Final Results.

05 June 2003

PRELIMINARY RESULTS

FOR THE 52 WEEKS TO 29 March 2003

Financial highlights

- Turnover increased to £107.8 million	up	1.5%
- Operating profit £12.0 million	up	2.5%
- Adjusted profit before tax £8.6 million*	up	0.1%
- Adjusted EBITDA of £19.3 million*	up	2.7%
- Profit before tax £9.4 million	up	6.1%
- Adjusted earnings per share of 46.39p*	up	1.5%
- Dividend per share increased to 21.40p	up	5.2%
- Net assets per share £11.85	up	2.2%

* Adjusted to exclude non-operating exceptional items

Operational highlights

- Maintained sales and profitability in challenging year;

- Young's Bitter volumes up 6.6% following relaunch, but total Young's beer production remains steady compared with a decline in the overall beer market;

- Prudent management of the retail estate sees nine pubs transferred to tenancy, with a further 13 transfers planned for the coming year;

- Free trade and exports now represent 60.8% of own beer volumes, a reflection of the growing strength of the Young's brands (5 years ago it was 49.6%).

- £16.5 million invested in the business in 2003, of which £13.8 million was spent on acquisitions and the refurbishment of the retail estate. Ample scope for continued investment where opportunities arise, but current price expectations for pubs of the quality that Young's seeks are too high;

- As announced on 18 March 2003, Stephen Goodyear is to succeed Patrick

Read as Chief Executive following his retirement after the Young's AGM on 15 July 2003.

John Young, Chairman, commented:

"It is hard to imagine a more challenging set of market conditions than those which faced the business during the past year. It is a testament to everyone at Young's that trade held up so well. We expect a rather more stable, albeit still challenging environment going forward, but it is too early to predict how the year will turn out. However, we believe that as and when conditions do start to improve, the steps we have taken and continue to take will put us in a good position to benefit."

For further information, please contact:

Patrick Read, Chief Executive	Young & Co.'s Brewery, P.L.C.	020 8875 7000
Peter Whitehead, Finance Director	Young & Co.'s Brewery, P.L.C.	020 8875 7000

James Longfield / Chelsea Hayes Hogarth Partnership 020 7357 9477

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Operational review

In many respects 2003 was not an easy year, but despite this Young's has managed to maintain sales and profitability. Turnover was up 1.5 per cent to £108 million. Operating profit was up 2.5 per cent at £12 million. Profit before tax, once adjusted to exclude non-operating exceptional items, was marginally above last year at £8.6 million.

The annual general meeting on 15 July 2003 will be asked to approve a final dividend of 11.10p, making a total for the year of 21.40p, up 5.2 per cent. This increase reflects the board's continued confidence in the long-term future of the business and is an integral part of our strategy of delivering long-term value to shareholders.

Brewing and brands

Own beer production was level with last year in a market that once more was in decline. Young's Bitter volumes were up 6.6%, following the successful relaunch of our flagship brand last spring. Other large increases came from Waggledance, up 8.5% and Winter Warmer, up 21.2%.

During the course of the year we promoted Young's Bitter through an Underground and roadside poster campaign with the slogan "How would you describe the taste?". This continues the irreverent tone of previous campaigns promoting a traditional but quirky image.

The quality of our products was once more recognised by independent judges. Our brewers won the Tesco Beer Challenge for a bottle conditioned lager called Young's Champion and both Double Chocolate Stout and Elysium won silver medals in their classes in the International Beer and Cider Competition 2003.

We aim to repeat the success of our relaunch of Young's Bitter with Young's Special, our premium cask ale brand, which will continue to be brewed with the finest natural English ingredients but which has been refined to create a lighter and more refreshing beer. It will also have a new pump clip, designed to combine the Young's ram, a hallmark for quality ales, with a horse brass to emphasise the tradition of Britain's oldest brewery.

Managed pubs and inns

Managed house profits increased by 2.9% despite turnover remaining level with last year. Reduced tourism, job losses in the City and economic and political uncertainty have all contributed to tough trading conditions throughout the year. These have been exacerbated by the impact of a full year of the marked increase in minimum wage and considerably higher insurance premiums.

Against this backdrop the reorganisation of the estate has been both prudent and timely. During the course of the year nine pubs were transferred to tenancy, two sites were sold, three acquired and Next Door, an Oxford site acquired last year, was opened after extensive work. At the end of the year there were 123 pubs and inns under management.

Key marketing initiatives have been based on major sporting events such as the World Cup and Six Nations Rugby, and we have worked hard at promoting our products through tastings and events such as the Independent Family Brewers of Britain Real Beer Week. New EPOS till and information systems have been introduced to maintain a downward pressure on costs and increase efficiencies within the pub estate.

Managed house acquisitions during the year cost £6.2 million. These included acquiring the freeholds in three former leasehold pubs and also the Mitre in Shaftesbury, Dunstan House in Burnham on Sea and a riverside site by Putney Bridge. In addition we spent £2.8 million on major developments and £2.6 million on smaller developments. Redeveloped sites completed in the second half of the year are the Duke of Devonshire in Balham, the Dukes Head at Wallington and the Swan at Walton on Thames.

