20 November 2008

INTERIM RESULTS
For the 26 weeks ended 27 September 2008

Financial highlights

Revenue	£66.3M	+3.7%
Operating profit before exceptional items	£12.2M	+0.4%
Profit before tax	£9.4M	+116.8%
Adjusted profit before tax*	£11.9M	+9.4%
Basic earnings per share	11.83p	+38.2%
Adjusted earnings per share*	17.41p	+0.2%
Interim dividend per share declared	6.12p	+2.0%

All of the results above are on continuing operations.

The comparative figures for 2007 have been restated where necessary for (a) the effect of the subdivision, in February 2008, of each of the company's A shares of 50p each into four new A shares of 12.5p each and each of the company's non-voting shares of 50p each into four new non-voting shares of 12.5p each and (b) the prior year adjustment to the deferred tax liability on rolled over gains.

* Throughout this document, reference to an "adjusted" item means that it has been adjusted to take account of exceptional items and other non-recurring items such as the premium paid on redemption of debenture, the discount of site proceeds and the tax adjustment on phasing out of industrial buildings allowances.

Operational highlights

- Resilient performance in increasingly challenging economic environment;
- Total managed house revenue +4.9%, with like for like revenue +1.6% on a same outlet basis;

- Food sales +9.0%;
- £18.2 million invested in new and existing pubs; and
- Conservative balance sheet with net debt of £66.1 million and committed banking facilities of £90 million in place. The majority of the debt reaches maturity between March 2018 and March 2023 and none of the committed facilities needs to be renewed until March 2013. Gearing at the period end was 38.3%, based on 1997 valuations.

Stephen Goodyear, Chief Executive of Young's, commented:

"We have delivered a strong set of results in an increasingly challenging market. The effect of the poor summer weather was compounded by the twin pressures of the economic slowdown, as consumers everywhere reined back their spending, and dramatic increases in operating costs. Against this backdrop, Young's has shown its mettle.

"Market conditions remain extremely challenging and were compounded in recent weeks by the unprecedented events in the financial markets during September and October. This is reflected in our trading for the first seven weeks, with managed house sales up 1.6% but down 3.3% on a same outlet like for like basis. In the circumstances, we believe that this is a creditable performance.

"We welcome the recent significant interest rate cut but believe that it will take some time for this to work through into improved consumer confidence. Accordingly, we are not anticipating that trading conditions will improve in the near term.

"Young's is a long-term business, having traded for over 175 years and through other recessions. We have a cash-generative business, well-invested estate, great pubs in great locations and a conservative balance sheet. We believe this provides a sound platform for the immediate and long-term future of the business."

For further information, please contact:

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Stephen Goodyear, Chief Executive
Peter Whitehead, Finance Director

Hogarth Partnership 020 7357 9477
James Longfield / Anna Keeble

INTERIM RESULTS

For the 26 weeks ended 27 September 2008

We have delivered a strong set of results in an increasingly challenging market. The effect of the poor summer weather was compounded by the twin pressures of the economic slowdown, as consumers everywhere reined back their spending, and dramatic increases in operating costs.

Against this backdrop, Young's has shown its mettle, with revenues up 3.7%, adjusted profits before tax* up 9.4% and adjusted earnings per share* up 0.2% to 17.41p.

Recognising this performance, but mindful for the year ahead, the Board has decided to increase the interim dividend by 2.0% to 6.12p per share – the twelfth year of growth. Dividend cover* remains strong at 2.8 times, even after the recent doubling of the dividend. The interim dividend is expected to be paid on 19 December 2008 to shareholders on the register at the close of business on 5 December 2008.

Review of operations

Managed house revenue was up 4.9% to £58.8 million, reflecting the acquisitions made, and investments in the business, over recent years, with same outlet like for like improvements of 1.6%. This top-line growth, despite the well-documented pressure on consumer spending, offsets the inflationary pressures on operating costs from utilities, wages and food and above inflation increases in duty. We believe we have responded well to this year's challenges and this is borne out by the fact that our average EBITDA per same outlet managed house was up 1.7%, leaving operating profit little changed at £14.7 million.

We have seen a number of consumer trends emerging in response to the credit crisis. Spending patterns are showing a more marked split between the beginning and end of the week, and we have seen a further increase in food sales, as Young's continues to benefit from some customers seeing eating out in pubs as an alternative to more expensive restaurants. Food sales were up 9.0% and now represent 25.4% of revenue. This compares with 17.7% five years ago.

