserve £000	Currency Translation Reserve £000	Retained Earnings £000	Total Share-holders' Funds £000
At 31 March 2008	4,628	10,359	(105)	333	1,217	32,987	49,419
Profit for the year	-	-	-	-	-	3,262	3,262
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	1,406	-	1,406
Tax debit on employee share options	-	-	-	-	-	(69)	(69)
Total comprehensive income for the year	-	-	-	-	1,406	3,193	4,599
Share issue	11	159	-	-	-	-	170
Shares vesting under deferred bonus scheme	-	-	2	-	-	(2)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	-	-	-	-	-	266	266
Purchase and cancellation of share capital	(30)	-	-	30	-	(828)	(828)
Equity dividends paid	-	-	-	-	-	(6,010)	(6,010)
At 30 March 2009	4,609	10,518	(103)	363	2,623	29,606	47,616
Profit for the year	-	-	-	-	-	11,280	11,280
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	(144)	-	(144)
Tax credit on employee share options	-	-	-	-	-	182	182
Total comprehensive income for the year	-	-	-	-	(144)	11,462	11,318
Share issue	2	29	-	-	-	-	31
Shares vesting under deferred bonus scheme	-	-	96	-	-	(96)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	-	-	-	-	-	706	706
Equity dividends paid	-	-	-	-	-	(6,023)	(6,023)
At 29 March 2010	**4,611**	**10,547**	**(7)**	**363**	**2,479**	**35,655**	**53,648**

Group Balance Sheet
As at 29 March 2010

	29.03.10 £000	30.03.09 (restated) £000
Non current assets		
Goodwill and intangible assets	**9,085**	9,477
Property, plant and equipment	**50,512**	47,978
Prepaid operating lease costs	**1,578**	1,583
Deferred tax assets	**942**	472
	62,117	59,510
Current assets		
Inventories	**38,511**	37,752
Trade and other receivables	**11,594**	11,531
Financial instruments at fair value	**233**	834
Cash and cash equivalents	**4,774**	2,572
	55,112	52,689
Total assets	**117,229**	112,199
Current liabilities		
Trade and other payables	**(49,778)**	(49,724)
Term loan	**(672)**	(669)
Bank overdraft	**(2,453)**	(3,950)
Provisions	**(296)**	(121)
Deferred lease inducements	**(106)**	(109)
Financial instruments at fair value	**(5)**	-
Current tax liabilities	**(2,461)**	(1,515)
	(55,771)	(56,088)
Non current liabilities		
Term Loan	**(5,575)**	(6,245)
Provisions	**(87)**	-
Deferred lease inducements	**(747)**	(769)
Deferred tax liabilities	**(1,401)**	(1,481)
Total liabilities	**(63,581)**	(64,583)
Net assets	**53,648**	47,616
Shareholders' equity		
Called up share capital	**4,611**	4,609
Share premium account	**10,547**	10,518
Capital reserve – own shares	**(7)**	(103)
Capital redemption reserve	**363**	363
Currency translation reserve	**2,479**	2,623
Retained earnings	**35,655**	29,606
Equity shareholders' funds	**53,648**	47,616

Group Cash Flow Statement
For the year ended 29 March 2010

	Notes	**52 weeks 29.03.10 £000**	52 weeks 30.03.09 £000
Cash flows from operating activities			
Cash generated by operations	8a	**21,208**	15,493
UK income tax paid		**(4,309)**	(3,918)
Overseas income tax received/(paid)		**164**	(369)
Net cash generated by operating activities		**17,063**	11,206
Cash flows from investing activities			
Interest received		**7**	55
UK income tax paid		**(8)**	(34)
Overseas income tax paid		**-**	(11)
Purchase of non current assets		**(6,173)**	(7,152)
Acquisition of subsidiaries including cash and cash equivalents acquired		**-**	(5,538)
Receipts from sales of non current assets		**23**	78
Net cash utilised by investing activities		**(6,151)**	(12,602)
Cash inflow/(inflow) before financing		**10,912**	(1,396)
Cash flows from financing activities			
Interest paid		**(486)**	(288)
Issue of Ordinary Share capital		**31**	170
Term loan (repayment)/receipt		**(700)**	7,000
Arrangement fee on term loan		**-**	(88)
Shares re-purchased		**-**	(828)
Equity dividends paid		**(6,023)**	(6,010)
Net cash used by financing activities		**(7,178)**	(44)
Net increase/(decrease) in cash and cash equivalents		**3,734**	(1,440)
Cash and cash equivalents at beginning of year		**(1,378)**	(109)
Effect of foreign exchange differences		**(35)**	171
Cash and cash equivalents at end of year	8b	**2,321**	(1,378)

Notes to the Financial Statements

1. General information

Majestic Wine PLC is a public limited company ("Company") incorporated in the United Kingdom under the Companies Act 2006 (registration number 2281640). The Company is domiciled in the United Kingdom and its registered address is Majestic House, Otterspool Way, Watford, WD25 8WW. The Company's Ordinary Shares are traded on the Alternative Investment Market ("AIM").

