25 November 2010

INTERIM RESULTS
For the 26 weeks to 27 September 2010

Highlights

	2010	Change
Revenue	**£67.7m**	+0.7%
Profit before tax	**£11.9m**	+4.0%
Adjusted profit before tax*	**£13.4m**	+8.4%
Adjusted basic earnings per share*	**21.35p**	+20.0%
Interim dividend per share	**6.36p**	+2.0%

- Good results, with resilient trading in liquor and food, and excellent hotels' performance;
- Managed house revenue up 0.9% to £60.3 million, with like-for-like sales up 0.8%, and operating profits up 2.7%;
- £6.6 million invested in managed houses with two new sites opened – the Dial Arch in Woolwich Arsenal and the Lass O' Richmond Hill;
- Benefits of continued focus on hotel offering showing through clearly, with accommodation revenues up 18.7% and RevPar up 20.1%;
- Tenanted business maintained its revenue both on a total and like-for-like basis, but profits fell by 4.2% as some support packages were increased;
- Very good performance from Wells & Young's over the summer, contributing £2.1 million to Young's adjusted profit before tax;
- Net interest costs after other finance income down 22.6% at £1.1 million;
- Net debt almost unchanged at £62.6 million (March 2010: £62.2 million) despite £8.2 million investment in the business;
- Interim dividend increased for 14th consecutive year, up 2.0% to 6.36p per share; and
- Positive start to the second half year, with managed house revenue up 3.4% in total and up 1.8% on a like-for-like basis over the first seven weeks.

All of the results above are from continuing operations.

*Throughout this report, reference to an "adjusted" item refers to continuing operations only and has been adjusted to exclude:
- exceptional items for both company and associate (see note 8); and
- in the case of after-tax amounts, the tax associated with the exceptional items and, for period 27 September 2010, recognition of rollover relief claim.

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

"Young's has turned in a good result, reflecting a resilient performance in our pubs, and a particularly positive showing from our hotels which have been the focus of recent management attention.

"We have continued to invest both in new sites and in the development of our existing estate. Despite this, net debt remained almost unchanged at £62.6 million.

"The second half has started positively with managed house revenue up 3.4% in total and up 1.8% on a like-for-like basis. The extra burden on consumers over the coming months, with tax rises, job losses and the Government's austerity programme gives us reason for some caution. However, we believe we are well-placed to build on this performance, aided by the quality and premium position of the Young's brand and our London presence and focus."

For further information, please contact:

Young & Co.'s Brewery, P.L.C. Stephen Goodyear, Chief Executive Peter Whitehead, Finance Director	020 8875 7000
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Interim statement

Overview

Young’s has delivered a good set of results. Although revenue growth was modest at 0.7%, unadjusted profit before tax was up 4.0% at £11.9 million and, once adjusted for exceptional items, up 8.4% at £13.4 million. The adjusted basic earnings per share was up 20.0% at 21.35p as the benefit of the 1% reduction in the corporate tax rate was added to the improved underlying profit.

These results were achieved in a period of mixed trading, with the first three months benefiting from considerably better weather than the second. They reflect a strong performance from our hotels, higher finance income and an increase in profit from our associate, Wells & Young’s.

Net debt remained almost unchanged at £62.6 million despite investing £8.2 million in the business. Our gearing is 35.6%; interest cover at the half year was 9.3 times and our balance sheet is underpinned with the freehold interests of 182 pubs.

Despite the difficult economic environment we have stuck to our strategy and not adopted heavy discounting measures and remain dedicated to maintaining our premium position within the marketplace.

Young’s remains committed to delivering shareholder value and the board has decided to raise the interim dividend for the 14th consecutive year. A dividend of 6.36 per share, an increase of 2.0%, is expected to be paid on 17 December 2010 to shareholders on the register at the close of business on 3 December 2010.

Business review

Managed houses

Managed house revenue increased by 0.9%, and by 0.8% on a like-for-like basis, and now represents 89.0% of our revenue. Operating profit was 2.7% ahead at £15.3 million, driven by the investment in our hotel business and improvements in wage control. The average EBITDAR (earnings before interest, tax, depreciation and rent) per same outlet managed house was just ahead of last year at £161,000.