Difficulties facing the hotel industry have been well documented by others and our hotels were not immune to reduced tourism levels. More active marketing and higher discounting resulted in an increase in occupancy levels at 63.2%, but like others our REVPAR was down, in our case from £40.04 to £38.91. Total number of letting rooms increased to 355, with the addition of 19 from the acquisition of Dunstan House and the development at the Rose and Crown in the heart of Wimbledon village.

Tenanted houses

Profits from the tenanted business increased by 3.1%, benefiting from the transfer of nine additional pubs from management. There will be a further 13 transfers during the coming year and the managers, some of whom will become tenants, have already been informed.

A total of £2.2 million was invested in the tenanted estate, including the acquisition of the Horse Pond Inn at Castle Cary, our fifth pub in Somerset and the freehold interest in the Old Inn at Congresbury. Major developments completed in the year are the Alma in Wandsworth, the Marquess Tavern in Islington and the Queen Dowager in Teddington. We ended the year with 84 tenancies. Our tenanted division was recently judged by the Publican newspaper as the 2003 Tenanted Estate of the Year in their prestigious Grosvenor House award ceremony.

Free trade and exports

Free trade has enjoyed a successful year with volumes up 4% on last year, led by cask ale, which was up 8.3% overall and included a 21.4% increase in Young's Bitter. This is the seventh consecutive year that we have enjoyed faster than market growth in an extremely competitive marketplace.

Our largest channel of business, brewers and multiple pub groups, increased by 3.6% with cask ale up 6.6%. New customers include S&N Retail and the National Union of Students. Wholesaler volume increased by 12.9%, with Young's Bitter and Young's Special chosen as cask ale champions by the National Drinks Distributors. Independent free trade increased by 4.7%, driven by our increased presence in the West Country. Take home sales, which have had so much recent success in the major supermarkets, maintained volumes overall with Waggledance growing by 5.4%.

Export volumes were down 4.6% largely due to a decline in the US market for British beers. However, we have achieved growth in Europe with expanding trade in Finland, Sweden and Italy, which bodes well for future expansion of our total exports.

Free trade and exports now represent 60.8% of our total own beer volumes, a testament to the growing strength of our brands and compares with 49.6% 5 years ago.

Cockburn & Campbell

Net profit increased by 7.5% as a result of continued growth in wine sales, especially in the tied trade where volumes were up by 5.6%. Spirit volumes were down, mainly due to the predicted drop in sales of premium packaged spirits as the category fell out of fashion.

Wine sales to regional merchants around the UK were strong and our flagship brand, El Coto de Rioja, was particularly successful. Free trade sales in London were challenging. The forthcoming year will see considerable support for our Pinehurst brand from South Africa and the launch of a major new range from Argentina. Our exclusive whisky brand The Royal & Ancient won the Gold Medal for the fourth time in seven years at the International Spirits Challenge.

Pensions

Our recent triennial valuation shows the effect of falls in stock market values and corporate bond yields. In order to retain the defined benefit scheme for existing employees, both the company and the members will be making larger cash contributions in future. This will increase the company's staff costs by £0.3 million next year. New employees are invited to join a stakeholder scheme.

The adoption of FRS 17 is likely to give rise to significant fluctuations in the reported values of the pension schemes' assets and liabilities. They do not necessarily give rise to the need for changes in the required contribution rate, which is recommended by an independent actuary based on the expected long-term rates of return on the schemes' assets. The FRS 17 deficit at the year-end was £13.3 million after tax.

Investment and finance

A total of £16.5 million was invested in the business, with the majority spent on the continued development of the retail estate. Of this total, £7.3 million was the purchase and subsequent development of new sites and the acquisition of the freehold interest in four leases, £6.5 million was spent on refurbishments to established properties and the remainder was accounted for by a number of improvements to the brewery. During the year four new sites were acquired and three disposed of, leaving the total estate with 207 pubs of which 161 are freeholds.

We continue to seek opportunities to increase the retail estate, but believe that in many cases current price expectations for pubs of the quality we seek are unrealistically high. In the absence of such investment opportunities we have sought shareholder approval to buy our own shares and on 6 February 2003 the preference share capital was redeemed at a cost of £1.9 million and cancelled. This was followed by the purchase of 193,636 non-voting shares at £5.60 per share on 27 February 2003. At the year-end, Young's had net debt of £50.6 million and gearing of 35%.

On 28 March 2003 we agreed a £15 million bank loan, which has a floating charge over the company's assets and is repayable in instalments between 2018 and 2023. The interest rate on the £10 million final instalment has been fixed at 5.9% per annum.

As a consequence of these prudent initiatives Young's has in place the long-term resources to invest for the future and enhance shareholder value either by acquiring sensibly priced properties or investing in its own shares when such opportunities become available.

Board changes

As announced on 18 March 2003 Patrick Read, our chief executive, retires following the AGM in July to be replaced by Stephen Goodyear our current sales and marketing director. Patrick has made a huge contribution to the company over the past 35 years, a period that has seen great changes not only at Young's but also in the brewing industry generally. His leadership, good humour and passion for the business will be long remembered and we wish him every success in his well-deserved retirement.

