

Mulberry

Mulberry Group plc Preliminary results for the year ended 31 March 2018

International pace increased, Product momentum, New business in South Korea announced today

Mulberry Group plc ("the Group" or "Mulberry"), the British luxury brand, announces results for the year ended 31 March 2018.

FINANCIAL HIGHLIGHTS

- Profit before tax from existing business* up 36% to £11.3 million (2017: £8.3 million) before start up costs of £2.0 million (2017: £0.8 million) and net operating expense of £2.4 million relating to new Asia subsidiaries
- Reported profit before tax of £6.9 million (£2017: £7.5 million)
- Gross margin increased 185 basis points to 63.5%
- Revenue up 1% to £169.7 million (2017: £168.1 million). Retail sales up 3%, with UK broadly flat and International up 20%. Digital up 14% rising to 17% of Group revenue (2017: 15%)
- Cash of £25.1 million at the end of the year (2017: £21.1 million)

OPERATING HIGHLIGHTS

- International pace increased with new entities established in China, Hong Kong, Taiwan and Japan
- Store network in Asia enhanced with five new stores and two relocations
- Extension of omni-channel services across the network and launch of partnership with Toplife in China
- New products continue to gain momentum with a new bestseller, Amberley, established during the year

CURRENT TRADING AND OUTLOOK

- New majority owned business arrangement to develop the Korean market agreed with SHK
- Retail like-for-like sales down 7% for the 10 weeks to 2 June reflecting International up 1% and UK down 9%, due to lower footfall and fewer tourists, as more widely reported

THIERRY ANDRETTA, CHIEF EXECUTIVE OFFICER, COMMENTED:

"We have made significant progress during the year on our international strategy, creating new Mulberry subsidiaries in China, Hong Kong, Taiwan and Japan. We are also pleased to announce today the formation of a new majority owned venture to develop the business in South Korea. Our international business is growing and following the completion of this set up phase in Asia, we will focus on omni-channel, digital partnerships and marketing investment in the region.

Following another period of cash generation, our balance sheet is strong. Although the UK market remains challenging, we will continue to invest in our strategy to develop Mulberry into a global luxury brand to deliver increased shareholder value."

*existing business is defined as the UK, Europe, North America and Wholesale and excludes new entities in Asia.

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1. BUSINESS REVIEW

The Group made progress during the year with profit from its business in the UK, Europe, North America and Wholesale increasing by 36% to £11.3 million (2017: £8.3 million), reflecting a focus on new products and network optimisation.

A significant investment in new businesses in China, Hong Kong, Taiwan and Japan was undertaken with start up costs of £2.0 million (2017: £0.8 million) and a net store operating expense of £2.4 million incurred during the year. Due to these acquisitions and as a result of growth in North America and Europe, International sales have increased.

Reported profit before tax, after the new business costs relating to Asia, is £6.9 million (2017: £7.5 million).

The Group remains cash generative, with cash balances increased by £4.0 million to £25.1 million as at 31 March 2018.

Sales

Group revenue grew by 1% to £169.7 million (2017: £168.1 million). During the year, the Group focused on full price sales, new products and rolling out Digital and omni-channel enhancements across the global network.

Group Retail sales increased 3% to £132.0 million (2017: £128.3 million). Within this, UK Retail sales were broadly flat at £106.3 million (2017: £106.8 million), with a focus on improving margins. International Retail sales increased 20% to £25.7 million (2017: £21.5 million) as new products gained momentum and some Wholesale accounts transitioned to own Retail.