We place great emphasis on the quality and ambience of our pubs and a further £3.0 million was invested in our existing managed estate, and £2.4 million on developing recent acquisitions. Pubs that have just completed their first twelve months post major development have generated an incremental cash return on expansionary capital of 31.2%. Recent refurbishments to our hotel estate have helped drive RevPar (average room rate achieved multiplied by occupancy percentage) up 4.1% to £44.34.

We have bought four pubs at a cost of £12.1 million: the Old Ship, on the Thames in Hammersmith, the Parrot, Canterbury's oldest pub, the Roebuck in Hampstead and the George in Fulham which is due to reopen in the second half after major works. All of these are managed pubs. Whilst prices at the quality end of the market, particularly in our target trading areas of London and the South East, remain high, we are able to make further acquisitions at the right prices.

The tenanted division is where the difficult market conditions have had the most impact. Total revenue was flat at £7.4 million, despite declining beer volumes. The impact of the smoking ban, duty increases and subsequent reductions in consumer spending have all hit trade and our tenants' businesses. We are engaged with our tenants and where necessary agreeing workable and realistic plans for the future. Despite these challenges we managed to maintain operating profit at £3.0 million.

We have transferred two pubs from tenanted to managed, and at the end of the first half we had 122 pubs trading within our managed division (March 2008: 118), of which 100 are freehold and 11 are long leaseholds with in excess of 40 years to run at minimal rents. In addition we disposed of one tenancy, leaving us with 100 tenancies at the period end (March 2008: 103) of which 85 are freehold.

Investment and finance

Our benchmark adjusted profit on continuing operations before tax* was up 9.4% at £11.9 million. Within this, our investment in Wells & Young's contributed £1.4 million, in line with our expectations.

We invested a total of £18.5 million in our business in the half. During the course of the period, we disposed of one site for £1.4 million.

Our operations continue to be highly cash generative. At the end of the period, net debt was £66.1 million with interest cover of 6.8 times based on adjusted operating profits*. Gearing at the period end was 38.3%, based on 1997 valuations. The directors are of the opinion that real gearing is significantly lower. A special valuation was carried out by Fleurets in 2006 which at the time showed a £173.8 million uplift in the value of the estate. Changes have been made to the estate since then, with a number of properties having been acquired, developed and disposed of. Additionally changes in market conditions will have had an impact on value.

Young's has a freehold-backed balance sheet and committed banking facilities of £90 million in place. The majority of debt reaches maturity between March 2018 and March 2023 and none of the committed facilities needs to be renewed until March 2013.

Current trading and outlook

Market conditions remain extremely challenging and were compounded in recent weeks by the unprecedented events in the financial markets during September and October. This is reflected in our trading for the first seven weeks, with managed house sales up 1.6% but down 3.3% on a same outlet like for like basis. In the circumstances, we believe that this is a creditable performance.

We welcome the recent significant interest rate cut but believe that it will take some time for this to work through into improved consumer confidence. Accordingly, we are not anticipating that trading conditions will improve in the near term.

Young's is a long-term business having traded for over 175 years and through other recessions. We have a cash-generative business, well-invested estate, great pubs in great locations and a conservative balance sheet. We believe this provides a sound platform for the immediate and long-term future of the business.

*See note 10 to the accounts.

INDEPENDENT REVIEW REPORT TO YOUNG & CO.'S BREWERY, P.L.C.

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 27 September 2008 which comprises the group income statement, the group balance sheet, the group cash flow statement, the group statement of recognised income and expense and the related explanatory notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 26 weeks ended 27 September 2008 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with IFRSs as adopted by the European Union and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London
19 November 2008