We have maintained liquor sales and their gross margins despite the challenging market. The excellent range of beers provided by Wells & Young’s was complemented by a Local Heroes campaign which promoted ale brands such as Old Hooky, Butcombe Bitter and Sambrook’s Wandle. This initiative proved successful and has been an important ingredient in driving footfall.

Food sales were up 1.5% with even greater emphasis on our national cuisine and a pub-led celebration of all things British. We participated in the British Food Fortnight for the second year in a row, with a sumptuous autumnal menu. This is a national initiative supported by the Duchess of Cornwall to promote British agriculture. We have also introduced an innovative range of substantial snacks, prepared freshly in our kitchens for customers who like to treat themselves between meals.

We invested £6.6 million during the period. We opened two new sites - The Dial Arch in the Woolwich Arsenal and the Lass O’ Richmond Hill. The Dial Arch opened in June, the culmination of a 30 week restoration and combination of two historic buildings, which date back to 1720 when they acted as the gate house for the home of British defence and munitions production. The Lass O’ Richmond Hill, which borders Richmond Park, was bought in August and opened, following major works, at the end of September. We also completed major refurbishments at the Coopers’ Arms, Chelsea, and the Alexandra in Wimbledon and are just adding the finishing touches to the Alma, where 23 beautifully designed hotel rooms are due to open in time for Christmas.

We are aware of just how important social media platforms are for attracting and retaining a loyal following. It is through these and our websites that we are targeting customers online and creating a dialogue that is both engaging and relevant. Our e-marketing databases continue to grow; up 40% in the last year alone.

Our hotels have received a great deal of investment over the last couple of years, both in terms of management time and upgrading our rooms. During the summer they were re-launched under their own brand – Young's Hotels – a discrete but complementary component of the Young's proposition. Our hotel websites have also been enhanced to allow our customers to gain an insight into the quality of our accommodation, book rooms and choose additional services online. Like the coaching inns of old, but with a contemporary twist, they provide relaxing modern accommodation with a warm welcome, the best of British food and fantastic cask ales.

After all our work it is satisfying to see the benefits, with accommodation revenues up 18.7% driven by both better occupancy and room rates resulting in RevPar (revenue per available room) at £46.16, up 20.1% or £7.72.

Tenanted division

Our tenanted pub estate faced equally difficult trading conditions during the summer. Despite this, the business managed to maintain its revenue both on a total and like-for-like basis. Profits however fell by 4.2% to £2.7 million, as we provided additional support to help our tenants meet the market challenges.

Although a smaller part of our trading business, accounting for only 10.8% of our revenue, we have continued to invest in it over the summer with £1.4 million spent on acquisitions and on developing our existing estate. The larger projects were undertaken at the Grand Union, Wandsworth, the Malt Shovel, Dartford, and the Prince of Wales, Merton and on finishing developments at the Lamb Inn, Hindon, the King's Arms, Epsom, the Pig and Whistle, Wandsworth and the Plough Inn, Wrington. There were two additions in the summer, the White Hart in Witley and Mavericks which reopened in Southampton.

Our tenants are, more than ever, the vital ingredient in running successful pubs, whether they are exciting vibrant town centre or food-led community ones. The Grand Union Pub company now trades three of our pubs in Brixton, Camberwell and Wandsworth and is an excellent example of a tenant making city pubs work; Jason Read, the tenant at the Rattlebone and the Plough, pubs set in beautiful West Country villages, provides a fine model of successful country ones.

Our high quality estate and attractive and flexible package proves popular with prospective tenants. During the course of the summer nine new tenants joined us and, in contrast with many of our peers, all our tenanted pubs are trading. Our Code of Practice which was industry accredited in June sits alongside our comprehensive package which includes an excellent range of beers and fine wines and training courses on a wide variety of critical subjects. At all times, our tenants benefit from the expertise of our business development team as together we seek to optimise each pub's prospects. Secure in the knowledge that we trade with one of the sector's highest EBITDARs per pub, £36,100 on a like-for-like basis for the six months, we remain committed to this approach.

Wells & Young's

Wells & Young's, our 40% brewing associate, has had an excellent summer with revenue growth of 1.5% and profit before tax growth, once adjusted for exceptional items, of 18.0%. Wells & Young's has contributed £2.1 million to Young's adjusted profit before tax.

