FOR IMMEDIATE RELEASE **13 June 2011**

PRELIMINARY RESULTS

'Strong progress'

Majestic Wine PLC ("Majestic"), the UK's largest wine specialist with 165 stores, today announces its preliminary results for the 52 weeks ended 28 March 2011.

HIGHLIGHTS

- Group profit before tax increased by 26.6**%** to **£20.3m** (2010: £16.0m).
- Total sales up **10.3%** to **£257.3m** (2010: £233.2m).
- Like for like sales in UK retail stores up **5.3%**.
- Final dividend of **9.7p** net per share, bringing the total dividend for the year to **13.0p**, an increase of **26.2%** on last year (2010: 10.3p)
- Lay & Wheeler: Profit before interest and tax at **£701k** (2010: £23k).
- Wine and Beer World: Like for like sales grew 23.6% with profit before interest and tax at **£1.0m** (2010: £0.4m).

Key Metrics

- A continued increase in the number of customers who have made purchases in the last twelve months, up **8.2%** to **511,000**.
- Average spend per transaction declined just 2.5% down at **£126** but strong growth in transaction numbers, up **12.5%** to 2.0m.
- Average bottle of still wine purchased at Majestic is now **£6.94** (2010: £6.56).
- Online sales increased **9.6%** on last year and now represent **10.2%** of UK retail sales.
- Majestic Commercial: Sales to business customers grew **17.2**% on last year and now represent **24.2**% of total UK sales.
- Sales of fine wine (priced at £20 per bottle and above) increased by **23.7%** on last year, representing **6.0%** of UK store sales.

Stores

- Accelerated number of new store openings during the period, to twelve from six in the previous year. Redhill, Windsor, Totnes, Ashbourne, Bracknell, Canterbury, Cardiff (a second site), Cobham, Newmarket, Yeovil, Chiswick and the Isle of Wight. With a resite in Ipswich.
- Since the year end, we have opened in Evesham and Weston-Super-Mare, giving us **165** stores in the UK.
- Due to our reduction in minimum purchase requirements and following a detailed mapping exercise, we are confident of being able to expand Majestic to an estate of at least 330 stores.

Current Trading

- In the ten weeks from 29 March to 6 June 2011, UK like for like sales up **4.4%.**

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

"We are delighted that so many new customers have chosen to shop with Majestic and are encouraged that all parts of the business are showing strong progress."

For further information, please contact:
Majestic Wine PLC
Steve Lewis, CEO Tel: 01923 298200
Nigel Alldritt, FD

Buchanan Communications
Tim Thompson / Nicola Cronk / Christian Goodbody Tel: 020 7466 5000

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 report that the year has again been one of strong progress for the Group. Profit before tax at £20.3m was 26.6% higher than last year. Total Group sales were up 10.3% to £257.3m and like for like UK sales grew by 5.3%.

Dividend
Due to the strength of this performance a final dividend of 9.7p per share is being proposed bringing the total dividend for the year to 13.0p, an increase of 26.2% on last year.

People
I recognise that the success Majestic enjoys is built around the very high standard of customer service delivered by all our staff. I am impressed by their enthusiasm and professionalism and would like to thank them all for their efforts over the past year, without which we would not have achieved these excellent results.

This contribution and the quality of leadership of the management team has been recognised through the receipt of a number of prestigious awards for Majestic. At the International Wine Challenge Awards in 2010 we were awarded the "High Street Chain of the Year" and the overall "Merchant of the Year". Decanter magazine presented us with "Wine Merchant of the Year" and their reader's voted us "Best Large Wine Merchant". Retail Week awarded us "Speciality Retailer of the Year".

Current trading
Whilst we recognise that market conditions continue to be challenging, we are encouraged to have achieved UK like for like sales growth of 4.4% in the first ten weeks of the new financial year, from 29 March to 6 June 2011.

Phil Wrigley
Chairman
13 June 2011

Operational Review

I am delighted to report a 26.6% increase in the Group's profit before tax, up £4.3m to £20.3m. Total Group sales for the year at £257.3m were £24.1m higher than last year.