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

2. Basis of preparation

The preliminary results for the year ended 29 March 2010 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and are in line with the accounting policies set out in the financial statements for the year ended 30 March 2009 except that during the year the Group has adopted the following new and revised IFRS during the year.

IFRS 8 Operating Segments
This standard requires operating segments to be reported in a manner consistent with that used for internal reporting purposes. The standard is concerned with the presentation and disclosure of segment information in the Group's financial statements and therefore does not affect the financial performance or position of the Group in this or prior periods. Adoption of this standard has not resulted in any additional segments being presented.

IAS 1 (Revised) Presentation of Financial Statements
This revised standard separates owner and non-owner changes in equity. It requires that non-owner changes in equity be presented in a performance statement. The Group has elected to present two statements: an Income Statement and a Statement of Comprehensive Income.

Amendment to IFRS 2 Share-Based Payment – Vesting conditions and Cancellations
This amendment to IFRS 2 clarifies that only service conditions (requiring a specified period of service to be completed) and performance conditions (requiring the other party to achieve a personal goal or contribute to achieving a corporate target) are vesting conditions. All other conditions are non-vesting conditions which have to be taken into account to determine the fair value of the equity instruments granted. Where an award fails to vest as a result of a failure to meet a non-vesting condition then the award must be treated as a cancellation. Cancellations are treated as accelerated vestings with all remaining future charges recognised immediately in the Group Income Statement with the corresponding credit recognised directly in equity. This amendment to the standard has no significant impact on the financial statements of the Group.

Amendment to IFRS 7 Improving Disclosure about Financial Instruments
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

The financial information in the preliminary statement of results does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the year ended 29 March 2010 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 29 March 2010 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The financial statements, and this preliminary statement, of Majestic Wine PLC for the year ended 29 March 2010 were authorised for issue by the Board of Directors on 14 June 2010 and the balance sheet was signed on behalf of the Board by Simon Burke.

The statutory accounts have been delivered to the Registrar of Companies in respect of the year ended 30 March 2009 and the Auditors of the Company made a report thereon under Section 495 of the Companies Act 2006. That report was an unqualified report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

3. Segment reporting

For management purposes, the Group is organised into three distinct business units each operating in a separate segment of the overall wine market. Majestic Wine Warehouses is a UK based wine retailer, Lay & Wheeler is a specialist in the fine wine market and Wine and Beer World operates retail units in northern France servicing the UK cross-channel market.

No operating segments have been aggregated to form the above reportable segments. Management monitors the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on both sales growth and profit before interest. Financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments. Inter-segment transactions are conducted on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit and certain asset and liability information regarding the Group's business segments for the years ended 29 March 2010 and 30 March 2009. All activities are continuing.

Segment analysis 2010

	Majestic Wine Warehouses £000	Lay & Wheeler £000	Wine and Beer World £000	Unallocated £000	Eliminated £000	Group £000
Third party revenue	213,540	12,414	7,266	-	-	233,220
Inter-segment revenue	-	906	-	-	(906)	-
Segment revenue	213,540	13,320	7,266	-	(906)	233,220
Segment result	16,027	23	416	-	-	16,466
Finance revenue	-	-	-	7	-	7
Finance costs	-	-	-	(462)	-	(462)
Profit/(loss) before tax	16,027	23	416	(455)	-	16,011
Income tax expense	-	-	-	(4,731)	-	(4,731)
Profit/(loss) for the year	16,027	23	416	(5,186)	-	11,280
Segment assets	95,948	16,684	6,330	942	(2,675)	117,229
Segment liabilities	(68,231)	(11,355)	(1,785)	(3,862)	21,652	(63,581)
Other segment items:						
Purchase of non current assets	6,112	39	22	-	-	6,173
Depreciation, amortisation and impairment	3,395	429	110	-	-	3,934
Share based payments	706	-	-	-	-	706

