Final Results.

27th May 2004

PRELIMINARY RESULTS

FOR THE 52 WEEKS TO 27 MARCH 2004

Financial highlights

- Turnover £112 million up 3.9%

- Operating profit £12.6 million up 5.7%

- Adjusted profit before tax £9.0 million* up 4.7%

- Profit before tax £8.9 million down 5.2%

- Adjusted earnings per share of 50.11p* up 8.0%

- Dividend per share 22.50p up 5.1%

- Net assets per share £12.39 up 4.6%

* Adjusted to exclude non-operating exceptional items

Operational highlights

- Young's Bitter sales up 10.7% and total own branded beer production up 5.3%. Total beer volumes up 2.7%, reflecting lower contract brewing levels in the period;

- Retail business had a strong year, benefiting from excellent summer weather and returning economic confidence in our London heartland;

- Review of estate resulted in 12 transfers to tenancy and one to management during the year. Sales up 4.9% in managed estate and up 20.9% in tenanted estate;

- Free trade had its most successful year ever, with volumes up 11.5%. Total volume sold outside the Young's estate now comprises 64% of sales;

- New listings achieved in the year with Scottish & Newcastle Retail (now Spirit), Mitchells & Butler and in outlets at all of London's mainline rail stations;

- Significant new brewing contract secured in final quarter from Scottish Courage to brew and keg Courage Best Bitter. Current year will be Young's busiest brewing year since the early 1980s.

John Young, Chairman, commented:

"Everything we do at Young's is built around the objective of delighting our customers with stylish pubs, unique beers and great service. I am pleased to say we have continued to make good progress towards meeting these aims.

"The City continues to show encouraging signs and is benefiting from more upbeat news on the state of the economy. Whilst it is difficult to believe we could have another summer quite as good as last year, the actions taken by management should enable us to report further progress next year.

"We continue to take the necessary steps to maximise returns from our business and, with the growing success of Young's Bitter and the Courage Best Bitter contract, our brewery is set for a very productive year. We look forward to next year with enthusiasm."

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Photographs are available from Hogarth on request.

YOUNG & CO.'S BREWERY, P.L.C.

PRELIMINARY RESULTS
FOR THE 52 WEEKS TO 27 MARCH 2004

Operational review

Everything we do at Young's is built around exceeding customer expectations with stylish pubs, unique beers and great service. I am pleased to say we have continued to make good progress towards meeting this aim.

Turnover was up 3.9% at £112 million and adjusted profit before tax by 4.7% at £9 million. Reported profit before tax was 5.2% lower at £8.9 million, since last year's results benefited from exceptional profits from property sales. Adjusted earnings per share were up 8% at 50.11p. This increase outpaced the growth in underlying profits as a result of the share repurchases made both this year and last.

The increase in turnover was, in fact, rather better than the overall percentage suggests, as a number of pubs were transferred during the year from the managed to the tenanted estate, which inevitably reduces overall turnover. Similarly, these transfers helped offset the impact on operating margin of increased employee, tax and regulatory costs.

The annual general meeting on 13 July 2004 will be asked to approve a final dividend of 11.65p, making a total for the year of 22.50p, up 5.1%. The final dividend is due to be paid on 15 July to shareholders on the register on 18 June. The dividend has now grown at a compound rate of 5.8% per year over the past 5 years. The board believes that a reliable, steady and sustainable increase in dividend is an integral part of delivering shareholder value.

Retail

Our focus is on providing first class traditional pubs where customers can enjoy exceptional beer, wine and food with excellent service within a friendly and relaxed environment. The retail business had a busy year, benefiting from the excellent summer weather and returning economic confidence in our London heartland. Turnover and operating profits increased by 1.7% and 4.2% respectively. Our retail division now comprises 207 pubs and inns. During the year we undertook a thorough review of our estate and this has resulted in a number of transfers between the managed and tenanted estates. Having both managed and tenanted operations provides us with flexibility and the opportunity to optimise the profitability of our pubs on a site by site basis. This is an ongoing process and we will continue to align the estate as we seek to ensure the optimal structure for delivering results.

Our managed estate at the year end had 112 pubs compared with 123 last year. Like for like sales increased by 4.9% and by 2.0% on an un-invested basis, which excludes 47 pubs which have each benefited from more than £50,000 capital investment in the past two years. Turnover was similar to last year and operating profits were 1.6% ahead despite the smaller estate. We have invested £9.0 million in our managed estate, including £1.6 million on new sites and £3.7 million on five major developments.

