Overview

- Total Group sales £233.2m (2009: £201.8m)
- Like for like UK sales up 8.4%
- Profit before tax up 117% to £16.0m
- Underlying profit before tax up 26%
- Underlying diluted earnings per share of 18.3p (2009: 14.0p)
- 7.5p final dividend giving a total of 10.3p per share, up 5.1%
- Like for like sales for 10 weeks from 30 March to 7 June up 7.3%
Key Sales Drivers

- Move to six bottle minimum purchase
- Demise of First Quench Retailing
- Good growth in new customer acquisition
- More existing customers remaining active
- Sales of Champagne in growth in H2, just down for full year
- Business sales in growth since Christmas
- Excellent growth of online sales
- Continued growth of fine wine sales
Move to Six Bottle Minimum

- Strong growth in customer database, up 13% to 472,000 active customers (2009: 418,000)

- Since the move to six bottle minimum (Sept 2009) transactions have increased by 18% whilst average spend has decreased only 7%

- Since September 2009 lfl store new customer acquisition has increased by 18%

- Average purchase frequency now 3.01 times a year (2009: 2.84)

- Average bottle price of customers buying six bottles is £8.79. Of those buying 12 bottles it is £7.60
Move to Six Bottle Minimum

12 bottles is great if you’re stocking up.
6 bottles is great if you’re popping in.

Minimum purchase now just 6 bottles.
Free delivery on 12 bottle purchases and online orders.

When it comes to quality and value, this is the only thing we do by halves.

Minimum purchase now just 6 bottles.
Free delivery on 12 bottle purchases and online orders.
**UK Wine Market**  
Year to end March 2010

### Wine Market

<table>
<thead>
<tr>
<th>Metric</th>
<th>Growth 2010</th>
<th>Growth 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Still wine value growth</td>
<td>+7.2%</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Volume growth</td>
<td>+5.0%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Average bottle price</td>
<td>£4.43</td>
<td>£4.33</td>
</tr>
</tbody>
</table>

*Source: A C Nielsen*

### Majestic

<table>
<thead>
<tr>
<th>Metric</th>
<th>Growth 2010</th>
<th>Growth 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value growth</td>
<td>+11.8%</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Volume growth</td>
<td>+7.6%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Still wine bottle price</td>
<td>£6.56</td>
<td>£6.35</td>
</tr>
<tr>
<td>Average spend per transaction</td>
<td>£129</td>
<td>£133</td>
</tr>
<tr>
<td>Still wine market share</td>
<td>3.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Share of total wine market</td>
<td>3.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>
Sales Trends
Year to end March 2010

> Increased share of still wine sales from New Zealand, South Africa, Chile and Argentina

> Sparkling wine sales rise 22%, Champagne sales just down 3%

<table>
<thead>
<tr>
<th>Product Mix</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Still Wine</td>
<td>68.5%</td>
</tr>
<tr>
<td>Champagne</td>
<td>14.9%</td>
</tr>
<tr>
<td>Sparkling</td>
<td>5.5%</td>
</tr>
<tr>
<td>Beer</td>
<td>6.3%</td>
</tr>
<tr>
<td>Spirits</td>
<td>1.7%</td>
</tr>
<tr>
<td>Other</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Still Wine % Split</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>35.2%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>18.1%</td>
</tr>
<tr>
<td>Chile</td>
<td>9.8%</td>
</tr>
<tr>
<td>Spain</td>
<td>9.6%</td>
</tr>
<tr>
<td>Australia</td>
<td>8.8%</td>
</tr>
<tr>
<td>Italy</td>
<td>7.9%</td>
</tr>
<tr>
<td>South Africa</td>
<td>5.1%</td>
</tr>
<tr>
<td>Argentina</td>
<td>3.6%</td>
</tr>
</tbody>
</table>
## Sales