Majestic Wine
We saw a further substantial increase in sales, up 9.7% to £234.2m with like for like sales growing 5.3%.

In September 2009 we reduced our minimum purchase requirement to six bottles from twelve. This change proved to be extremely popular with existing customers and has also made Majestic more accessible to new customers. We continue to benefit from the change with the number of customers who have made purchases in the last twelve months growing 8.2% to 511,000.

As a result of the full year impact of the reduction in minimum purchase average spend per transaction declined 2.5% to £126. This modest reduction was more than outweighed by strong growth in the number of transactions, up 12.5% to 2.0m. The average bottle price of still wine purchased at Majestic is £6.94, up from £6.56 last year.

Product
Wine is the core of our business and represents over 85% of sales. We have seen particularly good growth in sales of wine from New Zealand and Argentina. In both these categories our share of the UK off trade market is now more than 11%. French wine, however, continues to be our largest category representing 34.4% of our sales of still wine. We are pleased that French wine sales have grown 10.1% over the past year led by wines from Bordeaux, Burgundy and the Rhône but also from the innovative Languedoc Roussillon region. Sales of sparkling wine are also showing a good increase, particularly Prosecco and wines from New Zealand.

Fine Wine
Sales of wine priced at £20 per bottle and above increased 23.7% on last year and now represent 6.0% of UK store sales. It is our highly educated staff and their impressive product knowledge which is the key to our continued growth in this area. Customers value the advice that we provide and trust our staff's wine recommendations. We have made good progress in rolling out our fine wine concept and now have fixtures installed in 107 stores.

Customer Service
It is our commitment to excellent levels of customer service that most differentiates Majestic from the competition. We have worked hard to build a team of high quality people that take great pride in helping customers.

We recruit ambitious, energetic and friendly individuals primarily at graduate level. We place great emphasis on staff development and have designed a comprehensive training programme that is widely regarded as the best in the wine industry. This programme, which is mostly delivered by our own employees, consists of a series of courses that focus on areas such as management skills, product knowledge and how to taste wine. We ensure that our staff have the opportunity to taste the wines that they recommend to our customers. To achieve this we have an extensive schedule of wine tastings that are often hosted by the winemakers themselves.

We work closely with the Wine and Spirit Education Trust (WSET) because we feel that their curriculum concentrates on areas of the wine industry most relevant to our employees. A typical new retail recruit would take the WSET Advanced Certificate after about six months in the company. We encourage staff to further their wine knowledge and sponsor many of them through the two year study period for the WSET Diploma.

We were delighted that in January 2011, ten members of staff were awarded scholarships for producing outstanding papers in their WSET examinations.

Customer Engagement
We believe that it is very important for us to interact with our customers and encourage their interest in wine.

Our store teams deliver a number of separate events that are designed to engage with customers whilst showcasing our staff's enthusiasm and extensive product knowledge. These events are free to attend and held in-store. They include "The Wine Course" which is a two hour informal introduction to wine. We were delighted that this popular event was the recipient of Retail Week's award for "Customer Service Initiative of the Year". Customers can also try our "Wine Walks" where they taste a selection of wines from around the globe and "Wine Evenings" where we exhibit wines new to the range.

It is our investment in employee training that enables us to deliver this extensive programme of customer education. These events set Majestic apart from our competition and were attended by over 20,000 customers.

ECommerce
Online sales continued to show good growth and were up 9.6% on the previous year and now represent 10.2% of total UK retail sales. The number of orders processed increased by 9.4% on last year to 175,000. The average transaction value online was £142, up from £139 last year.

Customers do not just use the web to place orders online. They also conduct research prior to purchase and increasingly expect to be both informed and entertained whilst online. We bring the personality of Majestic online through video content, staff blogs and posting customer reviews of our products.

We give our store staff the freedom to publish items online which are of specific interest to their store or local customer base. Each of our stores has a Twitter feed and their own individual store pages on our site. We have also launched an online tasting counter which is a live representation of what is available to taste in any particular store, updated on a daily basis. In addition we have implemented software that delivers recommendations and allows cross selling on our product pages.