	52 weeks to 31-Mar 2017 (£ million)	52 weeks to 31-Mar 2018 (£ million)	Total change (this year vs last year)	Like-for-like** change (this year vs last year)
UK Retail Sales*	106.8	106.3	0%	-1%
International Retail Sales*	21.5	25.7	+20%	+5%
Group Retail Sales	128.3	132.0	+3%	0%
Wholesale Sales	39.8	37.7	-5%	n/a
Group Total Sales	168.1	169.7	+1%	n/a

* Regional splits include Digital sales; Global Digital sales increased by 14% during the year to 31 March 2018

** LFL is defined as the year-on-year change in sales from stores which have been trading for 12 months after the store opening

Product

The Group continues to focus on creativity and innovation with new products gaining further momentum and replacing older lines. Several new women's bag silhouettes were launched including the Bayswater Tote and Seaton, whilst the new Heritage bag family was introduced as part of the men's range. In addition, animations of recently established silhouettes including Bayswater with Strap, Zipped Bayswater and Amberley were introduced.

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The Amberley family is available across a number of price points and categories and is proving to be an immediate bestseller. The distinctive Rider's lock has also been introduced across other categories including small leather goods, footwear and jewellery.

An Artisan Studio producing small runs of special editions for the UK and International markets was opened in Somerset and products introduced to selective locations.

Digital and Omni-channel

Omni-channel services continued to be enhanced including the addition of functionality to purchase store stock online, same day delivery (including on click and collect orders) and the launch of local language mulberry.com sites in China and South Korea and local currency sites in Sweden and Denmark.

The Group engaged in a number of digital partnerships in addition to enhancing its own mulberry.com platform. This included the launch of a partnership with Toplife, JD.com's luxury digital platform in China, to sell Mulberry products.

Global Digital sales increased by 14% to £29.0 million (2017: £25.5 million), accounting for 17% of Group revenue (2017: 15%).

Own Retail Store Network

There were 69 directly operated stores at the end of the year (2017: 67 stores). The international store network was enhanced and expanded with a focus on Asia:

- Hong Kong: The store in Hong Kong was relocated within Harbour City to Ocean Centre and became part of Group Retail sales from April 2017.
- China: A new store was opened in Shanghai Plaza 66 and the store in Beijing China World was relocated. The outlet store in Tianjin was acquired in March 2018 by Mulberry Asia and these stores became part of the Group's Retail sales from that date.
- Taiwan: The store in Breeze was acquired in October 2017 and became part of the Group's Retail sales from that date.

Selective Wholesale and Franchise

Wholesale revenue, comprising sales to partner stores and selective multi-brand wholesale accounts, reduced by 5% to £37.7 million (2017: £39.8 million) primarily due to the transition of China and Hong Kong to own Retail and preparation for a new business arrangement in South Korea.

New collections have been well received by the Group's partners and wholesale accounts.

The partner store network at the period end totalled 45 stores in Asia Pacific, Europe and the Middle East (2017: 50 stores).

Franchise partners closed seven non-strategic stores in Asia Pacific. Four stores in China, Hong Kong and Taiwan, which were open as at 31 March 2017, were transferred to the Group's Retail portfolio as part of the new majority-owned subsidiary, Mulberry (Asia) Limited.

In addition, five new stores were opened in Japan as part of the preparation phase for Mulberry Japan in collaboration with Onward Global Fashion. These stores have been acquired by Mulberry Japan following the

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end of the financial year ending 31 March 2018 and were transferred to the Group's Retail portfolio during May 2018.

Financial

The Group made progress during the year with profit from its business in the UK, Europe, North America and Wholesale increasing by 36% to £11.3 million (2017: £8.3 million), reflecting a focus on new products and network optimisation.

A significant investment in new businesses in China, Hong Kong, Taiwan and Japan was undertaken with start up costs of £2.0 million (2017: £0.8 million) and a net store operating expense of £2.4 million incurred during the year. Due to these acquisitions and as a result of growth in North America and Europe, International sales have increased.

The Group's reported profit before tax was £6.9 million (2017: £7.5 million) after accounting for the costs relating to Asia (£4.4 million), non-cash store impairments c. £0.4 million (2017: £1.1 million) and other store closure costs of £0.7 million.

Gross margin for the year to 31 March 2018 increased to 63.5% (2017: 61.6%). The improvement in margin reflects a focus on full price sales and lower markdowns, driven by momentum of new products.

