Mulberry

Mulberry Group plc ("Mulberry" or "the Group")
Unaudited results for the six months ended 30 September 2016

Topline growth and cash generation; new products and international development

Mulberry Group plc, the English luxury brand, announces unaudited results for the six months ended 30 September 2016.

FINANCIAL HIGHLIGHTS

- Total revenue up 10% to £74.5 million (2015: £67.8 million)
- Strong balance sheet with cash of £11.3 million at the end of the period (2015: £4.1 million)
- Loss before tax £0.5 million (2015: Profit before tax £0.1 million) after increased product investment of c. £1.0 million and additional foreign exchange costs on overseas subsidiaries of c. £0.4 million

OPERATING HIGHLIGHTS

- Increased investment in customer experience, creative talent and product design with new Mulberry collection meeting expectations and broadening brand interest
- Digital sales up 32%, accounting for 14% of Group sales (2015: 12%)
- Inventory reduced to £43.7 million (2015: £47.7 million) through strategic initiative

CURRENT TRADING

- Total Retail sales for the 10 weeks to 3 December 2016 up 4% (like-for-like up 3%)
- International development strategy progressed with creation of majority-owned new business across China, Hong Kong and Taiwan
- Tourist spending has benefitted sales in London, although domestic demand has softened in recent weeks
- For the full year to 31 March 2017, the Group anticipates additional costs of c. £1.0 million due to foreign exchange movements and an additional c. £2.0 million for strategic investments into North Asia

THIERRY ANDRETTA, CHIEF EXECUTIVE OFFICER, COMMENTED:

"Mulberry's new collection under the creative direction of Johnny Coca has been well received by our existing customers and a new audience. We have strengthened our balance sheet with tight inventory management leading to strong cash generation, enabling us to invest in international development and new products. The new business announced today in North Asia will progress our strategy of developing our retail and omni-channel model in key luxury markets.

The UK and global outlook has become more uncertain since we last reported, however we are in a good position to continue to build our business."

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Copies of this Half Year Report are available from the Group's registered office and from its website www.mulberry.com.

Mulberry

BUSINESS REVIEW

Sales

The first collection under the creative direction of Johnny Coca was introduced across the network during the period with the full range available from August 2016. A total of nine new bags were launched during the period, including an evolution and re-interpretation of the bestselling Bayswater design. Small leather goods have seen good growth following extensive redevelopment. Product design and innovation will remain a key focus going forward.

Retail sales were up 10% to £55.4 million for the period (2015: £50.4 million) with like-for-like sales up 7%.

- UK Retail sales (including Digital) were up 12% (like-for-like up 7%) for the period to £45.0 million (2015: £40.2 million);
- International Retail sales (including Digital) were up 2% (like-for-like up 10%) for the period to £10.5 million (2015: £10.2 million);
- Global Digital sales were up 32% to £10.4 million for the period (2015: £7.9 million), accounting for 14% of Group sales (2015: 12%);
- During the period, the Covent Garden store was relocated to a larger, more prominent location, a House of Fraser digital concession was launched, the Sydney store in Australia was acquired from our franchise partner, Club 21 and upon the expiry of its lease, the Madison Avenue store in New York closed;
- In Continental Europe, the Group's Digital offer was extended with full omni-channel services in store; and
- There were 67 directly-operated stores at the end of the period (2015: 66 stores).

Wholesale revenue for the period increased 10% to £19.1 million (2015: £17.4 million).

- The Wholesale sales trend reflects a positive reaction to the new collections introduced; and
- The franchise store network at the period end had a total of 55 stores in Asia, Europe and the Middle East (2015: 57 stores).

Financial

Gross margin for the six months to 30 September 2016 was 59.1% (2015: 61.5%). As set out in the previous report during June 2016, there was a higher level of investment in product design and development to support the creative vision of Johnny Coca, which has led to an increased level of innovation. In the short to medium term, this has a negative impact on gross margins due to a higher level of training and change in our factories.

Operating expenses for the six months increased to £44.9 million (2015: £43.0 million) due to higher retail costs of £1.4 million and increased product development costs of £1.0 million.