Majestic Commercial
We have seen rapid growth in sales to business customers which have increased 17.2% on last year and now represent 24.2% of total UK sales. We have developed a professional and compelling proposition that demonstrates real authority to business customers. We see good opportunities for further expansion and to facilitate this we have increased the size of our commercial sales team.

We now have a regional team of 24 people who source new restaurant, hotel and larger corporate accounts with all subsequent logistics handled by the nearest Majestic store. In addition to our regional structure we have a team of ten based in central London that sell to larger businesses in the City and West End.

New stores
We are pleased that we have been able to accelerate the number of new store openings to twelve from six in the previous year. We opened in Redhill, Windsor, Totnes, Ashbourne, Bracknell, Canterbury, a second site in Cardiff, Cobham, Newmarket, Yeovil, Chiswick and the Isle of Wight. We are confident that we can maintain this higher rate of new store openings and since the year end we have opened in Evesham and Weston-Super-Mare. This gives us 165 stores trading in the UK.

It was becoming increasingly apparent that the reduction in our minimum purchase requirement has widened our customer demographic. Consequently we commissioned a detailed research project mapping our current store portfolio and changed customer demographic against the UK population as a whole. The project has recently concluded and we are now confident of being able to expand Majestic to an estate of at least 330 stores.

Lay & Wheeler
Lay & Wheeler is our fine wine merchant specialising in en primeur sales, cellarage and broking of customer reserves. The business recorded profit before interest and tax for the year of £701k compared with £23k in the previous year.

In the summer of 2010 we had considerable success selling en primeur wines from the highly regarded and sought after 2009 Bordeaux vintage. The revenue and profit earned from selling these wines are however deferred until they have been delivered to customers in 2012. We are also pleased with the Burgundy 2009 campaign which took place in the fourth quarter.

We are excited that Lay & Wheeler, working in partnership with Majestic Wine, has developed a version of its “Fine Wine Plan”. This has been designed specifically for the needs of Majestic Wine’s customers and we are currently marketing it to them. The plan allows customers to gradually build their own fine wine cellar at a financial pace that suits them by way of an affordable monthly subscription.

At the time of compiling this report the Bordeaux 2010 en primeur campaign has just got underway. The vintage is of exceptional quality and early indications are encouraging although volumes are expected to be below those of the record 2009 vintage.

Wine and Beer World
This business operates from two stores in Calais and one in Cherbourg and sells to UK consumers wishing to take advantage of the much lower rate of alcohol duty in France. The business model is particularly attractive to those customers organising large events where the savings can be considerable. After several years of difficult trading conditions the environment became much less challenging as during Summer 2010 a number of competitors withdrew from the market. Like for like sales grew 23.6% in the period with profit before interest and tax at £1.0m, up from £0.4m in the previous year.

In the period from 29 March to 6 June 2011, like for like sales on a constant currency basis were up 11.1%.

Future Prospects
We are very encouraged that all parts of the business are showing good progress. Whilst economic conditions remain difficult, we believe that Majestic is well positioned for future growth.

Steve Lewis
Chief Executive
13 June 2011

Financial Review

Trading
Profit before tax for the Group was £20.3m, an increase of 26.6% on the previous year (2010: £16.0m). Sales increased 10.3% to £257.3m (2010: £233.2m).

This strong sales growth coupled with strict control over our costs has resulted in an improvement in the Group's profit margin before tax, up to 7.9% from 6.9% last year.

Taxation
The effective rate of tax in 2011 was 29.8% (2010: 29.5%). 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. In addition, we have restated deferred tax balances to be in line with the new lower corporation tax rate of 26.0% which takes effect for our next financial year.

Earnings per share
Basic earnings per share for the year at 23.0p were 25.0% higher than the previous year (2010: 18.4p). Diluted earnings per share for the year at 22.6p were 23.4% higher than the previous year (2010: 18.3p).

