NEWS RELEASE

Christmas Trading Statement

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Majestic Wine PLC

09 January 2019

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

Christmas Trading Statement

Group Christmas sales growth of 6.8% and Group gross profit growth of 8.2% despite challenging UK retail market

Majestic Wine PLC today announces its scheduled Christmas trading update for the 10-week period ending 31 December 2018, reporting an increase in both Group sales and gross margin. Group sales growth accelerated to 6.8% (6.3% on an underlying[1] basis) compared to the same period last year (3.2% and 4.1% underlying), and the group trading gross margin[2] increased by 0.4%, led by strong performance in Naked Wines ("Naked") together with a solid performance from Majestic Retail ("Retail") despite the challenging market backdrop. The Group delivers c.30% of total annual sales during the Christmas trading period.

Divisional performance (at constant exchange rates):

Division	Sales

	% YoY
Retail	+1.5%
Naked Wines Total	+15.9%
UK	*+12.2%*
USA	*+21.0%*
Australia	*+14.8%*
Majestic Commercial	+3.5%
Lay & Wheeler	+5.3%
Total	**+6.3%**

Naked had a great Christmas delivering both sales growth and gross margin expansion across all markets in the period. Performance in the US, where we are accelerating investment to capture the attractive growth opportunity, was particularly strong with sales up 21%, and Naked UK returned to double digit sales growth.

Retail, in common with the rest of the UK sector, encountered difficult trading conditions amidst economic uncertainty and weak consumer confidence. While sales were up 1.5%, reflecting growth in our online and Concierge propositions, and we grew market share[3], gross margins were 1.2 percentage points lower year-on-year in a very price promotional market.

While the Christmas trading period was more challenging than expected for Retail, the Group expects to report Group adjusted PBT for the full year broadly in line with current market consensus[4]. Naked remains on track, and we will continue to seek additional investment opportunities which we will execute if proven.

Rowan Gormley, Group Chief Executive, commented:

"The team have worked really hard over the Christmas trading period and have delivered sales growth across all our business units.

As we said in November, consumer behaviour is changing and we're seeing a revolution in retail. We think there will be winners and losers, and we believe we have what it takes to be one of the winners. We are uniquely placed, with the people, data and skills in place to succeed despite the headwinds we are seeing.

While trading has been challenging over the Christmas period, the trends we reported in November are the same (namely strong growth in our overseas markets and our digital propositions but headwinds for our UK Retail stores). We look forward to setting out more of our future plans for the group, including the Retail business with our full year results in June."

Notes:

1) Underlying movement (a) includes en primeur revenues in year of order not year of fulfilment (b) is calculated using constant FX rates for translation of the comparative period

2) The difference between the price we sell and the cost we buy at
3) Overall the Retail business unit's value share of the Still and Sparkling Wine market was 0.1% higher at 5.8% for the period, based on Nielsen Scantrack data for the 10-week period ending 29 December 2018
4) As of the date of this announcement, Majestic compiled consensus for adjusted PBT is £11.7m, with a range of £11.0m to £12.8m

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For further information, please contact

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About Majestic Wine PLC:

Majestic Wine PLC is a quality wine specialist, with operations in the UK, France, USA and Australia.

Our goal is to try to beat the market by investing in customer relationships, rather than stores. We do that through:

- Investing in business models that compound, i.e. that get stronger with growth
- Investing with discipline, because we are able to test new opportunities before we roll them out
- Using data and technology to continuously improve - every quarter we double up on our best performing investments, and cut the worst

Our divisions:

1. Naked - Naked's customers in the UK, USA and Australia crowdfund independent winemakers in exchange for preferential prices on exclusive wines.
2. Retail - The UK's largest specialist wine retailer. We help people find wines they will love by employing highly engaged, well trained people equipped with state of the art tools and unique wines.
3. Commercial - A specialist on-trade supplier. We help our customers make more money from their wine list by offering national pricing and scale but local delivery and training.
4. Lay and Wheeler - A specialist fine wine merchant. We are a trusted guide for people who love fine wine, supplying the world's finest wines with a personal service.

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