Disappointingly, after such a successful summer it was announced that the management of the Corona Extra and Red Stripe brands will be moving back to their respective brand owners in 2011. This will have an impact on Wells & Young's in terms of overhead costs, the size of the company and regrettably, its people. It will not however have a material impact on Young's profits in the current year and, beyond that, we are confident that Wells & Young's management will respond in such a way so as to minimise any profit shortfall.

Wells & Young's will now focus on driving further efficiencies in its operations and most importantly build on its own enviable portfolio of some of the UK's most loved cask beers, brands which not only include Charles Wells and Young's but Courage too. These award winning ales are complemented by the UK agency of speciality lagers such as Kirin Ichiban and Estrella Damm.

Investment and finance

Profit before tax was up 4.0% at £11.9 million and, once adjusted for exceptional items, was up 8.4% at £13.4 million. The profit increase was the result of a 3.2% increase in operating profit driven largely by our hotel performance, higher finance income and a larger profit contribution from Wells & Young's.

The adjusted basic earnings per share was up 20.0% at 21.35p as the benefit of the 1% reduction in the corporate tax rate was added to the improved underlying profit. Growth in basic earnings per share was stronger still, up 73.5%. This was largely the result of a £4.9 million reduction in our deferred tax liability arising principally from the allocation of rolled over capital gains to specific assets.

We invested £8.2 million in the business, part funded by £2.2 million from three disposals. Net debt was almost unchanged at £62.6 million. At the end of the period we had 121 managed and 99 tenanted pubs. We believe that we have one of the strongest balance sheets amongst the publicly quoted pub companies. Our gearing is 35.6%; interest cover at the half year was 9.3 times and our balance sheet is underpinned with the freehold interests of 182 pubs.

Our pension deficit has fallen to £13.5 million. This was the result of additional payments into the fund combined with a positive investment performance which more than offset the increase in liabilities arising from the lower discount rate applied.

Current trading and outlook

The second half has started positively with managed house revenue in the first seven weeks up 3.4% in total and up 1.8% on a like-for-like basis. The continuing low interest rates have played their part in maintaining consumer confidence. However tax rises, job losses and the Government's austerity programme are likely to place an extra burden on consumers over the coming months. Nonetheless our trading performance throughout the current downturn has proved resilient and with our London focus we believe that we are well placed to build on a positive first half. By continuing to pursue our consistent strategy we will optimise shareholder value through our well invested estate and the quality of our offering, whilst proactively looking for opportunities to expand.

Stephen Goodyear
Chief Executive
24 November 2010

The 2010 interim report will be mailed to shareholders on 3 December 2010 and copies of it will be available on the company's website and on request from the company Secretary at the company's registered office: Riverside House, 26 Osiers Road, Wandsworth, London, SW18 1NH (tel: 020 8875 7000).

Independent review report

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 2010 which comprises the group income statement, the group statement of comprehensive income, the group balance sheet, the group statement of cash flow, the group statement of changes in equity 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 2010 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with IFRS's as adopted by the European Union and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London
24 November 2010

Unaudited group income statement

For the 26 weeks ended 27 September 2010

	Notes	**26 weeks to 27 Sept 2010 £000**	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Continuing operations				
Revenue		**67,692**	67,240	127,539
Operating costs before exceptional items		**(55,306)**	(55,242)	(107,232)
Operating profit before exceptional items		**12,386**	11,998	20,307
Operating exceptional items	3	**(340)**	-	(234)
Operating profit		**12,046**	11,998	20,073
Share of associate's profit before exceptional items and tax		**2,111**	1,789	1,960
Share of associate's exceptional items	3	**(630)**	(215)	(529)
Share of associate's tax expense		**(493)**	(665)	(284)
Share of associate's post tax result		**988**	909	1,147
Profit before interest		**13,034**	12,907	21,220
Finance costs		**(1,329)**	(1,348)	(2,675)
Finance revenue		**2**	1	1
Other finance income/(charge)	9	**209**	(98)	(170)
Profit before tax		**11,916**	11,462	18,376
Taxation	4	**2,667**	(3,071)	(5,858)
Profit for the period attributable to shareholders		**14,583**	8,391	12,518

