NEWS RELEASE

Acquisition, CEO appointment and Trading Update

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Majestic Wine PLC

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Majestic Wine Plc ("Majestic")

Acquisition, CEO appointment and trading update

Acquisition of Naked Wines International Limited ("Naked Wines")

Naked Wines founder appointed as CEO of enlarged Majestic

- Majestic to acquire Naked Wines, a customer funded international online wine business to create an international, multi-channel specialist wine retailing group

- The transaction creates a significant strategic opportunity for both businesses by sharing complementary strengths: Naked Wines' online and e-commerce skills and Majestic's national store network. The transaction also opens up

attractive international growth in the USA and Australia. Majestic and Naked Wines will continue to operate as independent brands

- Total consideration of up to £70 million, which includes approximately £50 million payable on completion in cash, plus up to £20 million contingent consideration payable in Majestic's ordinary shares. Cash consideration is being funded by new debt facilities

- The transaction is expected to be enhancing to fully diluted earnings per share in FY 2017

- Naked Wines has an excellent growth track record. For the year ended 31 December 2014 sales of £74 million, were up 40% year on year, with an EBITDA loss of £3.3 million. It currently has over 300,000 customers funding over 130 winemakers, underpinned by large and growing wine markets

- The Naked Wines senior team will remain with the business and will receive over 70% of their potential consideration in Majestic's ordinary shares, which will all be subject to performance criteria

- Rowan Gormley, founder and CEO of Naked Wines has been appointed as CEO of the enlarged Majestic

- Majestic expects to announce adjusted pre-tax profit of approximately £21 million for the year ended 31 March 2015

- The final dividend for FY 2015 and the interim dividend for FY 2016 will be withheld, with future dividends to be progressively re-instated by FY 2018

Phil Wrigley, Majestic's Chairman, commented:

"The acquisition of Naked Wines represents a transformational deal. The two businesses have significant strengths which are very complementary. Majestic's distribution skills, a nationwide UK store network and customer service orientated knowledgeable staff, are a perfect fit with Naked Wines' unique sourcing and selling model. This acquisition will significantly accelerate the planned development of Majestic's online capabilities whilst providing Naked Wines with a nationwide store network to allow a Click & Collect delivery option for its customers. In addition, this acquisition opens up attractive international markets, increasing our potential customer reach eightfold.

I am delighted that Rowan has agreed to be the new CEO for the enlarged Majestic. He has a fantastic track record as a successful businessman, innovator and entrepreneur in the wine industry and beyond. He has also assembled a deep pool of talent at Naked Wines with a similar culture to Majestic."

Rowan Gormley, Majestic's CEO, commented:

"The combination of Naked Wines and Majestic provides the very exciting opportunity to build a world class wine retailer, serving customers who are looking for inspiration that the supermarkets cannot provide. This is great news

for the customers, staff and suppliers of both businesses and will ultimately create significant shareholder value."

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Conference call and presentation

A conference call for analysts and investors will be held at 8:30 a.m. this morning. For dial in details please contact Buchanan.

A presentation on the acquisition will shortly be available to view on the Majestic website (**http://investors.majestic.co.uk/**)

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This document contains forward-looking statements that involve substantial risks and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements by a variety of factors. These forward-looking statements speak only as at the date of this document. In addition, all projections, valuations and statistical analyses provided in this document may be based on subjective assessments and assumptions and may use among alternative methodologies that produce different results and should not be relied upon as an accurate prediction of future performance.

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The transaction

Majestic (AIM: MJW), the UK's largest wine specialist, currently trading from 200+ stores across the UK with over 640,000 active customers, is pleased to announce the acquisition of Naked Wines, a customer funded, privately held (by WIV Wien International AG and by the senior management team of Naked Wines) international online wine business, for a total consideration of up to £70 million. Initial consideration includes £50 million to be paid at completion in cash (of which approximately £30 million is utilised to repay debt facilities) and a further amount of up to £20 million in Majestic's ordinary shares (based on Majestic's closing share price at 2 April 2015, the date at which terms of the share consideration were agreed) will be issued to management subject to the achievement of certain performance criteria over a maximum period of four years. The initial consideration represents a multiple of approximately 0.6x Naked Wines' sales for the 12 months to 31 March 2015. Completion of the acquisition is conditional only upon movement of funds, which is expected later today. A further announcement will be made once completion has occurred.