Dividend
The Board is proposing a final dividend for 2011 of 9.7 pence per share. Together with the interim dividend of 3.3p paid to shareholders on 7 January 2011, this would make a total dividend for the financial year of 13.0 pence per share, an increase of 26.2% over the prior year. The total dividend is 1.7 times covered by profit after tax (2010: 1.8 times).

Subject to shareholders' approval at the Annual General Meeting on 4 August 2011, the final dividend will be payable on 12 August 2011, to shareholders on the register on 15 July 2011.

Lay & Wheeler
This business is our fine wine specialist and a significant proportion of its revenues are earned from the en primeur market. During the year en primeur wines from the highly regarded 2009 Bordeaux vintage sold extremely well. The sales the campaign generated and the costs of the product are not reported in the income statement until the wines are delivered to customers. Conversely, the costs associated with processing these sales have been reported as they have been incurred. Included within revenue and profit are deliveries of wine to customers from the much weaker 2007 vintage.

In the financial year the deferral of revenues to future accounting periods increased by £8.3m to a cumulative £13.8m, whilst deferred profit grew by £1.6m to £2.4m. The sales and profits deferred will be reported in the 2012 and 2013 financial years.

Profit before interest and tax, including profit from en primeur sales as orders are received from customers, was £2.3m compared with £21k in the previous year. On a statutory basis profit before interest and tax was £0.7m compared with £23k recorded last year.

Cash flow and net debt
Group cash flows from operating activities were £22.5m, up from £21.2m in the previous year.

Capital expenditure was £8.2m an increase of £2.0m over the last year. The higher level of expenditure arises from increasing the rate of new store openings from six to twelve in the current year.

Other significant cash outflows in the year included dividends paid to shareholders of £6.7m (2010: £6.0m), tax payments of £5.3m (2010: £4.1m) and repayment of term loan of £0.7m (2010: £0.7m). Against these outflows cash received from employees on the exercise of share options was £1.9m up from £31k last year.

The Group had modest net cash of £51k at 28 March 2011 compared with a net debt of £3.9m at the end of the previous financial year.

Liquidity and funding

The Group maintains liquidity by arranging funding ahead of requirements. At 28 March 2011 the Group had undrawn short term borrowing facilities of £14.8m 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 £5.6m as at 28 March 2011. The loan is a committed facility expiring in April 2012.

Financial Position

The business continues to be in very good financial health. The trading performance has been strong, generating cash which the Group has used to invest in the expansion of the business and raise dividend payments to shareholders.

Nigel Alldritt
Finance Director
13 June 2011

Group Income Statement
For the year ended 28 March 2011

	Note	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Revenue		**257,301**	233,220
Cost of sales		**(202,103)**	(183,528)
Gross profit		**55,198**	49,692
Distribution costs		**(20,856)**	(20,165)
Administrative costs		**(14,474)**	(13,838)
Other operating income		**798**	777
Profit before finance costs and taxation		**20,666**	16,466
Finance revenue		**24**	7
Finance costs		**(419)**	(462)
Profit before taxation		**20,271**	16,011
UK income tax	4	**(5,682)**	(4,591)
Overseas income tax	4	**(359)**	(140)
Profit for the year		**14,230**	11,280
Earnings per share			
Basic	5	**23.0p**	18.4p
Diluted	5	**22.6p**	18.3p
Total dividend per share for the year	6	**13.0p**	10.3p

Group Statement of Comprehensive Income
For the year ended 28 March 2011

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Profit for the year	**14,230**	11,280
Other comprehensive income:		
Currency translation differences on foreign currency net investments	**(96)**	(144)
Other comprehensive income for the year, net of tax	**(96)**	(144)
Total comprehensive income for the year	**14,134**	11.136