		Pence	Pence	Pence
Earnings per 12.5p ordinary share from continuing operations				
Basic and diluted	5	**30.24**	17.43	26.00

Unaudited group statement of comprehensive income

For the 26 weeks ended 27 September 2010

	Notes	**26 weeks to 27 Sept 2010 £000**	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Profit for the period		**14,583**	8,391	12,518
Other comprehensive income				
Actuarial loss on retirement benefit schemes	9	**(1,233)**	(5,411)	(3,990)
Hedging reserve fair value movement of interest rate swap		**(3,037)**	729	508
Tax on above components of other comprehensive income	4	**881**	1,457	1,408
Associate's actuarial loss (net of deferred tax) on retirement benefit schemes		**(819)**	(917)	(334)
		(4,208)	(4,142)	(2,408)
Total comprehensive income attributable to shareholders		**10,375**	4,249	10,110

Unaudited group balance sheet
At 27 September 2010

	Notes	At 27 Sept 2010 £000	Restated At 26 Sept 2009 £000	Restated At 29 Mar 2010 £000
Non current assets				
Property and equipment		**260,025**	258,035	256,240
Prepaid operating lease premiums		**6,142**	5,873	6,244
Investment in associate		**14,134**	13,099	13,942
Other financial asset		**600**	600	600
		280,901	277,607	277,026
Current assets				
Prepaid operating lease premiums		**94**	86	92
Inventories		**1,726**	1,700	1,705
Trade and other receivables		**4,671**	4,285	4,321
Cash		**1,762**	1,411	1,575
		8,253	7,482	7,693
Non current assets classified as held for sale		**121**	797	2,573
Total assets		**289,275**	285,886	287,292
Current liabilities				
Borrowings		**(2)**	(2)	(2)
Trade and other payables		**(15,061)**	(15,035)	(17,695)
Income tax payable		**(3,049)**	(2,881)	(2,037)
		(18,112)	(17,918)	(19,734)
Non current liabilities				
Borrowings		**(64,317)**	(66,318)	(63,817)
Derivative financial instruments		**(7,327)**	(4,069)	(4,290)
Deferred tax		**(10,318)**	(15,852)	(16,716)
Retirement benefit schemes	8	**(13,451)**	(16,446)	(14,121)
		(95,413)	(102,685)	(98,944)
Total liabilities		**(113,525)**	(120,603)	(118,678)
Net assets		**175,750**	165,283	168,614
Capital and reserves				
Share capital		**6,028**	6,028	6,028
Share premium		**1,274**	1,274	1,274
Other reserves		**1,808**	1,946	1,808
Hedging reserve		**(5,349)**	(2,930)	(3,089)
Investment in own shares		**-**	(38)	-
Retained earnings		**171,989**	159,003	162,593
Total equity		**175,750**	165,283	168,614

The comparative figures for September 2009 and March 2010 have been restated as detailed in note 1.

Unaudited group statement of cash flow
For the 26 weeks ended 27 September 2010

	Notes	**26 weeks to 27 Sept 2010 £000**	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Operating activities				
Net cash generated from operations	7	**10,934**	12,006	26,940
Interest received		**2**	1	1
Tax paid		**(1,838)**	(1,864)	(4,680)
Net cash flow from operating activities		**9,098**	10,143	22,261
Investing activities				
Sales of property and equipment		**2,730**	17	1,005
Purchases of property and equipment		**(8,237)**	(5,248)	(10,399)
Prepayments of operating lease premiums		**-**	-	(420)
Net cash used in investing activities		**(5,507)**	(5,231)	(9,814)
Financing activities				
Interest paid		**(644)**	(1,322)	(3,185)
Equity dividends paid		**(3,260)**	(3,197)	(6,206)
Increase/(decrease) in borrowings		**500**	(501)	(3,000)
Net cash used in financing activities		**(3,404)**	(5,020)	(12,391)
Increase/(decrease) in cash		**187**	(108)	56
Cash at the beginning of the period		**1,575**	1,519	1,519
Cash at the end of the period		**1,762**	1,411	1,575