Unaudited group income statement
For the 26 weeks ended 27 September 2008

	Note	26 weeks to 27 Sept 08 £000	Restated 26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Continuing operations				
Revenue		66,275	63,885	122,124
Operating costs before exceptional items		(54,085)	(51,745)	(101,266)
Operating profit before exceptional items		12,190	12,140	20,858
Operating exceptional items	4	(510)	(233)	728
Operating profit		11,680	11,907	21,586
Share of associate's profit before exceptional items and tax		1,368	1,210	1,718
Share of associate's operating exceptional items	4	(264)	(852)	(3,832)
Share of associate's tax expense	5(d)	(1,731)	(118)	(26)
Share of associate's post tax result		(627)	240	(2,140)
Profit before interest		11,053	12,147	19,446
Finance costs		(2,017)	(3,423)	(5,820)
Finance revenue		219	329	563
Premium paid on redemption of debenture		-	(6,827)	(6,817)
Discount of site proceeds		-	1,480	2,161
Other finance income		143	628	1,269
Profit before tax		9,398	4,334	10,802
Taxation	5	(3,730)	(324)	(4,329)
Profit from continuing operations		5,668	4,010	6,473
(Loss) / profit from discontinued operation	2	-	(2,386)	3,105
Profit for the period		5,668	1,624	9,578

	Note	Pence	Pence	Pence
Earnings per 12.5p ordinary share from continuing operations	6			
Basic		11.83	8.56	13.67
Diluted		11.81	8.49	13.62
Adjusted basic*		17.41	17.37	26.28
Adjusted diluted*		17.38	17.23	26.19
Earnings per 12.5p ordinary share from continuing and discontinued operations	6			
Basic		11.83	3.47	20.22
Diluted		11.81	3.44	20.15

The comparative figures for 2007 have been restated for (a) the effect of the subdivision, in February 2008, of each of the company's A shares of 50p each into four new A shares of 12.5p each and each of the company's non-voting shares of 50p each into four new non-voting shares of 12.5p each, and (b) the prior year adjustment to the deferred tax charge on rolled over gains.

*See note 10.

Unaudited group balance sheet
At 27 September 2008

	Note	At 27 Sept 08 £000	Restated At 29 Sept 07 £000	Restated At 29 March 08 £000
Non current assets				
Property, plant and equipment		264,348	226,906	251,284
Prepaid operating lease premiums		5,959	5,894	5,996
Investment in associate		20,053	23,930	19,751
Other financial asset		600	-	600
Derivative financial instruments		-	329	-
Retirement benefit schemes		-	6,219	-
		290,960	263,278	277,631
Current assets				
Prepaid operating lease premiums		86	92	92
Assets classified as held for sale		771	1,513	1,215
Inventories		1,609	1,470	1,511
Receivable from site disposal		-	58,069	-
Trade and other receivables		5,395	6,300	4,796
Income tax receivable		-	-	2,498
Cash		2,131	-	349
		9,992	67,444	10,461
Total assets		300,952	330,722	288,092
Current liabilities				
Borrowings		(2)	(60,001)	(1)
Trade and other payables		(17,808)	(23,534)	(30,542)
Income tax payable		(3,107)	(1,413)	-
		(20,917)	(84,948)	(30,543)
Non current liabilities				
Borrowings		(68,219)	(34,519)	(50,315)
Derivative financial instruments		(354)	-	(511)
Provisions		-	(1,771)	-
Deferred tax		(26,221)	(29,612)	(27,693)
Retirement benefit schemes		(12,592)	-	(5,088)
		(107,386)	(65,902)	(83,607)
Total liabilities		(128,303)	(150,850)	(114,150)
Net assets		172,649	179,872	173,942
Capital and reserves				
Share capital		6,028	6,028	6,028
Share premium		1,274	1,274	1,274
Other reserves		1,691	2,181	1,578
Investment in own shares		(112)	(552)	(139)
Retained earnings		163,768	170,941	165,201
Total equity	9	172,649	179,872	173,942

The comparative figures for 2007 and 2008 have been restated for the prior year adjustment to the deferred tax liability on industrial buildings allowances (see note 5 (c)).

The comparative figures for 2007 have been restated for the prior year adjustment to the deferred tax liability on rolled over gains.