Opportunities to acquire quality freehold assets at sensible prices continue to be limited. Nonetheless we have opened the Paternoster in the shadow of St Paul's and the Boathouse in Putney, both of which have had an encouraging start. We sold the Old Lodge, Minchampton Common in the year and the Columbia Bar in the Aldwych shortly after.

We believe that we have one of the best managed pub estates in the country, built up over many years. We are focused on maintaining and improving this quality through selective acquisitions and by improving customer facilities in pubs where there is scope to deliver better returns. Five major developments were completed in the year, the Duke of Devonshire in Balham, the Lock Keeper in Keynsham, the Green Man in Putney, the City Gate in Exeter (where 15 rooms were added) and the new 19 room hotel wing at the Crown in Chertsey.

Our inns, pubs that have more than ten rooms, had a difficult year and continued to suffer from a shortage of tourists in London and from intense competition within the hotel sector. Room rates were reduced further to maintain reasonable occupancy but RevPAR (Revenue per available room which multiplies occupancy rate by average room rate) has suffered, falling to £37.41 from £38.91 with occupancy at 62.2% compared with 63.2%. Our tenanted estate comprised 95 pubs compared with 84 last year. Turnover was up by 20.9% and operating profit was up by 13.4%. One tenancy, the Swan in Sidmouth was purchased in the year and the Unicorn in Somerton was acquired in the first month of the new year. One tenancy, the Pickwick at Eton Wick, was sold and 12 were transferred from and one, the White Hart in Barnes, to our managed estate. We invested £1.4 million in our tenanted estate.

Beer company

At the forefront of our strategy is the single-minded determination to see Young's Bitter firmly established as a national brand. The focus is therefore on increasing consumer awareness of Young's Bitter and ensuring an uncompromising quality.

Young's Bitter was supported throughout the year by a national newspaper advertising campaign, which gave us broader exposure than ever before. The ads followed a sports theme and featured our living trademark, Ramrod the ram, pictured in association with the summer's Test match cricket series as well as England's triumphant Rugby World Cup victory.

This increased awareness benefited sales of Young's own beers, with Young's Bitter the star performer in the year with sales up 10.7% in total. Total beer volumes were held back by lower volumes of contract beer and grew by 2.7%. Young's own production was up 5.3% and factored volume, mainly lager, was up 6.2%. In the last quarter Young's was awarded the contract to brew keg Courage Best Bitter from Scottish Courage. The contract represents significant volume and will mean that the current year will be the busiest brewing year since the early 1980s.

Beer quality is always paramount at Young's. This year the quality of our products have been recognised by prizes that include a gold and silver medal for Double Chocolate Stout and Oatmeal Stout respectively in the World Championships held in Chicago and nominations for Winter Warmer, bottled Special and Double Chocolate Stout in the Brewing Industry International Awards. In addition, we have signed up to the newly formed industry-wide Beer Academy, which is developing beer quality and training initiatives for use throughout our industry. We will support this initiative with the roll out of training and educational courses for landlords and tenants throughout 2004.

Increasing trade outside our own estate is a major part of our overall strategy and is an essential part of our vertically integrated business, so it is satisfying that free trade has had its most successful year ever. Volumes were up 11.5% on last year with all trade channels showing increases. This is the eighth consecutive year that growth in our free trade sales has outpaced the market place. Total volume sold outside our estate now comprises 64% of sales up from 61% last year.

The successful advertising campaign has helped deliver some key achievements in relation to a number of the country's biggest pub operators and other brewers. Critically cask volumes increased by 7.4% with total volume up by 1%. The market decline in Light Ale continued to have a negative influence, particularly in this sector. It was encouraging to achieve new listings with Scottish & Newcastle Retail (now part of the Spirit Group) and Mitchells & Butler.

Wholesaler volume grew by 69.8% this year as a result of some great work developing stronger partnerships with the major national wholesalers. The National Drinks Distributors nominated Young's cask ale Champion Status for a second year running.

As a result of working closely with key customers such as Tesco, Sainsburys and Waitrose, the take home business increased by 8.3% driven by a strong performance from our largest brand Waggledance, which increased sales by 13% and has cemented itself as a top 10 brand (AC Nielsen). There has been a full review of our take home beers with more focus being placed on Waggledance, Special London Ale and Young's Bitter which form the nucleus of our portfolio. In the final months of this financial year, Young's Bitter was launched into the take home trade in a larger 660ml bottle. This represents a great opportunity for the brand to stand out in a very competitive sector.