Unaudited group statements of changes in equity

For the 26 weeks ended 27 September 2010

	Notes	**26 weeks to 27 Sept 2010 £000**	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Opening equity		**168,614**	164,211	164,211
Total comprehensive income				
Profit for the period		**14,583**	8,391	12,518
Other comprehensive income				
Actuarial loss on retirement benefit schemes	9	**(1,233)**	(5,411)	(3,990)
Hedging reserve fair value movement of interest rate swap		**(3,037)**	729	508
Tax on above components of other comprehensive income	4	**881**	1,457	1,408
Associate's actuarial loss (net of deferred tax) on retirement benefit schemes		**(819)**	(917)	(334)
		(4,208)	(4,142)	(2,408)
Total comprehensive income		**10,375**	4,249	10,110
Transactions with owners recorded directly in equity				
Dividends paid on equity shares		**(3,260)**	(3,197)	(6,206)
Allocation of shares to employees		**-**	-	457
Share-based payments by associate		**21**	20	42
		(3,239)	(3,177)	(5,707)
Closing equity		**175,750**	165,283	168,614

Note to the accounts

1 Accounts

This interim report was approved by the board on 24 November 2010. The interim financial statements in it are unaudited, and are not the group's statutory accounts as defined in s. 235 of the Companies Act 2006. They have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union that the group expects to apply in the 2011 full year financial statements. These accounting policies are consistent with the accounting policies set out in the group's audited accounts for the period ended 29 March 2010, with the exception of the following changes to IFRS standards which the group has adopted for the 2011 financial year:

(a) IFRS 3 (Revised): Business Combinations:
A business combination occurs when an entity 'obtains control of one or more businesses' by acquiring its net assets or its equity interests.

The revised standard has widened the definition of a "business" so the number of acquisition transactions that fall under IFRS 3 is expected to increase. The group interpret pub acquisitions, where the pub is fully operational at the acquisition date with an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to shareholders, to now fall under the scope of IFRS 3.

The main impact of this is transaction costs such as fees for lawyers, investment bankers, accountants, and valuation experts are now considered not to be part of the fair value exchange between buyer and seller for the acquired business. They are considered as a separate transaction and therefore expensed (as part of operating exceptional costs) in the period in which the services were received.

Other changes affect the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages.

The revised standard is to be applied prospectively from the effective date which is the group's current financial year. Thus no adjustment is permitted for business combinations taking place before this financial year. The impact of revised IFRS 3 has therefore only affected the group's purchase of the Lass O'Richmond Hill and the White Hart Witley, which were acquired during the current half year.

(b) The International Accounting Standards Board (IASB) and the Interpretations Committee have issued various other new standards, amended standards and issued interpretations which are effective for the current financial year. The adoption of these is considered to have no effect on the group's operating results or financial position.

The group balance sheets at 26 September 2009 and 29 March 2010 have been restated in respect of the following adjustments:

I. Deferred tax relating to the group's investment in its associate, Wells & Young's Brewing Co Ltd, has been reassessed. The deferred tax liability of £2,320,000 has been reclassified from deferred tax liabilities to the investment in associate, and increased to £3,510,000.
II. Following a reassessment, the deferred tax liability relating to capital allowances has been reduced, and retained earnings increased, by £1,190,000.

These restatements had no net impact on retained earnings at 26 September 2009 or 29 March 2010. The income statements, statements of comprehensive income and statements of changes in equity for the September 2009 and March 2010 comparative periods have not been affected by these restatements.

Statutory accounts for the period ended 29 March 2010 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. 498(2) or (3) of the Companies Act 2006 (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. 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. Segmental reporting

The group is organised into the reportable segments referred to below. These segments are based on the different resources and risks involved in the running of the group. The Executive Board of the group internally reviews each reportable segment's operating profit or loss before exceptional items for the purpose of deciding on the allocation of resources and assessing performance. The segments shown below are the group's operating segments.

Managed houses – operate and run pubs. Revenue is derived from sales of drink, food and accommodation.

Tenanted houses – pubs owned or leased by the company and leased or sub leased to third parties. Revenue is derived from rents payable by, and sales of drink made to, tenants.

There were no intersegment revenues between the segments. The group's revenue from external customers and its assets derive entirely from the UK.