Naked Wines International

Founded in the UK by Rowan Gormley, CEO, in December 2008, Naked Wines operates a unique online crowd funded business model whereby its subscription customers (known as 'Angels') help fund independent winemakers worldwide in exchange for access to exclusive wines at preferential prices. Following its rapid growth in the UK, Naked Wines entered the US and Australian markets in June 2012, where it has also achieved considerable success and growth.

The success of this innovative approach, combined with a highly personalised wine experience for customers, has driven rapid growth of the business. Naked Wines has a fast growing and loyal subscriber base of over 300,000 'Angels' across its three markets and works with over 130 independent winemakers in 14 countries. In the year ended 31 December 2014, Naked Wines recorded sales of £74 million, up 40% over the prior year, EBITDA loss of £3.3 million (after customer acquisition costs of £4.9 million in the year) and gross assets of £24 million. In the UK, Naked Wines business was profitable with EBITDA of £2.1 million. On a pro-forma basis for the 12 months to 31 March 2015, Naked Wines sales were £80 million and EBITDA loss reduced to c.£2 million.

Whilst c.60% of sales are generated in the UK, both US and Australian markets are experiencing similar strong momentum and the business as a whole is expected to break even in the current year ending 31 March 2016 with strong

growth expected to continue thereafter.

Integration

Having created significant customer loyalty and market and consumer recognition in each business, Majestic and Naked Wines will continue to operate as independent brands with their own existing dedicated local management teams. An Operating Board, made up of key senior management from both businesses, will oversee the day to day delivery of the opportunities arising from sharing complementary strengths.

Financing and Dividends

The cash component of the acquisition consideration is being financed by way of a new five year revolving credit facility of £85 million, with opening net leverage of approximately 1.7x the enlarged business' pro-forma EBITDA. In order to reduce this leverage, ensure that the business has sufficient working capital resources and to invest in the business where attractive returns are proven, the Board has decided to withhold the final dividend for FY 2015 and the interim dividend for FY 2016. Future dividends will be progressively re-instated by FY 2018.

CEO Appointment

Rowan Gormley will join the board of Majestic and will take up the role of Group CEO with immediate effect. Rowan is the founder and CEO of Naked Wines, previously the founder of Virgin Wines, the Virgin ONE Account and Virgin Money. He currently holds directorship positions of Naked Wines International Limited, Naked Fine Wine Bonds Plc, Naked Wines Prepayments Trustee Company Limited, **www.nakedwines.com** Limited and Zopa Limited. Over the last five years he was also a director of Home Improvement Affiliates Limited and Wine Demon Limited. Rowan will replace Nigel Alldritt who has been acting interim CEO since 19 February 2015. Nigel will resume his role as CFO of the enlarged Majestic.

Current trading

Since Majestic's Christmas trading update on 7 January 2015, total store sales have grown 4.1%, up 1.5% on a LFL basis.

January and February were in line with expectations but March was weaker which, when combined with adverse foreign exchange movements in March, means Majestic now expects to announce adjusted pre-tax profit of approximately £21 million, subject to completing the annual audit, when it announces its full year results on 15 June 2015.

Naked Wines has outperformed management's expectations since the end of its financial year to 31 December 2014.

Further disclosures

Application for the admission of 4,920,863 new ordinary shares in Majestic will be submitted to the London Stock Exchange for trading on AIM. These new ordinary shares will rank pari passu with Majestic's existing ordinary shares. It is

anticipated that admission of the new ordinary shares will become effective on 16 April 2015. The new ordinary shares are being issued, to certain of Naked Wines' management as part of the contingent consideration but there are clawback provisions if performance criteria are not achieved. Application for admission of the remaining 1,488,851 ordinary shares forming the balance of the total 6,409,714 ordinary share total contingent consideration will be submitted at an appropriate later date subject to satisfaction of the performance criteria.

As reported above, Rowan Gormley, age 53, has been appointed to the Board and has taken up the role of Majestic's CEO with immediate effect. Rowan Gormley has entered into a service agreement with Majestic which includes a 12 month notice period, a gross salary of £171,221 p.a., entitlement to an annual bonus at the full discretion of the Majestic's remuneration committee and eligibility to participate in the Majestic's defined contribution pension scheme.

Save as disclosed above, there are no other matters which are required to be disclosed in accordance with Rule 17 and paragraph (g) of Schedule Two of the AIM Rules for Companies in relation to Rowan Gormley's appointment.

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