During the period, sterling weakened significantly resulting in higher input costs to UK production and higher running costs of overseas subsidiaries. Conversely, the Group's London stores have benefitted from higher tourist spending.

The Group generated cash during the period with cash balances of £11.3 million as at 30 September 2016 (2015: £4.1 million) and no debt.

Loss before tax was £0.5 million (2015 profit before tax: £0.1 million).

Capital expenditure for the period was £1.9 million, including £1.2 million related to stores and £0.5 million to investment in the Digital platform and IT systems.

Inventories decreased to £43.7 million at 30 September 2016 from £47.7 million at 30 September 2015 reflecting an initiative to maintain lower inventory levels in the business.

NORTH ASIA NEW BUSINESS

The Group today announced the signing of an agreement with Challice Limited ("Challice") to form a new entity to operate its business in China, Hong Kong and Taiwan. Challice, which owns c. 56% of the Group's share capital, is under the same ultimate shareholder control as Mulberry's existing distributor in the region, Club 21.

- The Group will own 60% of the share capital of the new company, Mulberry (Asia) Limited ("Mulberry Asia")
- Mulberry Asia will develop the offer to customers in the region, benefitting regional and global sales
- Initial platform to consist of four stores, wholesale and omni-channel, including Chinese language mulberry.com site
- Mulberry Asia is expected to be loss-making during its first two years before moving into profit
- Losses of Mulberry Asia in the start-up period will be partly offset on consolidation as a result of the Group's manufacturing profit generated on the sale of goods to the new business
- Mulberry Asia will be consolidated in the Group's financial statements
- The Group expects to directly invest c. £3.0 million in additional regional marketing support over the next two years

Further details of the new entity arrangements can be found in the accompanying announcement on www.mulberry.com.

CURRENT TRADING AND OUTLOOK

Sales

Total Retail sales for the 10 weeks to 3 December 2016 were up 4% relative to the same period last year (like-for-like Retail sales up 3%). Sales continue to benefit from a significant increase in tourist spending in London although domestic demand has softened in recent weeks. Whilst sales growth is encouraging, the full year results are dependent on Christmas trade.

	Retail total sales		Retail like-for-like sales	
This year vs. last year (%)	26 weeks to 30-Sep 2016	10 weeks to 3-Dec 2016	26 weeks to 30-Sep 2016	10 weeks to 3-Dec 2016
UK Retail*	+12%	+6%	+7%	+3%
International Retail*	+2%	-3%	+10%	+1%
Group Retail total	+10%	+4%	+7%	+3%

* Regional splits include Digital sales
** Digital sales increased by 32% in the 26 weeks to 30 September 2016 and increased by 1% in the 10 weeks to 3 December 2016

The Group continues to focus on improving productivity in existing stores, particularly in Europe and North America, with limited new store openings and strategic refinement of the store network as opportunities arise. Since the end of September 2016, the store in Bicester Village has been relocated to larger premises.

Wholesale

In the second half of the current financial year, the Wholesale business is expected to grow, driven by interest in the new collections.

International

The expansion of the international business remains a core focus.

In Asia, the new business agreement with Challice announced today sets the foundations for the development of the key markets of China, Hong Kong and Taiwan, where the Group believes there is a growth opportunity for the Mulberry brand. Costs associated with establishing the new business are anticipated to total £2.0 million during the current financial year, representing the re-purchase of stock by Mulberry Asia from the existing distributor, Club 21 and set up expenses.

In Europe, the Group will continue to focus on productivity and refining its own store network, as well as improving the quality of the wholesale distribution.

In the USA, the Group continues to develop its omni-channel capability while refining the store network over time to focus on key strategic locations.

Omni-channel

Since the end of the period under review, the Group has further extended its omni-channel offer in international markets. During October 2016, the omni-channel offering was extended to the USA stores following the opening of a local distribution centre in that market during July 2016.