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Revenue			
Managed houses	**60,258**	59,739	112,915
Tenanted houses	**7,286**	7,325	14,282
Segment revenue	**67,544**	67,064	127,197
Unallocated income	**148**	176	342
Total	**67,692**	67,240	127,539
Operating profit before exceptional items			
Managed houses	**15,257**	14,848	26,314
Tenanted houses	**2,698**	2,816	5,354
Segment operating profit before exceptional items	**17,955**	17,664	31,668
Unallocated expense	**(5,569)**	(5,666)	(11,361)
Total	**12,386**	11,998	20,307
Share of associate's profit before exceptional items and tax	**2,111**	1,789	1,960
Share of associate's exceptional items	**(630)**	(215)	(529)
Share of associate's tax expense	**(493)**	(665)	(284)
Finance costs	**(1,329)**	(1,348)	(2,675)
Finance revenue	**2**	1	1
Other finance income/(charge)	**209**	(98)	(170)
Operating exceptional items	**(340)**	-	(234)
Profit before tax	**11,916**	11,462	18,376

3. Exceptional items

(a) Operating exceptional items

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Acquisitions costs	**(119)**	-	-
Hotel project fees written off	**(195)**	-	-
Capital gains tax on ESOP allocated shares	**(115)**	-	12
Profit on sales of properties	**89**	-	421
Profit sharing scheme compensation	**-**	-	(1,350)
Pension scheme settlement gain	**-**	-	900
Pension schemes merger costs	**-**	-	(217)
	(340)	-	(234)

Acquisitions costs include legal fees and stamp duty incurred on the purchase of the Lass O'Richmond Hill and the White Hart, Witley. These have been written off as operating exceptional items in the current year due to the adoption of IFRS 3: Business combinations (revised).

Hotel project fees relate to extensive work carried out to identify opportunities at selected pubs. The group have been successful in identifying specific opportunities and obtained planning permission to develop them; where this had not been the case, a decision to write off the relevant costs was taken.

The profit on sales of properties relates to the difference between the cash, less selling costs, received from the sale of the Parrot, Canterbury, the Cock Inn, Boughton Monchelsea and the Wheatsheaf Wandsworth and the carrying value of the assets on the date of sale.

The capital gains tax on ESOP allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the now closed profit sharing scheme. A liability is recognised at each balance sheet date for the potential capital gains tax that could arise on the disposal of shares to the members of the scheme on retirement.

(b) Share of associate's exceptional items

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Reorganisation costs	**(22)**	(121)	(121)
Fair value movement on foreign exchange forward contracts	**(92)**	(290)	(564)
Fair value movement on interest rate swap	**(516)**	196	156
	(630)	(215)	(529)

This period, reorganisation costs consist mainly of redundancy payments relating to IT restructuring.

In addition, with such volatility in the foreign exchange and financial markets, there have been large movements in the fair value of foreign exchange and interest rate contracts this period. These have been recorded as exceptional by nature of their size.

4. Taxation

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
(a) Tax credited/(charged) in the income statement			
Current tax			
Group excluding associate	**(2,850)**	(3,040)	(4,827)
Adjustment in respect of prior periods	**-**	-	(185)
Total current tax	**(2,850)**	(3,040)	(5,012)
Deferred tax			
Recognition of rollover claim	**4,945**	-	-
Property revaluation – movement due to indexation	**176**	-	-
Other property movements	**111**	-	-
Origination and reversal of temporary differences	**(410)**	(31)	(287)
Adjustment in deferred tax rate from 28% to 27%	**695**	-	-
Adjustment in respect of prior periods*	**-**	-	(559)
Total deferred tax	**5,517**	(31)	(846)
Tax credit/(charge) in the income statement	**2,667**	(3,071)	(5,858)

*For the year ending 29 March 2010, this item is largely comprised of an immaterial amount of £672,000 which adjusts an amount from the prior period.

(b) Tax credited/(charged) on group components of other comprehensive income

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Deferred tax			
Retirement benefit schemes	**345**	1,516	1,117
Property revaluation – movement due to indexation	**-**	145	433
Interest rate swaps	**850**	(204)	(142)
Adjustment in deferred tax rate from 28% to 27%	**(314)**	-	-
Total deferred tax	**881**	1,457	1,408
Tax credit on group components of other comprehensive income	**881**	1,457	1,408

(c) Deferred tax credited/(charged) in the income statement

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Capital allowances	**201**	169	57
Property revaluation and disposals*	**5,781**	-	(816)
Other tax provisions	**14**	-	174
Retirement benefit schemes	**(479)**	(200)	(261)
Total deferred tax in the income statement	**5,517**	(31)	(846)

*For the year ending 29 March 2010, this item is largely comprised of an immaterial amount of £672,000 which adjusts an amount from the prior period.