Unaudited group cash flow statement
For the 26 weeks ended 27 September 2008

	Note	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Operating activities				
Cash generated from operations	8	12,593	16,739	26,628
Exceptional VAT on disposal of sites		(10,281)	1,794	10,281
Interest received		219	82	1,026
Tax rebates received		2,692	-	-
Net cash flow from operating activities		5,223	18,615	37,935
Investing activities				
Sale of brewery and Buckhold Road sites		-	10,250	69,000
Sales of other property, plant and equipment		1,415	908	3,750
Purchases of property, plant and equipment		(18,515)	(8,442)	(37,734)
Prepayments of operating lease premiums		-	-	(321)
Restructuring costs		-	(3,603)	(4,998)
Net cash (used in) / generated from investing activities		(17,100)	(887)	29,697
Financing activities				
Interest paid		(1,212)	(3,096)	(5,992)
Premium on redemption of debenture		-	(6,827)	(6,817)
Equity dividends paid		(3,122)	(2,269)	(5,147)
Proceeds from exercise of share options in the employee benefit trust		88	1,425	1,838
Increase/(decrease) in borrowings		17,900	(8,658)	(52,158)
Increase/(decrease) in finance leases		5	(5)	(6)
Net cash generated from / (used in) financing activities		13,659	(19,430)	(68,282)
Increase/(decrease) in cash		1,782	(1,702)	(650)
Cash at the beginning of the period		349	999	999
Cash at the period end		2,131	(703)	349

Unaudited group statement of recognised income and expense
For the 26 weeks ended 27 September 2008

	Note	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Income / (expense) recognised directly in equity				
Actuarial (loss)/gain on retirement benefit schemes		(7,294)	3,968	(8,728)
Hedging reserve: fair value movement of interest rate swap		157	150	(690)
Associate's actuarial gain/(loss) (net of deferred tax) on retirement benefit schemes*		816	1,232	(568)
Associate's fair value movement (net of deferred tax) of interest rate swap		99	-	(59)
Tax on items recognised directly in equity	5	2,289	(967)	3,005
		(3,933)	4,383	(7,040)
Profit for the period		5,668	1,624	9,578
Total recognised income and expense for the period		1,735	6,007	2,538

*The £816,000 current period actuarial gain includes an amount of £1,267,000 which adjusts an immaterial prior period item.

Notes

1 Accounts

This interim report was approved by the directors on 19 November 2008. The interim financial statements in it are unaudited, and are not the group's statutory accounts. They have been prepared in accordance with the IFRS accounting policies endorsed by the European Union that management expects to apply in the 2009 full year financial statements. These accounting policies are consistent with the accounting policies set out in the group's audited accounts for the 52 weeks ended 29 March 2008.

Statutory accounts for the 52 weeks ended 29 March 2008 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report. Further, that report did not contain a statement under s. 237(2) or (3) of the Companies Act 1985 (*accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations*).

This interim report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange, and in accordance with pronouncements on interim reporting issued by the Accounting Standards Board. As permitted, the interim report has not been prepared in accordance with IAS 34 'Interim Financial Reporting', which is not mandatory for AIM listed groups.

2 Discontinued operation

The group's brewing, beer brands and wholesale operations have been treated as a discontinued operation in the prior periods, following the disposal of the Ram Brewery site and the merger, in 2006, of its brewing, beer brands and wholesale operations with those of Charles Wells Limited to form a new brewing business, Wells and Young's Brewing Company Limited, of which the company has a 40% share.

The table below shows the results of the discontinued operation included in the income statement of the group:

	26 weeks to 27 Sept 08 £000	Restated 26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Loss before tax			
Non-operating exceptional items-restructuring costs	-	(212)	(579)
Taxation	-	(2,174)	3,684
(Loss) / profit from discontinued operation	-	(2,386)	3,105

3 Segmentation

	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Segment revenue			
Managed estate	58,754	56,001	106,630
Tenanted estate	7,363	7,396	14,818
Unallocated	158	488	676
Total	66,275	63,885	122,124
Segment result			
Managed estate	14,743	14,747	26,846
Tenanted estate	2,953	2,997	5,975
Unallocated	(4,138)	(4,394)	(10,245)
Total	13,558	13,350	22,576
Finance costs	(2,017)	(3,423)	(5,820)
Finance revenue	219	329	563
Other finance income	143	628	1,269
Adjusted profit before tax*	11,903	10,884	18,588

*See note 10.