In Asia, the Group enhanced the customer experience through the introduction of localised mulberry.com sites. In China, the Group launched local language, local currency and local payment websites. In Korea, a local language and local currency site has been introduced. In addition, local currency functionality was introduced to mulberry.com sites in Australia and in Canada.

Omni-channel will remain a key area of investment for the Group going forward.

Currency

The recent devaluation of the British pound relative to global currencies has implications for the Group. First, the operating costs of the overseas subsidiaries will increase and this will have a negative impact on results. Second, the weaker British pound has increased the cost of purchasing materials for production, a high proportion of which are sourced in euro and US$. Third, the currency fluctuations have driven an increase in tourism into the UK which has boosted the Group's London store performance, but has impacted sales achieved in some European and US tourist destinations.

The Group has hedged currency positions through to mid-2017.

In total, the currency factors explained above are expected to give rise to c. £1.0 million in additional costs in the current financial year.

Capital expenditure

Capital expenditure for the full year to 31 March 2017 is expected to be in the region of £4.0 million (2016: £5.7 million), of which the majority will be on stores.

STRATEGY

The Board's long term objective is to grow Mulberry as a global luxury brand, offering unique and desirable product at the best value for price, and thereby create shareholder value. The Group considers that revenue growth is the key performance indicator with which this goal can be measured.

Product

Leather goods remain the core commercial focus of the Group. New products introduced by the Creative Director have created additional brand interest and additional bag families and sizes are planned for coming seasons. Some of Mulberry's bestsellers, such as the Bayswater family, have been revitalized to reflect a new and more modern aesthetic.

Over the longer term, the objective is to reinforce Mulberry as a lifestyle brand by strengthening complementary categories, in particular shoes and ready-to-wear. Style "stories" across categories are being introduced with co-ordinated merchandising and marketing initiatives. The style and price point of these categories have been aligned with bags, in order to make them attractive to the Group's core customers, as well as appealing to a new audience. The license agreements signed for the manufacture and co-distribution of shoes and ready-to-wear from Autumn Winter 2016 have enabled Mulberry to deliver quality product and achieve its target price range.

Marketing and Brand

The brand's British DNA is emphasised as a point of distinction which is conveyed through all communication and customer touch points, including the factories in Somerset, Mulberry stores globally and mulberry.com.

Mulberry continues to invest in building the brand globally via a dynamic marketing and communication strategy, aiming to engage with new and loyal customers whilst enhancing the understanding of the brand in new and emerging markets. The Group aims to connect with its existing and potential customers via a greater and more targeted use of digital, mobile and social media. Digital is expected to remain the majority of all media investment.

Retail, Digital and Omni-channel

The Group will continue to strengthen its position in the UK and expand internationally through its omni-channel strategy, with well situated stores complemented by a strong digital presence.

In the short to medium term, the Group plans to continue to strategically refine the store network while focusing upon improving the range of omni-channel services to match rapidly evolving customer buying behaviour.

Operations

The Group continues to invest in its operational capability to maintain a high quality, scalable platform.

The Group's two factories in Somerset manufacture approximately 50% of its bags, reinforcing the authenticity of the Mulberry brand and, at a practical level, contributing to the attainment of high product quality standards. Looking forward, the Group is committed to its "Made in England" strategy and intends to maintain its UK production of handbags at approximately 50%.

As part of the strategic goal of best-in-class service to our customers, the Group will continue to invest in IT and Digital infrastructure and orientate organisational structures around the customer.

CONSOLIDATED INCOME STATEMENT
SIX MONTHS ENDED 30 SEPTEMBER 2016

	Note	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
Revenue		74,505	67,768	155,867
Cost of sales		(30,506)	(26,083)	(59,300)
Gross profit		43,999	41,685	96,567
Other operating expenses		(44,877)	(42,077)	(90,346)
Exceptional operating expenses	5	-	(942)	(1,615)
Operating expenses		(44,877)	(43,019)	(91,961)
Other operating income		237	198	426
Exceptional operating income	4	-	1,078	1,078
Other operating income		237	1,276	1,504
Operating (loss)/profit		(641)	(58)	6,110
Share of results of associates		61	128	169
Finance income		66	2	4
Finance expense		(1)	(12)	(66)
(Loss)/profit before tax		(515)	60	6,217
Tax credit/(charge)	6	173	60	(3,532)
(Loss)/profit for the period		(342)	120	2,685
Attributable to:				
Equity holders of the parent		(342)	120	2,685
Basic (loss)/earnings per share	9	(0.6p)	0.2p	4.5p
Diluted (loss)/earnings per share	9	(0.6p)	0.2p	4.5p

All activities arise from continuing operations.