5. Earnings per 12.5p ordinary share

(a) Earnings

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Profit attributable to equity holders of the parent	**14,583**	8,391	12,518
Operating exceptional items	**340**	-	234
Share of associate's operating exceptional items	**630**	215	529
Tax attributable to above adjustments	**(312)**	(42)	542
Recognition of rollover relief claim	**(4,945)**	-	-
Adjusted earnings after tax	**10,296**	8,564	13,823
	Number	Number	Number
Basic and diluted weighted average number of ordinary shares in issue	**48,224,000**	48,128,692	48,140,410

(b) Basic and diluted earnings per share

	Pence	Pence	Pence
Basic and diluted	**30.24**	17.43	26.00
Exceptional items and other adjustments listed above	**(8.89)**	0.36	2.71
Adjusted basic and diluted	**21.35**	17.79	28.71

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

Adjusted earnings per share are presented to eliminate the effect of the exceptional items, the tax attributable to those items on basic and diluted earnings per share and, for the period to 27 September 2010 a £4,945,000 reduction in deferred tax liability on rolled over gains for differences between the tax deductible cost and accounts residual value of the reinvestment assets.

6. Ordinary dividends on equity shares

	26 weeks to 27 Sept 2010 Pence	26 weeks to 26 Sept 2009 Pence	Year to 29 Mar 2010 Pence
Final dividend (previous period)	**6.76**	6.63	6.63
Interim dividend (current period)	**-**	-	6.24
	6.76	6.63	12.87

7. Net cash generated from operations and analysis of net debt

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Profit before tax on continuing operations	**11,916**	11,462	18,376
Net finance costs	**1,327**	1,347	2,674
Other finance (income)/charge	**(209)**	98	170
Share of associate's post tax result	**(988)**	(909)	(1,147)
Operating profit on continuing operations	**12,046**	11,998	20,073
Depreciation	**4,267**	4,111	8,613
Profit on sales of properties	**(89)**	**-**	(421)
Pension scheme settlement gain	**-**	**-**	(900)
Difference between pension service cost and cash contributions paid	**(1,694)**	(816)	(892)
Allocation of shares to employees	**-**	**-**	457
Provision for capital gains tax on ESOP allocated shares	**115**	**-**	(12)
Movements in working capital			
Inventories	**(23)**	9	4
Receivables	**(250)**	500	507
Payables	**(3,438)**	(3,796)	(489)
Net cash generated from operations	**10,934**	12,006	26,940

Analysis of group net debt

	At 27 Sept 2010 £000	At 26 Sept 2009 £000	At 29 Mar 2010 £000
Cash	**1,762**	1,411	1,575
Loan capital and finance leases	**(64,319)**	(66,320)	(63,819)
Net debt	**(62,557)**	(64,909)	(62,244)

8. Adjusted profit before tax

The table below shows how adjusted group 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 the group's underlying performance.

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Profit before tax	**11,916**	11,462	18,376
Operating exceptional items - group	**340**	-	234
Share of associate's exceptional items	**630**	215	529
Share of associate's tax expense	**493**	665	284
Adjusted profit before tax	**13,379**	12,342	19,423

9. Retirement benefit schemes

The table below summarises the movement in the retirement benefit scheme deficits in the period.

	26 weeks to 27 Sept 2010 £000	26 weeks to 26 Sept 2009 £000	Year to 29 Mar 2010 £000
Changes in the present value of the pension schemes are analysed as follows:			
Opening deficit	**(14,121)**	(11,753)	(11,753)
Current service cost	**(413)**	(430)	(1,003)
Contributions	**2,107**	1,246	1,895
Other finance income/(cost)	**209**	(98)	(170)
Settlement gain	**-**	-	900
Actuarial loss	**(1,233)**	(5,411)	(3,990)
Closing deficit	**(13,451)**	(16,446)	(14,121)

The three pension schemes in existence at 26 September 2009 have been combined in order to provide a more meaningful comparative.