Group Statement of Changes in Equity

For the year ended 28 March 2011

	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 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)
Total comprehensive income for the year	-	-	-	-	(144)	11,280	11,136
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
Tax credit on employee share options	-	-	-	-	-	182	182
Equity dividends paid	-	-	-	-	-	(6,023)	(6,023)
At 29 March 2010	4,611	10,547	(7)	363	2,479	35,655	53,648
Profit for the year	-	-	-	-	-	14,230	14,230
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	(96)	-	(96)
Total comprehensive income for the year	-	-	-	-	(96)	14,230	14,134
Share issue	63	1,840	-	-	-	-	1,903
ESOT share issue	12	455	(229)	-	-	(238)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	-	-	-	-	-	914	914
Tax credit on employee share options	-	-	-	-	-	927	927
Equity dividends paid	-	-	-	-	-	(6,666)	(6,666)
At 28 March 2011	**4,686**	**12,842**	**(236)**	**363**	**2,383**	**44,822**	**64,860**

Group Balance Sheet
As at 28 March 2011

	28.03.11	29.03.10 (restated)	30.03.09 (restated)
	£000	£000	£000
Non current assets			
Goodwill and intangible assets	**8,708**	9,085	9,477
Property, plant and equipment	**54,270**	50,512	47,978
En primeur purchases	**7,784**	2,627	1,544
Prepaid operating lease costs	**1,958**	1,578	1,583
Deferred tax assets	**1,850**	942	472
	74,570	64,744	61,054
Current assets			
Inventories	**46,562**	38,511	37,752
Trade and other receivables	**7,115**	6,894	7,851
En primeur purchases	**3,620**	2,073	2,136
Financial instruments at fair value	**512**	233	834
Cash and cash equivalents	**5,817**	4,774	2,572
	63,626	52,485	51,145
Total assets	**138,196**	117,229	112,199
Current liabilities			
Trade and other payables	**(47,346)**	(44,202)	(45,166)
En primeur deferred income	**(4,461)**	(2,538)	(2,637)
Term loan	**(676)**	(672)	(669)
Bank overdraft	**(190)**	(2,453)	(3,950)
Provisions	**(434)**	(296)	(121)
Deferred lease inducements	**(149)**	(106)	(109)
Financial instruments at fair value	**(1)**	(5)	-
Current tax liabilities	**(3,341)**	(2,461)	(1,515)
	(56,598)	(52,733)	(54,167)
Non current liabilities			
Term Loan	**(4,900)**	(5,575)	(6,245)
En primeur deferred income	**(9,384)**	(3,038)	(1,921)
Provisions	**(220)**	(87)	-
Deferred lease inducements	**(1,008)**	(747)	(769)
Deferred tax liabilities	**(1,226)**	(1,401)	(1,481)
Total liabilities	**(73,336)**	(63,581)	(64,583)
Net assets	**64,860**	53,648	47,616
Shareholders' equity			
Called up share capital	**4,686**	4,611	4,609
Share premium account	**12,842**	10,547	10,518
Capital reserve – own shares	**(236)**	(7)	(103)
Capital redemption reserve	**363**	363	363
Currency translation reserve	**2,383**	2,479	2,623
Retained earnings	**44,822**	35,655	29,606
Equity shareholders' funds	**64,860**	53,648	47,616

Group Cash Flow Statement
For the year ended 28 March 2011

	Notes	**52 weeks 28.03.11 £000**	52 weeks 29.03.10 £000
Cash flows from operating activities			
Cash generated by operations	8a	**22,548**	21,208
UK income tax paid		**(5,213)**	(4,309)
Overseas income tax (paid)/received		**(101)**	164
Net cash generated by operating activities		**17,234**	17,063
Cash flows from investing activities			
Interest received		**24**	7
UK income tax paid		**(3)**	(8)
Purchase of non current assets		**(8,157)**	(6,173)
Receipts from sales of non current assets		**33**	23
Net cash utilised by investing activities		**(8,103)**	(6,151)
Cash inflow before financing		**9,131**	10,912
Cash flows from financing activities			
Interest paid		**(342)**	(486)
Issue of Ordinary Share capital		**1,903**	31
Term loan repayment		**(700)**	(700)
Equity dividends paid		**(6,666)**	(6,023)
Net cash used by financing activities		**(5,805)**	(7,178)
Net increase in cash and cash equivalents		**3,326**	3,734
Cash and cash equivalents at beginning of year		**2,321**	(1,378)
Effect of foreign exchange differences		**(20)**	(35)
Cash and cash equivalents at end of year	8b	**5,627**	2,321

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 28 March 2011 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 29 March 2010 except that during the year the Group has adopted the following new and revised IFRS.