Reconciliation of adjusted (loss)/profit before tax:

	Note	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
(Loss)/profit before tax		(515)	60	6,217
Exceptional items:				
Impairment relating to retail assets		-	942	1,615
Profit on disposal of retail stores		-	(1,078)	(1,078)
Adjusted (loss)/profit before tax – non-GAAP measure		(515)	(76)	6,754
Adjusted basic (loss)/earnings per share	9	(0.6p)	0.0p	5.4p
Adjusted diluted (loss)/earnings per share	9	(0.6p)	0.0p	5.4p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 30 SEPTEMBER 2016

	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
(Loss)/profit for the period	(342)	120	2,685
Exchange differences on translation of foreign operations	1,656	(218)	1,330
Tax impact arising on above exchange differences	(331)	44	(276)
Total comprehensive income/(expense) for the period	983	(54)	3,739
Attributable to:			
Equity holders of the parent	983	(54)	3,739

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CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2016

	Unaudited 30 September 2016 £'000	Unaudited 30 September 2015 £'000	Audited 31 March 2016 £'000
Non-current assets			
Intangible assets	11,027	11,125	11,088
Property, plant and equipment	26,812	28,918	28,143
Interests in associates	266	155	206
Deferred tax asset	1,443	1,381	1,467
	39,548	41,579	40,904
Current assets			
Inventories	43,749	47,666	44,378
Trade and other receivables	13,620	12,864	10,767
Current tax asset	226	110	-
Cash and cash equivalents	11,332	4,057	14,014
	68,927	64,697	69,159
Total assets	108,475	106,276	110,063
Current liabilities			
Trade and other payables	(27,348)	(27,380)	(27,805)
Current tax liabilities	-	-	(2,342)
Total liabilities	(27,348)	(27,380)	(30,147)
Net assets	81,127	78,896	79,916
Equity			
Share capital	3,000	3,000	3,000
Share premium account	11,961	11,961	11,961
Own share reserve	(1,474)	(1,498)	(1,474)
Capital redemption reserve	154	154	154
Foreign exchange reserve	946	(1,607)	(379)
Retained earnings	66,540	66,886	66,654
Total equity	81,127	78,896	79,916

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 SEPTEMBER 2016

	Equity attributable to equity holders of the parent							
	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital reserve £'000	Special reserves £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000
As at 1 April 2015	3,000	11,961	(1,601)	154	1,467	(1,433)	65,141	78,689
Total comprehensive (expense)/income for the period	-	-	-	-	-	(174)	120	(54)
Charge for employee share-based payments	-	-	-	-	-	-	259	259
Exercise of share options	-	-	-	-	-	-	(101)	(101)
Own shares	-	-	103	-	-	-	-	103
Redemption of reserve	-	-	-	-	(1,467)	-	1,467	-
As at 30 September 2015	3,000	11,961	(1,498)	154	-	(1,607)	66,886	78,896
Total comprehensive income for the period	-	-	-	-	-	1,228	2,565	3,793
Charge for employee share-based payments	-	-	-	-	-	-	219	219
Exercise of share options	-	-	-	-	-	-	(48)	(48)
Own shares	-	-	24	-	-	-	-	24
Ordinary dividends paid	-	-	-	-	-	-	(2,968)	(2,968)
As at 31 March 2016	3,000	11,961	(1,474)	154	-	(379)	66,654	79,916
Total comprehensive income/(expense) for the period	-	-	-	-	-	1,325	(342)	983
Charge for employee share-based payments	-	-	-	-	-	-	346	346
Exercise of share options	-	-	-	-	-	-	(118)	(118)
As at 30 September 2016	3,000	11,961	(1,474)	154	-	946	66,540	81,127