4 Exceptional items

	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
(a) Operating exceptional items			
Profit/(loss) on sales of properties	961	(4)	1,295
Impairment of properties	(1,461)	(221)	(1,378)
Capital gains tax on ESOP allocated shares	(10)	(8)	811
	(510)	(233)	728

	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
(b) Associate operating exceptional items			
Brand impairment	-	-	(2,920)
Reorganisation costs	(264)	(852)	(912)
	(264)	(852)	(3,832)

5 Taxation

	26 weeks to 27 Sept 08	26 weeks to 29 Sept 07	52 weeks to 29 March 08
Corporation tax rate	28%	30%	30%
	£000	£000	£000
(a) Tax (charge)/credit on profit on ordinary activities			
Tax charged in the income statement			
(i) Continuing operations			
Current tax			
Group excluding associate	(2,982)	(837)	(1,955)
Deferred tax			
Origination and reversal of temporary differences	(294)	(389)	(2,499)
Adjustment on phasing out of industrial buildings allowances (see note (c) below)	(472)	-	-
Adjustment in deferred tax rate from 30% to 28%	-	902	897
Adjustment in respect of prior periods	18	-	(772)
Total deferred tax	(748)	513	(2,374)
Tax charge in the income statement on continuing operations	(3,730)	(324)	(4,329)
(ii) Discontinued operation			
Current tax			
Current tax	-	64	29
Adjustment in respect of prior periods	-	-	4,864
Total current tax	-	64	4,893
Deferred tax			
Adjustment in deferred tax rate from 30% to 28%	-	-	1,029
Adjustment in respect of prior periods	-	(2,238)	(2,238)
Total deferred tax	-	(2,238)	(1,209)
Tax (charge)/credit in the income statement on discontinued operation	-	(2,174)	3,684
Tax charge in the income statement	(3,730)	(2,498)	(645)

Tax relating to items charged or credited to equity			
Current tax movement on share based payments	69	1,379	1,731
Deferred tax			
Retirement benefit schemes	2,042	(1,190)	2,618
Property revaluation - movement due to indexation	289	202	422
Interest rate swaps	(44)	(45)	207
Movement on share based payments	(67)	(1,517)	(2,134)
Adjustment in deferred tax rate from 30% to 28%	-	204	161
Total deferred tax	2,220	(2,346)	1,274
Tax credit / (charge) in the statement of recognised income and expense	2,289	(967)	3,005

(b) Deferred tax in the income statement

Continuing operations			
Capital allowances	(429)	118	(935)
Other tax provisions	(157)	(48)	(728)
Retirement benefit schemes	60	(333)	(667)
Rolled over gains on continuing activities	(222)	(1,574)	(2,506)
Fair value of associate	-	112	224
Rolled over gains on discontinued operation	-	-	1,029
Total deferred tax in the income statement	(748)	(1,725)	(3,583)

(c) Abolition of industrial buildings allowances

The income statement has been charged with £472,000 in the current period to reflect the phasing out of industrial buildings allowances over three years from 1 April 2008. Additionally, the deferred tax liability for industrial buildings allowances for the prior periods has been reduced by £1,514,000 to reflect more accurately the manner of recovery of the relevant assets.

(d) Associate's tax

The share of the associate's tax in the income statement for the current period includes an IFRS adjustment charge of £1,279,000 in relation to the phasing out of industrial buildings allowances over three years from 1 April 2008.

6 Earnings per 12.5p ordinary share

	26 weeks to 27 Sept 08	Restated 26 weeks to 29 Sept 07	52 weeks to 29 March 08
(a) Earnings			
	£000	£000	£000
Profit from continuing operations	5,668	4,010	6,473
(Loss)/profit from discontinued operation	-	(2,386)	3,105
Profit attributable to equity holders of the parent	5,668	1,624	9,578
Profit from continuing operations	5,668	4,010	6,473
Operating exceptional items	510	233	(728)
Associate exceptional items	264	852	3,832
Premium on redemption of debenture	-	6,827	6,817
Discount of site proceeds	-	(1,480)	(2,161)
Tax attributable to above adjustments	149	(2,303)	(1,787)
Tax adjustments on phasing out of industrial buildings allowances:			
- group	472	-	-
- associate	1,279	-	-
Adjusted earnings after tax from continuing operations*	8,342	8,139	12,446
	Number	Number	Number
Weighted average number of ordinary shares in issue	47,913,594	46,865,368	47,365,212
Add: the notional exercise of the weighted average number of ordinary share options outstanding during the period	85,687	359,396	161,029
Diluted weighted average number of ordinary shares in issue	47,999,281	47,224,764	47,526,241