Independent free trade sales increased by 11.3%, with many new customers and a listing for Young's Bitter at all of London's mainline rail stations.

Exports have seen a recovery, with growth of 35.3% after a difficult year last year, benefiting from substantial growth in our largest market, the United States and significant new developments in Scandinavia.

Cockburn & Campbell

Cockburn & Campbell, our wholly-owned wine merchant, provides an exclusive range of quality wines and spirits to both our own estate and the free trade. Wine volumes rose overall by 5.7% and spirits by 13.2% and, whilst margins slipped as a result of sterling losing some of its value against key currencies, notably the euro and Australian dollar, profits were maintained at last year's levels. Of the total, 28.2% of Cockburn & Campbell's sales were outside our own estate.

In the Young's estate, the hot summer helped wine sales increase by 8.1% with rose wine sales rising by 40%. Spanish wine sales led the way, up by 25% aided by the successful launch of two new brands, Miralvalle and Museum. Argentinian and New Zealand wines also experienced strong growth, with both France and, surprisingly, Australia in decline.

In the free trade, volumes were up by 8% with sales to regional brewers and wholesalers continuing to increase, especially in the north of England. Elsewhere the London on trade showed welcome signs of recovery in the second half.

Overall, the market remains healthy with excellent prospects for the current year.

Investment and finance

During the course of the year we invested £12.5 million in the business. In addition we bought 700,000 non-voting ordinary shares at an average price of £8.18 enhancing earnings and assets per share for the remaining shareholders.

Net debt at the year end was £56.2 million, gearing was 39.5% and interest was covered 3.5 times, leaving scope for future investment. 71% of our borrowing is at fixed interest rates, expiring between 2018 and 2023. Accordingly, a 1% increase in short term interest rates would increase our cost of borrowing by less than £0.2 million.

The profit and loss charge in relation to retirement benefits under SSAP 24 accounting standard was £2.2 million compared with £1.9 million in the previous year. Implementation of the new FRS 17 accounting standard would have increased the profit and loss charge by £0.1 million. The FRS 17 pension deficit at the year end was £7 million after deferred tax, an improvement of £6.3 million over last year.

The company will publish its first financial statements under International Financial Reporting Standards for the year ending 1 April 2006, with comparative figures for the year ending 2 April 2005. The company has started work on the implementation, including possible changes to accounting policies, the impact on systems, staff training and the effect of such a fundamental change on the wider business.

Ram Brewery development

On 27 November 2003, we announced that we had entered into discussions with Wandsworth Borough Council regarding a review of future development plans for Wandsworth town centre, including the Ram Brewery site. These discussions are ongoing. A great deal of preparatory work is required to progress this review, involving property specialists, planning advisers and other consultants. The majority of the considerable costs associated with this activity will be incurred in the new and future financial years. We will keep shareholders informed of any material developments.

Outlook

The City is benefiting from more upbeat news on the state of the economy and continues to show encouraging signs of recovery. Whilst it is difficult to believe we could have another summer quite as good as last year, the actions taken by management should enable us to report further progress next year.

We continue to take the necessary steps to maximise returns from our business and, with the growing success of Young's Bitter and the Courage Best contract, our brewery is set for a very productive year. We look forward to next year with enthusiasm.

YOUNG & CO.'S BREWERY, P.L.C.

Profit and loss account

For the 52 weeks ended 27 March 2004

	2004 £000	2003 £000
Turnover	111,982	107,828
Net operating costs	(99,343)	(95,875)
Operating profit	12,639	11,953
Non-operating exceptional items	(129)	757
Profit on ordinary activities before interest	12,510	12,710
Net interest charge	(3,626)	(3,343)
Profit on ordinary activities before tax	8,884	9,367
Tax on profit on ordinary activities	(3,014)	(2,768)
Profit on ordinary activities after tax	5,870	6,599
Preference dividends on non-equity shares	-	(113)
Profit attributable to ordinary shareholders	5,870	6,486
Ordinary dividends on equity shares	(2,660)	(2,643)
Retained profit for the financial period	3,210	3,843

	Pence	Pence
Basic earnings per 50p ordinary share	48.95	52.98
Effect of non-operating exceptional items	1.16	(6.59)
Adjusted earnings per 50p ordinary share	50.11	46.39
Diluted basic earnings per 50p ordinary share	48.44	52.63

The results above are all in respect of continuing operations of the company.