### 52 weeks ending

<table>
<thead>
<tr>
<th></th>
<th>29.03.10 £000’s</th>
<th>30.03.09 £000’s</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK retail store sales</td>
<td>193,993</td>
<td>175,449</td>
<td>10.6</td>
</tr>
<tr>
<td>Sales to large corporates*</td>
<td>19,547</td>
<td>16,148</td>
<td>21.0</td>
</tr>
<tr>
<td>Total Majestic UK sales</td>
<td>213,540</td>
<td>191,597</td>
<td>11.5</td>
</tr>
<tr>
<td>Lay &amp; Wheeler</td>
<td>12,414</td>
<td>785</td>
<td>1,481.4</td>
</tr>
<tr>
<td>Wine &amp; Beer World</td>
<td>7,266</td>
<td>9,412</td>
<td>(22.8)**</td>
</tr>
</tbody>
</table>

### Total Sales

|                          | 233,220          | 201,794         | 15.6     |

### UK retail sales growth

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net new store space</td>
<td>2,056</td>
<td></td>
<td>1.2</td>
</tr>
<tr>
<td>Like for like sales growth of 8.4%</td>
<td>16,488</td>
<td></td>
<td>9.4</td>
</tr>
</tbody>
</table>

### Additional notes

* Sales through King's Cross and head office.
** On a like currency and like stores basis sales decline 28.0%.
### Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>52 weeks ending</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.03.10 £000’s</td>
<td>30.03.09 £000’s</td>
<td>Change %</td>
<td></td>
</tr>
<tr>
<td>Total sales</td>
<td>233,220</td>
<td>201,794</td>
<td></td>
<td>15.6</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(183,528)</td>
<td>(160,148)</td>
<td></td>
<td>14.6</td>
</tr>
<tr>
<td>Gross margin</td>
<td>49,692</td>
<td>41,646</td>
<td></td>
<td>19.3</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>21.3</td>
<td>20.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Improved labour cost absorption: 0.4
- Increase in product margin: 0.2
- Currency contract mark to market: 0.2
- Increase in large corporate sales: (0.1)

**Gross margin % 2010**: 21.3
# Operating Costs

<table>
<thead>
<tr>
<th></th>
<th>29.03.10 £000's</th>
<th>30.03.09 £000's</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store occupancy costs</td>
<td>12,323</td>
<td>11,359</td>
<td>8.5</td>
</tr>
<tr>
<td>Fleet costs</td>
<td>2,779</td>
<td>2,846</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Store depreciation</td>
<td>2,275</td>
<td>1,873</td>
<td>21.5</td>
</tr>
<tr>
<td>Depot wages</td>
<td>1,006</td>
<td>1,129</td>
<td>(10.9)</td>
</tr>
<tr>
<td>Other distribution costs</td>
<td>1,782</td>
<td>1,191</td>
<td>49.6</td>
</tr>
<tr>
<td><strong>Total distribution costs</strong></td>
<td><strong>20,165</strong></td>
<td><strong>18,398</strong></td>
<td><strong>9.6</strong></td>
</tr>
<tr>
<td>Marketing costs</td>
<td>3,020</td>
<td>2,526</td>
<td>19.6</td>
</tr>
<tr>
<td>Staff costs</td>
<td>6,368</td>
<td>4,489</td>
<td>41.9</td>
</tr>
<tr>
<td>Impairment charge</td>
<td>-</td>
<td>5,331</td>
<td>-</td>
</tr>
<tr>
<td>Other administrative costs</td>
<td>4,450</td>
<td>3,991</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Total administrative costs</strong></td>
<td><strong>13,838</strong></td>
<td><strong>16,337</strong></td>
<td><strong>(15.3)</strong></td>
</tr>
</tbody>
</table>
## Profit, EPS & Dividend