(b) Basic earnings per share			
	Pence	Pence	Pence
Basic from continuing operations	11.83	8.56	13.67
Effect of exceptional items and other adjustments listed above	5.58	8.81	12.61
Adjusted from continuing operations*	17.41	17.37	26.28
Basic from continuing operations	11.83	8.56	13.67
Basic from discontinued operation	-	(5.09)	6.55
Basic	11.83	3.47	20.22

(c) Diluted earnings per share

Diluted from continuing operations	11.81	8.49	13.62
Effect of exceptional items and other adjustments listed above	5.57	8.74	12.57
Adjusted diluted from continuing operations*	17.38	17.23	26.19
Diluted from continuing operations	11.81	8.49	13.62
Diluted from discontinued operation	-	(5.05)	6.53
Diluted	11.81	3.44	20.15

The comparative figures for 2007 have been restated for the effect of the four for one share split referred to at the foot of the unaudited group income statement and the prior year adjustment to the deferred tax charge on rolled over gains.

The weighted average number of shares in issue takes into account the group's investment in its own shares.

Adjusted earnings per share* and adjusted diluted earnings per share* are presented to eliminate the effect of the exceptional items on basic and diluted earnings per share.

*See note 10.

7 Ordinary dividends on equity shares

	26 weeks to 27 Sept 08 Pence	Restated 26 weeks to 29 Sept 07 Pence	52 weeks to 29 March 08 Pence
Final dividend	6.50	4.84	4.84
Interim dividend	-	-	6.00
	6.50	4.84	10.84

The comparative figures for 2007 have been restated for the effect of the four for one share split referred to at the foot of the unaudited group income statement.

8 Net cash generated from operations

	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Profit before tax on continuing operations	9,398	4,334	10,802
Net finance costs	1,798	3,094	5,257
Premium paid on redemption of debenture	-	6,827	6,817
Discount of site proceeds	-	(1,480)	(2,161)
Other finance income	(143)	(628)	(1,269)
Share of post tax results of associate	627	(240)	2,140
Operating profit on continuing operations	11,680	11,907	21,586
Depreciation	3,980	3,472	7,120
Impairment of property	1,461	221	1,378
Profit on sales of properties	(961)	4	(1,295)
Difference between pension service cost and cash contributions paid	353	(628)	(1,283)
Allocation of shares to employees	6	786	749
Provision for capital gains tax on ESOP allocated shares	10	8	(811)
Movements in working capital			
Inventories	(112)	(39)	(99)
Receivables	(556)	(1,356)	(1,661)
Payables	(3,268)	2,364	944
Net cash generated from operations	12,593	16,739	26,628

9 Reconciliation of changes in equity

	26 weeks to 27 Sept 08 £000	Restated 26 weeks to 29 Sept 07 £000	Restated 52 weeks to 29 March 08 £000
Opening equity as previously stated	173,942	169,133	172,409
Prior year adjustments to deferred tax liabilities on:			
- industrial buildings allowances (see note 5 (c))	-	1,514	1,514
- rolled over gains	-	3,276	-
Opening equity as restated	173,942	173,923	173,923
Total recognised income and expense for the period	1,735	6,007	2,538
Dividends paid on equity shares	(3,122)	(2,269)	(5,147)
Share-based payments by associate	-	-	41
Allocation of shares to employees	94	2,211	2,587
Closing equity	172,649	179,872	173,942

10 Adjusted items

Throughout this document, reference to an "adjusted" item means that it has been adjusted to take account of exceptional items and other non-recurring items such as the premium paid on redemption of debenture, the discount of site proceeds and the tax adjustment on phasing out of industrial buildings allowances.

The table below shows how adjusted profit before tax has been arrived at. This alternative performance measure has been provided as the Board believes that it gives a useful additional indication of underlying performance.

	26 weeks to 27 Sept 08 £000	26 weeks to 29 Sept 07 £000	52 weeks to 29 March 08 £000
Profit before tax	9,398	4,334	10,802
Exceptional items - group	510	233	(728)
Exceptional items - associate	264	852	3,832
Premium on redemption of debenture	-	6,827	6,817
Discount on site proceeds	-	(1,480)	(2,161)
Share of associate's tax expense	1,731	118	26
Adjusted profit before tax	11,903	10,884	18,588