Amendment to IFRS 2 – Group Cash-settled Share-based Payment Arrangements
This standard has been amended to clarify the accounting for group cash-settled share-based payment transactions. This amendment also supersedes IFRIC 8 and IFRIC 11. Adoption of this amended standard has not had any impact on the financial position or performance of the Group.

IFRS 3 Business Combinations (Revised)
This revised standard introduces significant changes in the accounting for business combinations and applies retrospectively for those business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after 1 July 2009.

There have been no business combinations to which the revised standard would apply and hence adoption has not had any impact on the financial position or performance of the Group.

The revised standard will change the reporting of any future business combination, including the accounting for transaction costs, valuation of non-controlling interests, the initial and subsequent measurement of contingent consideration and business combinations achieved in stages. These changes affect the level of goodwill recognised, the results reported in the period of acquisition and future reported results.

IAS 27 Consolidated and Separate Financial statements (Amendment)
The amendments to the standard require that a change in ownership interest of a subsidiary, that does not result in a loss of control, is accounted for as a transaction with owners in their capacity as owners. Such transactions will no longer therefore give rise to goodwill, or give rise to a gain or loss. This amendment has the same effective date as IFRS 3 Business Combinations (Revised) and adoption of this standard has not resulted in any change to the financial position or performance of the Group.

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 28 March 2011 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 28 March 2011 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 28 March 2011 were authorised for issue by the Board of Directors on 13 June 2011 and the balance sheet was signed on behalf of the Board by Phil Wrigley.

The statutory accounts have been delivered to the Registrar of Companies in respect of the year ended 29 March 2010 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.

In the information provided to the chief operating decision maker, the underlying performance of the Lay & Wheeler operating segment is evaluated and measured based on revenue and profit being recognised on orders, cash receipts and payments from en primeur campaigns. Management reviews the business on this alternative basis as resources 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 which may be up to two years later. As a result a reconciling item is presented between the total operating segments revenue and results and the IFRS statutory measure. Comparative information has been restated to reflect this change in the basis of measurement. This restatement has had no impact on reported revenue and profit in the current or comparative periods.

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 operating segments for the years ended 28 March 2011 and 29 March 2010. All activities are continuing.

Segment analysis 2011

	Majestic Wine Warehouses £000	Lay & Wheeler £000	Wine and Beer World £000	Unallocated £000	Eliminated £000	Group £000
Third party revenue	234,217	22,422	8,931	-	-	265,570
Inter-segment revenue	-	1,067	-	-	(1,067)	-
Segment revenue	234,217	23,489	8,931	-	(1,067)	265,570
En primeur sales deferred to future periods	-	(8,269)	-	-	-	(8,269)
Reported third party revenue	234,217	15,220	8,931	-	(1,067)	257,301
Segment result	18,923	2,266	1,042	-	-	22,231
En primeur profit deferred to future periods	-	(1,565)	-	-	-	(1,565)
Reported operating result	18,923	701	1,042	-	-	20,666
Finance revenue	-	-	-	24	-	24
Finance costs	-	-	-	(419)	-	(419)
Profit/(loss) before tax	18,923	701	1,042	(395)	-	20,271
Income tax expense	-	-	-	(6,041)	-	(6,041)
Profit/(loss) for the year	18,923	701	1,042	(6,436)	-	14,230
Segment assets	108,198	24,133	6,290	1,850	(2,275)	138,196
Segment liabilities	(74,186)	(18,141)	(1,903)	(4,567)	25,461	(73,336)
Other segment items:						
Purchase of non current assets	8,131	23	3	-	-	8,157
Depreciation, amortisation and impairment	3,738	434	99	-	-	4,271
Share based payments	914	-	-	-	-	914

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	13,432	7,266	-	-	234,238
Inter-segment revenue	-	906	-	-	(906)	-
Segment revenue	213,540	14,338	7,266	-	(906)	234,238
En primeur sales deferred to future periods	-	(1,018)	-	-	-	(1,018)
Reported third party revenue	213,540	13,320	7,266	-	(906)	233,220
Segment result	16,027	21	416	-	-	16,464
En primeur profit deferred to future periods	-	2	-	-	-	2
Reported operating 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

The segment assets and liabilities that are not allocated represent deferred and current tax balances. The segment assets and liabilities that are eliminated represent parent and subsidiary intercompany receivables and payables.