Segment analysis 2009

	Majestic Wine Warehouses £000	Lay & Wheeler £000	Wine and Beer World £000	Unallocated £000	Eliminated £000	Group £000
Segment revenue*	191,597	785	9,412	-	-	201,794
Segment result before exceptional items	12,591	(123)	405	-	-	12,873
Exceptional items	-	-	(5,331)	-	-	(5,331)
Segment result	12,591	(123)	(4,926)	-	-	7,542
Finance revenue	-	-	-	55	-	55
Finance costs	-	-	-	(218)	-	(218)
Profit/(loss) before tax	12,591	(123)	(4,926)	(163)	-	7,379
Income tax expense	-	-	-	(4,117)	-	(4,117)
Profit/(loss) for the year	12,591	(123)	(4,926)	(4,280)	-	3,262
Segment assets	92,802	16,736	6,313	472	(4,124)	112,199
Segment liabilities	(69,657)	(11,324)	(1,999)	(2,996)	21,393	(64,583)
Other segment items:						
Purchase of non current assets including business combinations	11,615	2	5	-	-	11,622
Depreciation, amortisation and impairment	2,930	5	5,456	-	-	8,391
Share based payments	266	-	-	-	-	266

* Segment revenue is all to third parties.

The segment assets and liabilities that are not allocated represent deferred and current tax balances.

4. Taxation

a) Taxation charge

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Current income tax expense:		
UK income tax	**5,140**	3,941
Overseas income tax on subsidiary undertaking	**140**	151
Adjustment in respect of previous year	**(180)**	(256)
Total current income tax expense	**5,100**	3,836
UK deferred tax expense:		
Origination and reversal of temporary differences	**(387)**	(8)
Adjustment in respect of prior years	**18**	289
Total deferred tax expense	**(369)**	281
Total income tax expense charged in the income statement	**4,731**	4,117

b) Taxation reconciliation

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Profit before tax	**16,011**	7,379
Taxation at the standard UK corporation tax rate of 28%	**4,483**	2,066
Adjustments in respect of prior years	**(162)**	33
Overseas income tax at higher rates	**25**	22
Non-deductible expenses	**397**	1,999
Income not taxable	**(12)**	(3)
Total income tax expense charged in the income statement	**4,731**	4,117
Effective tax rate	**29.5%**	55.8%
Effective tax rate on underlying profit before tax	**29.5%**	32.4%

c) Tax on items charged to equity

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Current tax credit on share based payments	**(1)**	(34)
Deferred tax charge on share based payments	**(181)**	103
Total tax on items charged to equity	**(182)**	69

d) Deferred tax

	Accelerated tax depreciation £000	Short-term temporary differences £000	Share-based payments £000	Total deferred tax assets £000	Deferred tax liabilities £000	Total £000
At 31 March 2008	(149)	484	117	452	(426)	26
Credited/(charged) to the income statement	90	(364)	(7)	(281)	-	(281)
Charged to equity	-	(26)	(77)	(103)	-	(103)
Acquisition of Subsidiaries (restated)	(282)	(369)	-	(651)	-	(651)
At 30 March 2009 (restated)	(341)	(275)	33	(583)	(426)	(1,009)
Credited to the income statement	120	173	76	369	-	369
Credited to equity	-	29	152	181	-	181
At 29 March 2010	**(221)**	**(73)**	**261**	**(33)**	**(426)**	**(459)**

The deferred tax liabilities relate solely to held-over capital gains arising on the disposal of freehold properties.

Disclosed in the Group Balance Sheet:

	2010 £000	2009 (restated) £000
Deferred tax assets	**942**	472
Deferred tax liabilities	**(1,401)**	(1,481)
	(459)	(1,009)

e) Factors that may affect future tax charges

The Group's overseas tax rate is higher than that in the UK as profits earned by Les Celliers de Calais S.A.S. in France are taxed at a rate of 33.7% (2009: 32.5%).

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as the Group has no liability to additional taxation should such amounts be remitted due to the availability of double taxation relief. The temporary difference unrecognised at the year end amounted to £358,000 (2009: £124,000).

5. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the year, excluding 1,732 (2009: 27,823) held by the Employee Share Ownership Trust, which are treated as cancelled.

For diluted earnings per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all potential dilutive Ordinary Shares. These represent 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 2,606,754 (2009: 2,551,696) Ordinary Shares have not been included in the dilutive earnings per share calculation because they are anti dilutive at the period end.

Underlying earnings per share is calculated by excluding the effect of last year's impairment of goodwill. This alternative measure of earnings per share is presented to reflect the Group's underlying trading performance.