<table>
<thead>
<tr>
<th></th>
<th>29.03.10 £000’s</th>
<th>30.03.09 £000’s</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the financial year</strong></td>
<td>16,011</td>
<td>7,379</td>
<td>117.0</td>
</tr>
<tr>
<td>Add back: impairment charge</td>
<td>-</td>
<td>5,331</td>
<td></td>
</tr>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td>16,011</td>
<td>12,710</td>
<td>26.0</td>
</tr>
<tr>
<td><strong>Underlying tax charge</strong></td>
<td>(4,731)</td>
<td>(4,117)</td>
<td></td>
</tr>
<tr>
<td><strong>Underlying profit after tax</strong></td>
<td><strong>11,280</strong></td>
<td><strong>8,593</strong></td>
<td><strong>31.3</strong></td>
</tr>
</tbody>
</table>

**Underlying tax rate %**
- 29.5
- 32.4

**Diluted underlying EPS**
- 18.3p
- 14.0p

**Dividend per share**
- 10.3p
- 9.8p

**Dividend cover (times)**
- 1.8
- 1.4
### Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>29.03.10 £000’s</th>
<th>30.03.09 £000’s</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>16,011</td>
<td>7,542</td>
<td>8,469</td>
</tr>
<tr>
<td>Depreciation / amortisation</td>
<td>3,934</td>
<td>8,391</td>
<td>(4,457)</td>
</tr>
<tr>
<td>Working capital movement</td>
<td>(764)</td>
<td>(1,204)</td>
<td>440</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(4,137)</td>
<td>(4,332)</td>
<td>195</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>(6,150)</td>
<td>(7,074)</td>
<td>924</td>
</tr>
<tr>
<td>Acquisition</td>
<td>-</td>
<td>(5,538)</td>
<td>5,538</td>
</tr>
<tr>
<td>Term loan</td>
<td>(700)</td>
<td>6,912</td>
<td>(7,612)</td>
</tr>
<tr>
<td>Net returned to shareholders</td>
<td>(5,992)</td>
<td>(6,668)</td>
<td>676</td>
</tr>
<tr>
<td>Other</td>
<td>1,532</td>
<td>531</td>
<td>1,001</td>
</tr>
<tr>
<td><strong>Total cash flow</strong></td>
<td><strong>3,734</strong></td>
<td><strong>(1,440)</strong></td>
<td><strong>5,174</strong></td>
</tr>
</tbody>
</table>
Ecommerce

> Sales from orders placed on-line up 19.7% to £19.4m representing 10% of UK retail sales (2009: 9.1%)

> Transactions increase of 21% (2009: 12%); average spend of £139 (2009: £140)

> 21% increase in sales derived from PPC search engine advertising to £5.4m

> 217,000 customer email addresses

> Programme of web exclusive offers

> Re-design of the blog and significant improvement in content

> Introductions of Manager’s Choice videos and other video features

> Customers have contributed over 1,000 wine reviews in 2009/10
Available for the first time in the UK, exclusively from majestic.co.uk

£108 per case of 6 bottles
Equivalent to just £18 per bottle

ORDER ONLINE
Fine Wine

> Sales growth of 22.7% in 2009/10

> Total sales of £9.9m representing 5.1% of UK store sales

> Average bottle price of £23.50

> Fine wine now installed in 50% of Majestic stores

> Progressive rollout to all stores
Fine Wine
> Sales to businesses now represent 22% of total UK sales

> Team of 25 Business Development Managers selling business to business

> They manage sales of £17.8m, up 6.7% on last year

> Kings Cross team focus on large corporates in central London as well as restaurants and contract caterers

> Regional sales team target restaurants, bars and gastropubs with a minimum spend of £12k pa

> “Confidence in Wine” - a course provided free of charge to help train our on-trade customers’ own staff

> “Perfect Pairings” - teaches restaurant staff how to recommend food and wine matches
Customer Engagement

> Series of initiatives aimed at bringing to life Majestic’s point of difference - the quality of its staff

> “Grape to Glass” - a quality seasonal guide to the world of wine written by our own staff

> “The Wine Course” - a free two hour wine and food tasting course held in-store by our Managers

> “The Majestic Tasting” - evening events held in store to introduce loyal customers to our Summer and Winter new wine arrivals
Customer Engagement

To love Majestic:
Staff, an extensive range of wines, free delivery, tastings and free wine courses.