Operating expenses (net) increased to £101.0 million (2017: £96.5 million) primarily due to higher Retail store costs of £1.8 million and increased marketing, advertising and promotion costs of £1.9 million.

The tax charge for the year was £2.0 million (2017: £2.5 million).

Capital expenditure during the period was £5.4 million (2017: £5.3 million), including £3.0 million related to stores (including Digital), £1.0 million in IT systems and £0.7 million in factories.

Inventories at 31 March 2018 were £44.6 million (31 March 2017: £42.8 million) and reflect the acquisition of new businesses in Asia and an increase in components and leather to facilitate more responsive supply chain operations.

The Group's cash balances increased by £4.0 million to £25.1 million as at 31 March 2018 (2017: £21.1 million) and the Group has no debt.

The Board of Mulberry seeks to balance paying dividends to shareholders with investing in the business. The Board remains confident of the medium term outlook and is recommending the payment of a dividend of 5.0p per ordinary share (2017: 5.0p) which will be paid on 22 November 2018 to shareholders on the register at 26 October 2018.

2. SOUTH KOREA NEW BUSINESS

The Group has agreed with its longstanding partner, SHK Holdings Limited ("SHK"), to form a new majority owned entity to operate its business in South Korea.

- The Group will own 60% of the share capital of a newly created entity, Mulberry (Korea) Co., Ltd ("Mulberry Korea"), with SHK owning the remaining 40%
- Mulberry and SHK will together invest £4.6 million to purchase the assets and to develop the business
- Current network consists of eighteen points of sale including concessions, outlets and duty free
- Korean mulberry.com site and omni-channel platform will form part of the new business

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- Mulberry Korea is expected to commence trading by Autumn 2018
- The Group anticipates incremental costs of c. £3.0 million during the year ending 31 March 2019

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

3. CURRENT TRADING AND OUTLOOK

Retail Sales

Like-for-like Retail sales (including Digital) were down 7% for the 10 weeks to 2 June 2018 with UK Retail down 9% and International Retail up 1%. Digital sales increased by 14% in the year to 31 March 2018 and increased by 5% in the 10 weeks to 2 June 2018.

This year vs. last year (%)	Retail like-for-like sales*		Retail total sales	
	52 weeks to 31-Mar 2018	10 weeks to 2-June 2018	52 weeks to 31-Mar 2018	10 weeks to 2-June 2018
UK Retail**	-1%	-9%	0%	-10%
International Retail**	+5%	+1%	+20%	+13%
Group Retail Total	0%	-7%	+3%	-5%

* LFL is defined as the year-on-year change in sales from stores which have been trading for 12 months after the store opening

** Regional splits include Digital sales

UK

As has been widely reported, the UK retail environment has become more challenging with lower domestic footfall and a reduction in tourists to the UK since January 2018.

It is noted that House of Fraser has announced its intention to enter a Company Voluntary Arrangement ("CVA") during June 2018. The Group operates 21 concessions and has amounts due from House of Fraser in relation to current trade. Under the CVA proposal, five existing Mulberry concessions would be closed.

International

The Group will continue to invest in international development.

Retail sales during the financial year ending 31 March 2019 will reflect a full year of trading for Mulberry Asia, comprising China, Hong Kong and Taiwan, after a transition from Wholesale to Retail during the financial year ending 31 March 2018.

The set up of Mulberry Japan was completed during May 2018. Five stores have been transferred to Mulberry Japan and revenue will transition from Wholesale to Retail from that date.

In South Korea, the new business arrangement with SHK marks an important milestone in the Group's international development strategy. The transfer of the business to Mulberry Korea is expected to be complete

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by Autumn 2018. This will reduce the Group's Wholesale revenue and increase Retail revenue. Initial start up costs of c. £3.0 million are anticipated for the financial year ending 31 March 2019.

In relation to the store network, a new store was opened in Xian, China during April 2018 and in Europe and North America, the Group continues to focus on Digital and omni-channel enhancement.

The Group anticipates that International sales will continue to increase as a proportion of Group sales.