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CONSOLIDATED CASH FLOW STATEMENT
SIX MONTHS ENDED 30 SEPTEMBER 2016

	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
Operating (loss)/profit for the period	(641)	(58)	6,110
Adjustments for:			
Depreciation and impairment of property, plant and equipment	3,477	4,104	8,442
Amortisation of intangible assets	937	904	1,949
Loss/(profit) on sale of property, plant and equipment	131	(1,082)	(1,316)
Effects of foreign exchange	(18)	8	(120)
Share-based payments charge	346	259	478
Operating cash flows before movements in working capital	4,232	4,135	15,543
Decrease/(increase) in inventories	1,245	(8,346)	(4,485)
(Increase)/decrease in receivables	(2,649)	398	2,574
Decrease in payables	(545)	(634)	(1,041)
Cash generated by/(used in) operations	2,283	(4,447)	12,591
Corporation taxes paid	(2,702)	(2,599)	(4,145)
Interest paid	(1)	(12)	(66)
Net cash (outflow)/inflow from operating activities	(420)	(7,058)	8,380
Investing activities:			
Interest received	3	2	4
Dividend received from associate	-	-	167
Purchases of property, plant and equipment	(1,881)	(2,036)	(5,050)
Proceeds from sales of property, plant and equipment	43	2,089	4,460
Acquisition of intangible fixed assets	(309)	(335)	(855)
Proceeds from sales of intangible assets	-	1,495	-
Net cash (used in)/generated from investing activities	(2,144)	1,215	(1,274)
Financing activities:			
Dividends paid	-	-	(2,968)
Settlement of share awards	(118)	-	(24)
Net cash used in financing activities	(118)	-	(2,992)
Net (decrease)/increase in cash and cash equivalents	(2,682)	(5,843)	4,114
Cash and cash equivalents at beginning of period	14,014	9,900	9,900
Cash and cash equivalents at end of period	11,332	4,057	14,014

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
SIX MONTHS ENDED 30 SEPTEMBER 2016

1. GENERAL INFORMATION

Mulberry Group plc is a company incorporated in the United Kingdom under the Companies Act 2006. The half year results and condensed consolidated financial statements for the six months ended 30 September 2016 (the interim financial statements) comprise the results for the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates.

The information for the year ended 31 March 2016 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The interim financial statements for the six months ended 30 September 2016, have not been reviewed or audited.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the interim financial statements are consistent with those as published in the Group's Annual Report and Financial Statements for the year ended 31 March 2016.

During the current period, the following new and revised Standards and Interpretations have been adopted but have not had an impact on the Group:

- Amendments to IAS 16: Property, Plant and Equipment and IAS 38: Intangible assets.

At the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 9: Financial Instruments;
- IFRS 15: Revenue from Contracts with Customers; and
- IFRS 16: Leases.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It replaces IAS 17 Leases and IFRIC 4 Determining whether an arrangement contains a lease. The most significant changes are in relation to lessee accounting. Under the new Standard, the concept of assessing a lease contract as either operating or financing is replaced by a single lessee accounting model. Under this new model, substantially all lease contracts will result in a lessee acquiring a right-to-use asset and obtaining financing. The lessee will be required to recognise a corresponding asset and liability. The asset will be depreciated over the term of the lease and the interest on the financing liability will be charged over the same period. The Standard is effective for annual periods beginning on or after 1 January 2019, however it is not currently endorsed by the European Union. Adopting this new Standard will result in a fundamental change to the Group's balance sheet, with right-to-use assets and accompanying financing liabilities for the Group's retail stores, warehouses and offices being recognised for the first time. The income statement will also be impacted, with rent expense relating to operating leases being replaced by a depreciation charge arising from the right-to-use assets and interest charges arising from lease financing. The full impact of these changes will be quantified closer to the date of adoption.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Except for IFRS 16, the Directors do not expect that the adoption of these Standards will have a material impact on the financial statements of the Group in future periods. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these Standards until a detailed review has been completed.