Tasting Majestic

Some say that there is something slightly
sinister about dissections in art college. The
sharp knives, the long, lost hours of... but
the truth is that wine tasting is great fun
and everyone can do it. The key is to set
your mind at rest. Promote you follow the basic steps you
can't go wrong - after all the answer is sitting
in the glass.

Look
No great rocket science here. All wine should be clear and bright.
Note the colour - white wines get richer and more golden with age
whereas reds mature from purple in their youth to ruby red ...
and then develop 'brick red' tones as they age further

Swirl and sniff
Plunge your nose in and take a good sniff. What does it remind you of?
A particular fruit? Wet stones? Cinnamon or other spices? Each wine has
its own special bouquet. A musty 'wet cardboard' smell is characteristic of
a corked wine. Add a few terms to your 'dictionary of smells': each time you
taste and soon you will be able to swirl and sniff with the best of them.

Taste
Think about the length - how long does the taste linger in your mouth?
Firstly, the tang. How long do the tannins linger in your mouth?
Good wine is an exploration of taste.

At Majestic we love tasting wine
and here's how we do it...

Six reasons
Knowledgeable service, free delivery, tastings, free wine courses.

21
Lay & Wheeler

> Profit of £248k before amortisation of £225k

> Lay & Wheeler is a specialist in en primeur, cellarage and broking

> Cost base now slimmed down to an appropriate level

> Cellarage pricing reduced to be competitive

> Trialling sales of customers reserves through Majestic stores

> Highly promising 2009 Bordeaux en primeur campaign underway
Lay & Wheeler

BORDEAUX 2009
Bordeaux 2009 joins the ranks of the best vintages of the last 30 years

Vintage Summary
Our “Essential Buys”
Our Wine Consultants’ Recommendations
Full 2009 Vintage Tasting Notes
Sales decline of 28%

Profit before tax of £416k (2009: £405k) after cost savings from re-structuring in 2009

New marketing message introduced in February
  > Guaranteed £2 a bottle saving on Majestic UK prices
  > Tiered pre-order discount structure

Increased frequency of promotional mailings at no incremental cost

Lfl sales from 2 February to 7 June 2010 up 19.2%

Oddbins closed January 2010, Sainsbury’s closing end June 2010
Majestic in France

**PAY £2 LESS**

Pre-order discount of up to £90

**JUST 24 MILES**

ACROSS THE CHANNEL

OVER 300 WINES £2 LESS PER BOTTLE

THAT’S 1 EXTREMELY WORTHWHILE TRIP
New Stores

6 new locations

Southend
Shrewsbury
Leith Walk, Edinburgh
Market Harborough
Abingdon
Sale

1 re-site
West End, Glasgow

Openings since the year end:
Redhill

To give 153 stores in the UK

Next openings
Windsor - July
Canterbury - August

Expected 12 openings in 2010/11
All new stores now have fine wine installed
New Store

Sale
Majestic People

> Continued investment in recruitment at graduate level

> Increased investment in internal training

> All retail staff take Wine and Spirit Education Trust (WSET) Advanced Certificate

> 149 staff either hold or are studying for the WSET Diploma

> Share options issued to staff down to store manager level

> Payment of 2009/10 profit related bonus to all employees
WSET Winners
2009/10 Awards

International Wine Challenge
High Street Chain of the Year

Decanter Magazine
High Street Chain of the Year
Readers Awards Best Large Wine Merchant

Off Licence News
High Street Chain of the Year
Innovation of the Year

Management Today
Most Admired Specialist Retailer

The Drinks Business
Retail Buying Team of the Year
2009/10 Awards