Outlook

It is hard to imagine a more challenging set of market conditions than those which faced the business during the past year. It is a testament to everyone at Young's that trade held up so well. We expect a rather more stable, albeit still challenging environment going forward.

We will be opening two prime retail sites in the course of the coming year: in Paternoster Square, behind St Paul's in the City, and a prestigious riverside location next to Putney Bridge. In addition we are developing a further 15 bedrooms at our City Gate pub in the middle of Exeter. We will continue to invest in the business to ensure we are ready for the upturn as and when it arrives.

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

Profit and loss account

For the 52 weeks ended 29 March 2003

	2003	2002
	£000	£000
Turnover	107,828	106,253
Net operating costs	(95,875)	(94,588)
Operating profit	11,953	11,665
Non-operating exceptional items	757	227
Profit on ordinary activities before interest	12,710	11,892
Net interest charge	(3,343)	(3,062)
Profit on ordinary activities before tax	9,367	8,830
Tax on profit on ordinary activities	(2,768)	(2,665)
Profit on ordinary activities after tax	6,599	6,165
Preference dividends on non-equity shares	(113)	(113)
Profit attributable to ordinary shareholders	6,486	6,052
Ordinary dividends on equity shares	(2,643)	(2,539)
Retained profit for the financial period	3,843	3,513
	Pence	Pence
Basic earnings per 50p ordinary share	52.98	49.31
Effect of non-operating exceptional items	(6.59)	(3.62)
Adjusted earnings per 50p ordinary share	46.39	45.69
Diluted basic earnings per 50p ordinary share	52.63	48.98

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

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

Statement of total recognised gains and losses

For the 52 weeks ended 29 March 2003

	2003	2002
	£000	£000
Profit for the financial period	6,599	6,165
Prior year adjustment arising from the adoption of		
FRS 19 Deferred Tax	-	(635)
Total gains recognised since last report	6,599	5,530

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

Balance sheet

At 29 March 2003

	2003	2002
	£000	£000
Fixed assets	207,739	200,534
Current assets and liabilities		
Stocks	4,207	4,504
Debtors	6,938	6,447
Cash	-	765
	11,145	11,716

Creditors: amounts falling due within one year	(19,652)	(16,082)
Net current liabilities	(8,507)	(4,366)
Total assets less current liabilities	199,232	196,168
Creditors: amounts falling due after more than one year	(47,409)	(45,473)
Provisions for liabilities and charges	(7,229)	(6,772)
	144,594	143,923

Capital and reserves

Called-up share capital:	equity	6,378	6,475
	Non-equity	-	1,361
Share premium account		1,363	1,386
Capital redemption reserve		1,458	-
Revaluation reserve		87,911	88,646
Profit & loss account		47,484	46,055
Equity shareholders' funds		144,594	142,562
Non-equity shareholders' funds		-	1,361
		144,594	143,923

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

Cash flow statement

For the 52 weeks ended 29 March 2003.

	2003 £000	2002 £000
Net cash inflow from operating activities	19,623	17,614
Interest received	13	19
Interest paid	(3,524)	(3,209)
Non-equity dividends paid	(124)	(113)
Returns on investments and servicing of finance	(3,635)	(3,303)
Corporation tax paid	(2,358)	(2,612)

Purchases of tangible fixed assets	(16,486)	(18,748)
Sales of tangible fixed assets	2,883	2,219
Capital expenditure	(13,603)	(16,529)
Equity dividends paid	(2,595)	(2,483)
Cash (outflow) before financing	(2,568)	(7,313)
Increase in loan capital	1,889	9,396
Repurchase of share capital	(3,172)	-
Increase/(decrease) in lease finance	61	(24)
Financing	(1,222)	9,372
(Decrease)/increase in cash in period	(3,790)	2,059

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

Reconciliation of net cash flow to movement in net debt

For the 52 weeks ended 29 March 2003

	2003 £000	2002 £000
(Decrease)/increase in cash in period	(3,790)	2,059
(Increase) in debt in period	(1,950)	(9,372)
(Increase) in net debt in period	(5,740)	(7,313)
Opening net debt	(44,848)	(37,535)
Closing net debt	(50,588)	(44,848).

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 30 March 2002, including an unqualified auditors' report, have been delivered to the Registrar of Companies. The statutory accounts for the period ended 29 March 2003, including an unqualified auditors' report, will be delivered to the Registrar of Companies.

The preliminary announcement 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 29 March 2003 at a rate of 30% (2002: 30%).

(3) Earnings per share

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 12,241,918 (2002: 12,274,334).

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 12,322,681 (2002: 12,355,170).

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

	2003	2002
	Pence	Pence
Interim dividend	10.30	9.80
Proposed final dividend	11.10	10.55
	21.40	20.35

The trustees of the Ram Brewery Trust have waived their 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

	2003	2002
	£000	£000
Operating profit	11,953	11,665
Depreciation	7,382	7,169

Movements in working capital

Stocks	297	(84)
Debtors	(491)	(542)
Creditors	482	(594)
Net cash inflow from operating activities	19,623	17,614