	2010	2009
Weighted average number of shares	**61,433,638**	61,480,345
Dilutive potential Ordinary Shares:		
Employee share options	**268,551**	103,906
Total number of shares for calculating diluted earnings per share	**61,702,189**	61,584,251

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Profit for the financial year attributable to equity shareholders of the parent	**11,280**	3,262
Add:		
Impairment of goodwill	**-**	5,331
Underlying profit after tax	**11,280**	8,593

	2010	2009
Basic earnings	**18.4p**	5.3p
Dilutive earnings	**18.3p**	5.3p
Underlying basic earnings	**18.4p**	14.0p
Underlying diluted earnings	**18.3p**	14.0p

6. Dividend

A final dividend of 7.5 pence net on each Ordinary Share will be payable on 13 August 2010 to shareholders on the register on 16 July 2010.

7. Business combinations

On 6 March 2009, the Group acquired the entire issued share capital of Vinotheque Holdings Limited and WBI Holdco Limited (and its subsidiaries WBI Limited and Lay & Wheeler Limited), collectively known as Lay & Wheeler.

The net assets and results of the acquired businesses are included in the consolidated accounts 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 goodwill arising on the business combination has been allocated to the single group of cash-generating units represented by the acquired businesses, as this is the lowest level within the Group at which goodwill is monitored internally. Goodwill arising on the acquisition is mainly attributable to the assembled workforce and opportunities to achieve a faster rate of growth and greater operating efficiency that do not meet the criteria for recognition as a separate intangible asset at the date of acquisition.

The fair values established for the acquisition were provisional as at 30 March 2009 due to the proximity of the year end date. At 30 March 2009 there was potential deferred consideration of £501,000 relating to a deferred tax asset under negotiation with HMRC. These negotiations have been concluded during the year resulting in an increase to the fair value of deferred tax asset and cash consideration of £438,000. The finalisation of completion accounts has also led to an increase in consideration of £129,000. In addition a deferred tax liability of £219,000 has been recognised in respect of fixed assets that do not qualify for tax writing down allowances. The 2009 full year comparative information has been restated to reflect these adjustments.

	Pre –acquisition carrying amounts £000	Recognised values on acquisition £000
Property, plant and equipment	1,158	1,158
Intangible assets – software	257	257
- facilities and trademark licence	-	2,985
Deferred tax asset/(liability)	460	(686)
Inventories	4,075	3,975
Trade and other receivables	2,054	5,734
Cash and cash equivalents	345	345
Trade and other payables	(5,542)	(10,109)
Corporation tax (liability)/asset	(64)	185
Bank overdraft	(1,413)	(1,413)
Net assets acquired	1,330	2,431
Goodwill arising on acquisition		2,606
		5,037
Discharged by:		
Cash consideration		4,786
Costs associated with the acquisition		251
Total consideration		5,037

8. Notes to the Group cash flow statement

a) Reconciliation of profit to cash generated by operations

	52 weeks to 29.03.10 £000	52 weeks to 30.03.09 £000
Cash flows from operating activities		
Profit for the year	**11,280**	3,262
Adjustments to reconcile profit for the year to cash generated by operations:		
Income tax expense	**4,731**	4,117
Net finance cost	**455**	163
Amortisation, impairment and depreciation	**3,934**	8,391
Loss on disposal on non current assets	**23**	51
(Increase)/decrease in inventories	**(759)**	824
(Increase)/decrease in trade and other receivables	**(63)**	1,177
Increase/(decrease) in trade and other payables	**58**	(2,145)
(Decrease)/increase in deferred lease inducements	**(25)**	35
Change in the fair value of derivative instruments	**606**	(537)
Increase/(decrease) in provisions	**262**	(111)
Share based payments	**706**	266
Cash generated by operations	**21,208**	15,493

b) Cash and cash equivalents

For the purposes of the Group cash flow statement cash and cash equivalents comprise the following:

	29.03.10 £000	30.03.09 £000
Cash and cash equivalents per Group balance sheet	**4,774**	2,572
Bank overdraft per Group balance sheet	**(2,453)**	(3,950)
Cash and cash equivalents per cash flow statement	**2,321**	(1,378)

c) Analysis of net debt

	29.03.10 £000	30.03.09 £000
Total cash and cash equivalents	**2,321**	(1,378)
Term loan included in current liabilities	**(672)**	(669)
Term loan included in non current liabilities	**(5,575)**	(6,245)
Total net debt	**(3,926)**	(8,292)

d) Reconciliation of net cash flow to movement in net debt

	29.03.10 £000	30.03.09 £000
Net increase/(decrease) in cash and cash equivalents	**3,734**	(1,440)
Term loan repayment/(receipt)	**700**	(7,000)
Capitalisation of arrangement fees	**-**	88
Amortisation of arrangement fees	**(33)**	(2)
Effect of foreign exchange differences	**(35)**	171
Movement in net debt	**4,366**	(8,183)
Net debt at beginning of year	**(8,292)**	(109)
Net debt at end of year	**(3,926)**	(8,292)