4. Taxation

a) Taxation charge

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Current income tax expense:		
UK income tax	**6,112**	5,140
Overseas income tax on subsidiary undertaking	**359**	140
Adjustment in respect of previous year	**(13)**	(180)
Total current income tax expense	**6,458**	5,100
UK deferred tax expense:		
Origination and reversal of temporary differences	**(385)**	(387)
Adjustment in respect of prior years	**-**	18
Change in tax rate on prior year balances	**(32)**	-
Total deferred tax expense	**(417)**	(369)
Total income tax expense charged in the income statement	**6,041**	4,731

b) Taxation reconciliation

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Profit before tax	**20,271**	16,011
Taxation at the standard UK corporation tax rate of 28%	**5,676**	4,483
Adjustments in respect of prior years	**(13)**	(162)
Overseas income tax at higher rates	**59**	25
Non-deductible expenses	**345**	397
Income not taxable	**(6)**	(12)
Change in tax rate on current year deferred tax	**12**	-
Change in tax rate on prior year balances	**(32)**	-
Total income tax expense charged in the income statement	**6,041**	4,731
Effective tax rate	**29.8%**	29.5%

c) Tax on items credited to equity

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Current tax credit on share based payments	**(261)**	(1)
Deferred tax credit on share based payments	**(681)**	(181)
Change in tax rate on prior year balances	**15**	-
Total tax on items credited to equity	**(927)**	(182)

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 30 March 2009	(341)	(275)	33	(583)	(426)	(1,009)
Credited to the income statement	120	173	76	369	-	369
Charged to equity	-	29	152	181	-	181
At 29 March 2010	(221)	(73)	261	(33)	(426)	(459)
Credited to the income statement	145	103	138	386	31	417
Credited to equity	-	92	574	666	-	666
At 28 March 2011	**(76)**	**122**	**973**	**1,019**	**(395)**	**624**

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

Disclosed in the Group Balance Sheet:

	2011 £000	2010 £000
Deferred tax assets	**1,850**	942
Deferred tax liabilities	**(1,226)**	(1,401)
	624	(459)

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 34.3% (2010: 33.7%).

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as following the enactment of the Finance Act 2009 the Group considers that it would have no liability to additional taxation should such amounts be remitted.

The Chancellor announced in the Emergency Budget on 22 June 2010 that the standard rate of UK corporation tax would be reduced from 28% to 27% from 1 April 2011 and that there will be progressive annual reductions of a further 1% each year until a rate of 24% is reached with effect from 1 April 2014. The Finance Act (No2) 2010 received Royal Assent on 27 July 2010, with the first of the rate reductions being substantively enacted from 21 July 2010 under IFRS. As the legislation was substantively enacted by the balance sheet date, the deferred tax balances have been reduced. The Chancellor also announced in the Budget on 23 March 2011 that the standard rate of UK Corporation tax will be reduced by a further 1% to 26% from 1 April 2011. This reduction was substantively enacted on 29 March 2011. The future reductions are now planned to take the rate down by 1% per annum to 23% from 1 April 2014 and will be reflected in future accounts following substantive enactment.

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 79,529 (2010: 1,732) 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 448,782 (2010: 2,606,754) 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.