There are no recognised gains and losses other than those disclosed above.

YOUNG & CO.'S BREWERY, P.L.C.

Balance sheet

At 27 March 2004

	2004 £000	2003 £000
Fixed assets	211,581	207,739
Current assets and liabilities	4,221	4,207
Stocks	7,977	6,938
Debtors	1,005	-

Cash

	13,203	11,145
Creditors: amounts falling due within one year	(18,213)	(19,652)
Net current liabilities	(5,010)	(8,507)
Total assets less current liabilities	206,571	199,232
Creditors: amounts falling due after more than one year	(57,011)	(47,409)
Provisions for liabilities and charges	(7,484)	(7,229)
Net assets	142,076	144,594
Capital and reserves	6,028	6,378
Called-up share capital	1,341	1,363
Share premium account	88,094	87,911
Revaluation reserve	1,808	1,458
Capital redemption reserve	44,805	47,484

Profit & loss account

Equity shareholders' funds	142,076	144,594

YOUNG & CO.'S BREWERY, P.L.C.

Cash flow statement

For the 52 weeks ended 27 March 2004

	2004 £000	2003 £000
Net cash inflow from operating activities	20,178	19,623
Interest received	11	13
Interest paid	(3,561)	(3,524)
Non-equity dividends paid	-	(124)
Returns on investments and servicing of finance	(3,550)	(3,635)
Corporation tax paid	(2,453)	(2,358)
Purchases of tangible fixed assets	(12,539)	(16,486)
Sales of tangible fixed assets	1,164	2,883
Capital expenditure	(11,375)	(13,603)
Equity dividends paid	(2,660)	(2,595)
Cash inflow/(outflow) before financing	140	(2,568)
Increase in loan capital	9,632	1,889
Repurchase of share capital	(5,728)	(3,172)
(Decrease)/increase in lease finance	(14)	61
Financing	3,890	(1,222)
Increase/(decrease) in cash in period	4,030	(3,790)

YOUNG & CO.'S BREWERY, P.L.C.

Reconciliation of net cash flow to movement in net debt

For the 52 weeks ended 27 March 2004

	2004 £000	2003 £000
Increase/(decrease) in cash in period	4,030	(3,790)
(Increase) in debt in period	(9,618)	(1,950)
(Increase) in net debt in period	(5,588)	(5,740)
Opening net debt	(50,588)	(44,848)
Closing net debt	(56,176)	(50,588)

Notes to the accounts

(1) Accounts The above financial information does not amount to full accounts within the meaning of S.240 of the Companies Act 1985. Full accounts for the period ended 29 March 2003, including an unqualified auditors' report, have been delivered to the Registrar of Companies. The statutory accounts for the period ended 27 March 2004, including an unqualified auditors' report, will be delivered to the Registrar of Companies.

The preliminary announcement, which was approved by the board on 26 May 2004, has been prepared on the basis of the same accounting policies as set out in the previous annual accounts.

(2) Taxation Corporation tax has been provided on the profits for the 52 weeks to 27 March 2004 at a rate of 30% (2003: 30%).

(3) Earnings per share

	2004 £000	2003 £000
Profit attributable to ordinary shareholders	5,870	6,486
Non-operating exceptional items, after adjusting for tax	139	(807)
Adjusted earnings	6,009	5,679

Earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue.

The weighted average number of ordinary shares in issue, which exclude the investment in own shares, is 11,991,159 (2003: 12,241,918).

Diluted earnings per ordinary share are calculated by adjusting basic earnings per ordinary share to reflect the notional exercise of the weighted average number of ordinary share options outstanding during the period. The resulting weighted average number of ordinary shares is 12,116,939 (2003: 12,322,681).

An adjusted earnings per share figure is presented to eliminate the effect of the non-operating exceptional items on basic earnings per share.

(4) Ordinary dividends on equity shares

	2004 Pence	2003 Pence
Interim dividend	10.85	10.30
Proposed final dividend	11.65	11.10
	22.50	21.40

The trustee of the Ram Brewery Trust has waived its rights to dividends on shares held within the Ram Brewery Trust General Fund on behalf of the directors' share option schemes.

(5) Net cash inflow from operating activities

	2004 £000	2003 £000
Operating profit	12,639	11,953
Depreciation	7,547	7,382
EBITDA	20,186	19,335
Movements in working capital		
Stocks	(14)	297
Debtors	(1,039)	(491)
Creditors	1,045	482
Net cash inflow from operating activities	20,178	19,623