Digital and Omni-channel

The Group will continue to invest in its Digital and omni-channel offering with further enhancements planned.

In Digital, mulberry.com sites with additional customer experiences are due to launch in China, Japan and Australia.

Selective Wholesale and Franchise

The Group signed a new franchise agreement with Luxury Retail Group to develop the brand in Australia. This will allow the Group to focus its regional resources on developing North Asia, Japan and South Korea whilst leveraging the local expertise of the new partner.

Capital expenditure

A new design concept for the Group's stores will be revealed with the new Regent Street store planned for Summer 2018. A roll out across the global store network is expected to commence during 2019 which will lead to increased capital expenditure during the current financial year and in coming years.

Capital expenditure for the full year ending 31 March 2019 is expected to be in the region of £12.0 million (2018: £5.4 million), of which the majority will be on stores.

4. 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

Innovation and creativity are central to the Group's customer-led product strategy which focuses on anticipating the evolving needs of its existing and aspirational customers. This is supported by the Group's integrated marketing approach which aims to drive engagement and relevance with its customers.

Leather goods are the core commercial focus, with the intention to continue to develop and build on recent strong launches with a continued refinement and enhancement of core and new ranges. This approach includes a steady pace of evolution of key icons as well as the introduction of new signatures. An example of this is the "Rider's lock", which was launched as a key feature of the Amberley bag range and subsequently has been applied to other designs.

Over the longer term, the objective is to reinforce Mulberry's lifestyle brand positioning by strengthening complementary categories to its core leather goods ranges. These categories are men's leather goods, footwear, ready-to-wear, soft accessories and jewellery.

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Marketing and Brand

Mulberry continues to invest in building a global brand, aiming to engage with new and loyal customers, whilst enhancing the understanding of the brand in new and emerging markets. The Group aims to engage with customers across all touch points via an integrated marketing approach coupling new and traditional formats with extensive use of digital, mobile and social media. Digital continues to take the highest share of all media investment.

The Group recently adopted a new format of its seasonal collection launches to reinforce its customer-centric business strategy and enhance the customer experience. After holding previews of the Spring Summer 2018 collection to international press and buyers in Paris, the collection was publicly unveiled during February 2018 during London Fashion Week and offered an instantly shoppable, real-time global consumer experience. The shift to a customer event format will enable the Group to continue to drive engagement and increase relevance with its customers and meet the demand for immediacy.

The Group continues to develop its Somerset-based customer service operations, including further investment in its aftercare and lifetime service.

Retail, Digital and Omni-channel

The Group operates a direct to customer retail model through its international store network and Digital and omni-channel platform.

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. The penetration of omni-channel is expected to grow in the UK, Europe and North America, through continued enhancements of the offering. The Group also plans to introduce omni-channel services to strategic territories, including China, Hong Kong, Australia and South Korea.

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

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

Manufacturing

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.

A specialist Artisan Studio has been created within each of the two Somerset factories, showcasing the Group's distinctive British craftsmanship on special and limited edition products.

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GROUP INCOME STATEMENT YEAR ENDED 31 MARCH 2018

	Note	2018 £'000	2017 £'000
Revenue		169,718	168,121
Cost of sales		(62,000)	(64,535)
Gross profit		107,718	103,586
Operating expenses		(101,464)	(96,961)
Other operating income		482	482
Operating profit		6,736	7,107
Share of results of associates		114	148
Finance income		96	295
Finance expense		(29)	(17)
Profit before tax		6,917	7,533
Tax		(2,011)	(2,543)
Profit for the year		4,906	4,990
Attributable to:			
Equity holders of the parent		6,391	5,338
Non-controlling interests		(1,485)	(348)
Profit for the year		4,906	4,990
Basic earnings per share	4	8.3p	8.4p
Diluted earnings per share	4	8.2p	8.4p

All activities arise from continuing operations.