	2011	2010
Weighted average number of shares	**61,839,910**	61,433,638
Dilutive potential Ordinary Shares:		
Employee share options	**1,188,754**	268,551
Total number of shares for calculating diluted earnings per share	**63,028,664**	61,702,189

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Profit for the financial year attributable to equity shareholders of the parent	**14,230**	11,280

	2011	2010
Basic earnings	**23.0p**	18.4p
Dilutive earnings	**22.6p**	18.3p

6. Dividend

A final dividend of 9.7 pence net on each Ordinary Share will be payable on 12 August 2011 to shareholders on the register on 15 July 2011.

7. En Primeur

En primeur refers to the process of purchasing wines early before they are bottled and released onto the market. This method of purchasing gives the consumer the opportunity to secure wines that may be in limited quantity and very difficult to acquire after release. Receipts and payments for these wines may be up to two years before the wines are delivered to customers. Payments to suppliers are treated as receivables and receipts from customers as deferred income until the wines are delivered.

In prior periods, balances related to en primeur purchases and deferred income, have been reported in current assets and liabilities as part of trade receivables and payables. In order to provide users of the financial statements with more detailed and comparable information, management have reclassified en primeur balances to separate lines on the face of the balance sheet. In performing this exercise management have also reviewed the ageing profile of the balances and have re-stated the comparative balance sheets accordingly.

a) Analysis of en primeur balances

	28.03.11	29.03.10	30.03.09
	£000	£000	£000
En primeur purchases included in non current assets	**7,784**	2,627	1,544
En primeur purchases included in current assets	**3,620**	2,073	2,136
Total en primeur purchases – reclassified from trade receivables	**11,404**	4,700	3,680
En primeur deferred income included in current liabilities	**(4,461)**	(2,538)	(2,637)
En primeur deferred income included in non current liabilities	**(9,384)**	(3,038)	(1,921)
Total en primeur deferred income – reclassified from trade payables	**(13,845)**	(5,576)	(4,558)
Net en primeur balance	**(2,441)**	(876)	(878)

b) Movement in en primeur balances

	52 weeks	52 weeks
	28.03.11	29.03.10
	£000	£000
Net en primeur balance at beginning of period	**(876)**	(878)
Movement in en primeur balance	**(1,565)**	2
Net en primeur balance at end of period	**(2,441)**	(876)

8. Notes to the Group cash flow statement

a) Reconciliation of profit to cash generated by operations

	52 weeks to 28.03.11 £000	52 weeks to 29.03.10 £000
Cash flows from operating activities		
Profit for the year	**14,230**	11,280
Adjustments to reconcile profit for the year to cash generated by operations:		
Income tax expense	**6,041**	4,731
Net finance cost	**395**	455
Amortisation, impairment and depreciation	**4,271**	3,934
Loss on disposal on non current assets	**16**	23
Increase in inventories	**(8,051)**	(759)
(Increase)/decrease in trade and other receivables	**(221)**	957
Increase/(decrease) in trade and other payables	**3,096**	(960)
Movement in en primeur balances	**1,565**	(2)
Increase/(decrease) in deferred lease inducements	**304**	(25)
Change in the fair value of derivative instruments	**(283)**	606
Increase in provisions	**271**	262
Share based payments	**914**	706
Cash generated by operations	**22,548**	21,208

b) Cash and cash equivalents

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

	28.03.11 £000	29.03.10 £000
Cash and cash equivalents per Group balance sheet	**5,817**	4,774
Bank overdraft per Group balance sheet	**(190)**	(2,453)
Cash and cash equivalents per cash flow statement	**5,627**	2,321

c) Analysis of net debt

	28.03.11 £000	29.03.10 £000
Total cash and cash equivalents	**5,627**	2,321
Term loan included in current liabilities	**(676)**	(672)
Term loan included in non current liabilities	**(4,900)**	(5,575)
Total net debt	**51**	(3,926)

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

	28.03.11 £000	29.03.10 £000
Net increase in cash and cash equivalents	**3,326**	3,734
Term loan repayment	**700**	700
Amortisation of arrangement fees	**(29)**	(33)
Effect of foreign exchange differences	**(20)**	(35)
Movement in net debt	**3,977**	4,366
Net debt at beginning of year	**(3,926)**	(8,292)
Net debt at end of year	**51**	(3,926)