The Annual Report and Financial Statements are available from the Group's website (www.mulberry.com) or from the Company Secretary at the Company's registered office, The Rookery, Chilcompton, Bath, England, BA3 4EH.

3. GOING CONCERN

The Group has considerable financial resources together with a customer base split across different geographic areas and between directly operated stores, partner stores and wholesale accounts. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half year results.

4. EXCEPTIONAL OPERATING INCOME

There is no exceptional operating income in the six months ended 30 September 2016.

The exceptional operating income in the six months ended 30 September 2015 of £1,078,000 represented the profit on disposal of the interest in two store leases (207 Rue Saint Honoré, Paris and Grant Avenue, San Francisco).

5. EXCEPTIONAL OPERATING EXPENSES

There are no exceptional operating expenses in the six months ended 30 September 2016.

The exceptional operating expenses in the six months ended 30 September 2015 of £942,000 represented:

- An impairment charge of £548,000 relating to the retail assets of one international store. The store had not been trading in line with its expected potential; and
- An impairment charge of £394,000 for the contribution towards the opening of a flagship store for a franchise partner in prior years and where the store has now been closed.

6. TAXATION

The tax credit is calculated by applying the forecast full year effective tax rate to the interim loss and calculating the deferred tax balance for the period.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
SIX MONTHS ENDED 30 SEPTEMBER 2016

7. CONTINGENT LIABILITY

The Group is currently in discussion with the UK tax authorities regarding the residency of its US subsidiary for tax purposes. Following the acquisition of the retail store business during 2009, Mulberry Company (USA) Inc has been treated as dual resident and taxes paid in the UK when the company made profits and any losses used to offset the UK taxable profits. In arriving at the overall Group tax charge, the US tax losses have been group relieved reducing the tax payable in the UK by a total of £7,000,000 (£700,000 in the current period and £6,300,000 in prior years). The Directors are satisfied that the business is operated and controlled in the UK and therefore meets the relevant UK Central Management and Control test and can offset the losses. Should HMRC successfully challenge the Group's position, additional tax and interest may need to be paid.

8. DIVIDEND

	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
Dividend of 5p per ordinary share paid during the period	-	-	2,968

The final dividend for the year ended 31 March 2016 was paid to shareholders on 24 November 2016.
The final dividend for the year ended 31 March 2015 was paid on 26 November 2015.

9. EARNINGS PER SHARE ('EPS')

	Unaudited six months to 30 September 2016	Unaudited six months to 30 September 2015	Audited year ended 31 March 2016
Basic (loss)/earnings per share	(0.6p)	0.2p	4.5p
Diluted (loss)/earnings per share	(0.6p)	0.2p	4.5p
Adjusted basic (loss)/earnings per share	(0.6p)	0.0p	5.4p
Adjusted diluted (loss)/earnings per share	(0.6p)	0.0p	5.4p

Earnings per share is calculated based on the following data:

	Unaudited six months to 30 September 2016 £'000	Unaudited six months to 30 September 2015 £'000	Audited year ended 31 March 2016 £'000
(Loss)/profit for the period for basic and diluted earnings per share	(342)	120	2,685
Adjustments to exclude exceptional items:			
Impairment relating to retail assets	-	942	1,615
Profit on disposal of retail stores	-	(1,078)	(1,078)
Adjusted (loss)/profit for the period for basic and diluted earnings per share	(342)	(16)	3,222

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)
SIX MONTHS ENDED 30 SEPTEMBER 2016

9. EARNINGS PER SHARE ('EPS') (CONTINUED)

	Unaudited six months to 30 September 2016 Million	Unaudited six months to 30 September 2015 Million	Audited year ended 31 March 2016 Million
Weighted average number of ordinary shares for the purpose of basic EPS	59.4	59.3	59.3
Effect of dilutive potential ordinary shares: share options	0.5	0.5	0.5
Weighted average number of ordinary shares for the purpose of diluted EPS	59.9	59.8	59.8