Reconciliation to adjusted profit before tax:

		2018 £'000	2017 £'000
Profit before tax		6,917	7,533
Exceptional items:			
Impairment charge related to retail property , plant and equipment		378	1,087
Loss on disposal of retail stores		675	-
Adjusted Profit before tax – non-GAAP measure		7,970	8,620
Adjusted basic earnings per share	4	10.0p	10.2p
Adjusted diluted earnings per share	4	10.0p	10.2p

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GROUP STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2018

	2018 £'000	2017 £'000
Profit for the year	4,906	4,990
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(447)	1,803
Losses on a hedge of a net investment taken to equity	(115)	(5)
Income tax relating to items that may be reclassified subsequently to profit or loss	107	(361)
Total comprehensive income for the year	4,451	6,427
Attributable to:		
Equity holders of the parent	6,031	6,775
Non-controlling interests	(1,580)	(348)
Total comprehensive income for the year	4,451	6,427

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GROUP BALANCE SHEET AT 31 MARCH 2018

	2018 £'000	2017 £'000
Non-current assets		
Intangible assets	10,362	10,833
Property, plant and equipment	21,971	24,136
Interests in associates	306	198
Deferred tax asset	1,782	1,500
	34,421	36,667
Current assets		
Inventories	44,647	42,822
Trade and other receivables	15,196	14,669
Cash and cash equivalents	25,071	21,093
	84,914	78,584
Total assets	119,335	115,251
Current liabilities		
Trade and other payables	(30,199)	(28,350)
Current tax liabilities	(893)	(1,257)
Total liabilities	(31,092)	(29,607)
Net assets	88,243	85,644
Equity		
Share capital	3,001	3,000
Share premium account	11,961	11,961
Own share reserve	(1,388)	(1,461)
Capital redemption reserve	154	154
Hedging reserve	(98)	(5)
Foreign exchange reserve	701	1,063
Retained earnings	73,165	69,957
Equity attributable to holders of the parent	87,496	84,669
Non-controlling interests	747	975
Total equity	88,243	85,644

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GROUP STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2018

	Share capital £'000	Share premium account £'000	Own share reserve £'000	Capital redemption reserve £'000	Cashflow hedge reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
As at 1 April 2016	3,000	11,961	(1,474)	154	-	(379)	66,654	79,916	-	79,916
Profit for the year	-	-	-	-	-	-	4,990	4,990	-	4,990
Other comprehensive income for the year	-	-	-	-	(5)	1,442	-	1,437	-	1,437
Total comprehensive income for the year	-	-	-	-	(5)	1,442	4,990	6,427	-	6,427
Charge for employee share-based payments	-	-	-	-	-	-	1,086	1,086	-	1,086
Exercise of share options	-	-	-	-	-	-	(153)	(153)	-	(153)
Own shares	-	-	13	-	-	-	-	13	-	13
Adjustment arising from movement in non-controlling interest	-	-	-	-	-	-	348	348	975	1,323
Dividends paid	-	-	-	-	-	-	(2,968)	(2,968)	-	(2,968)
Balance at 31 March 2017	3,000	11,961	(1,461)	154	(5)	1,063	69,957	84,669	975	85,644
Profit for the year	-	-	-	-	-	-	4,906	4,906	-	4,906
Other comprehensive income for the year	-	-	-	-	(93)	(362)	-	(455)	-	(455)
Total comprehensive income for the year	-	-	-	-	(93)	(362)	4,906	4,451	-	4,451
Issue of share capital	1	-	-	-	-	-	-	1	-	1
Charge for employee share-based payments	-	-	-	-	-	-	291	291	-	291
Exercise of share options	-	-	-	-	-	-	(505)	(505)	-	(505)
Own shares	-	-	73	-	-	-	-	73	-	73
Adjustment arising from movement in non-controlling interest	-	-	-	-	-	-	1,485	1,485	(228)	1,257
Dividends paid	-	-	-	-	-	-	(2,969)	(2,969)	-	(2,969)
Balance at 31 March 2018	3,001	11,961	(1,388)	154	(98)	701	73,165	87,496	747	88,243

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GROUP CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2018

	2018 £'000	2017 £'000
Operating profit for the year	6,736	7,107
Adjustments for:		
Depreciation and impairment of property, plant and equipment	6,124	8,763
Amortisation of intangible assets	1,796	1,852
Loss on sale of property, plant and equipment	13	325
Share-based payments charge	291	1,086
Operating cash flows before movements in working capital	14,960	19,133
(Increase)/decrease in inventories	(464)	2,344
Increase in receivables	(2,059)	(2,326)
Increase in payables	1,571	168
Cash generated from operations	14,008	19,319
Income taxes paid	(2,553)	(4,021)
Interest paid	(29)	(17)
Net cash inflow from operating activities	11,426	15,281
Investing activities:		
Interest received	96	232
Dividend received from associate	-	195
Purchases of property, plant and equipment	(4,689)	(4,409)
Proceeds from disposal of property, plant and equipment	53	40
Acquisition of intangible fixed assets	(1,605)	(962)
Acquisition of subsidiary	(1,629)	-
Investment from non-controlling interest	2,675	-
Net cash used in investing activities	(5,099)	(4,904)
Financing activities:		
Dividends paid	(2,969)	(2,968)
Proceeds on issue of shares	1	-
Increase in related party loan	1,385	-
Settlement of share awards	(505)	(153)
Net cash used in financing activities	(2,088)	(3,121)
Net increase in cash and cash equivalents	4,239	7,256
Cash and cash equivalents at beginning of year	21,093	14,014
Effect of foreign exchange rate changes	(261)	(177)
Cash and cash equivalents at end of year	25,071	21,093

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NOTES

1. BASIS OF PREPARATION

The financial information in this announcement, which was approved by the Board of Directors on 12 June 2018, does not constitute the Company's statutory accounts for the years ended 31 March 2018 or 2017, but is derived from those accounts.

Statutory accounts for the year ended March 2017 have been delivered to the Registrar of Companies and those for the year ended 31 March 2018 have been approved and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditors have reported on those accounts, their reports were unqualified and did not draw attention to any matters by way of emphasis without qualifying their reports and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

Whilst the financial information included in this preliminary announcement has been completed in accordance with International Financial Reporting Standards (IFRS), this announcement itself does not contain sufficient information to comply with IFRS.

2. ACCOUNTING POLICIES

In the current year the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

3. DIVIDENDS

	2018 £'000	2017 £'000
Dividend for the year ended 31 March 2017 of 5p (2016: 5p) per share paid on 23 November 2017	2,969	2,968
Proposed dividend for the year ended 31 March 2018 of 5p per share (2017: 5p)	2,969	2,968

THIS PROPOSED DIVIDEND IS SUBJECT TO APPROVAL BY SHAREHOLDERS AT THE ANNUAL GENERAL MEETING AND HAS NOT BEEN INCLUDED AS A LIABILITY IN THESE FINANCIAL STATEMENTS.

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4. EARNINGS PER SHARE ('EPS')

	2018 pence	2017 pence
Basic earnings per share	8.3	8.4
Diluted earnings per share	8.2	8.4
Adjusted basic earnings per share	10.0	10.2
Adjusted diluted earnings per share	10.0	10.2

EARNINGS PER SHARE IS CALCULATED BASED ON THE FOLLOWING DATA:

	£'000	£'000
Profit for the year for basic and diluted earnings per share	4,906	4,990
Adjustments to include exceptional items:		
Impairment relating to retail assets	378	1,087
Loss on disposal of retail stores	675	-
Adjusted profit for the year for basic and diluted earnings per share	5,959	6,077

	Million	Million
Weighted average number of ordinary shares for the purpose of basic EPS	59.4	59.4
Effect of dilutive potential ordinary shares : share options	0.2	0.1
Weighted average number of ordinary shares for the purpose of diluted EPS	59.6	59.5

THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE DURING THE YEAR EXCLUDES THOSE HELD BY THE MULBERRY GROUP PLC EMPLOYEE SHARE TRUST.