Young & Co.'s Brewery, P.L.C.

Preliminary results for the 52 weeks ended 1 April 2013

	2013 £000	2012 £000	% change
Revenue	193,677	178,964	+8.2
Adjusted operating profit *	28,935	26,162	+10.6
Adjusted profit before tax *	24,128	21,333	+13.1
Profit/(loss) before tax **	22,319	(7,494)	
Adjusted basic earnings per share *	37.77p	33.41p	+13.0
Basic earnings/(loss) per share	35.23p	(11.13)p	
Dividend per share	14.63p	13.93p	+5.0
(interim and recommended final)			
Net assets per share	£6.94	£6.59	+5.3

All of the results above are from continuing operations.

* "Adjusted" item means item has been adjusted to exclude exceptional items (see note 3).

** In the prior period the group changed its policy on valuing property and equipment from the cost model to the revaluation model. This gave rise to a net uplift in the value of property and equipment of £174.0 million. An upward movement of £203.1 million was recognised in equity, while a downward movement of £29.1 million was taken to the income statement resulting in the prior period loss before tax.

Highlights

- Strong performance for the full year, with further like-for-like growth in second half against particularly strong comparatives;
- Managed house revenue increased 10.0% to £181.6 million, with same outlet like-for-like sales up 4.6%; managed house operating profit up 12.2%;
- Continued growth in accommodation with 397 rooms following 27 additions during the year; sales up 5.5% in total; RevPAR up to £49.26, an increase of 27.6% since 2010;
- £20.5 million investment in the business, and seven underperforming tenanted pubs divested;
- Despite continued high rate of investment, net debt further reduced to £112.6 million, ratio of 2.8 times EBITDA;
- Proposed 5.0% increase in final dividend to 7.61 pence, resulting in a total dividend of 14.63 pence (2012: 13.93 pence); 16th consecutive year of dividend growth;
- Focus on growing premium managed estate, primarily in London and the south east; and
- Positive trading since the period end; managed house revenue in first seven weeks of current financial year up 14.7% in total, up 10.6% on like-for-like basis.

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

"An exceptional year in a number of ways, with one-off events such as the Diamond Jubilee and the Olympic and Paralympic Games helping us to deliver strong like-for-like performance in the first half of the year despite some decidedly unseasonal weather, followed by further like-for-like growth when London returned to normal in the second half.

"Once again, our strong operating cash flow has enabled us to invest in improving further the quality of our estate at a time when competitors may be constrained, enabling us to increase our differentiation.

"We have added to our managed estate, both last year and in the early weeks of this, and we are nearing the end of the process of re-shaping our tenanted estate into one that is smaller but of higher quality.

"Trading since the period end has been strong with managed house revenue in the first seven weeks of the new financial year up 14.7% in total and 10.6% on a like-for-like basis, albeit against relatively weak comparatives. Over a thirteen week period, which gives a more rounded picture, like for like trade was up 3.7%.

"Our premium offer, through both Young's and Geronimo, continues to prove attractive despite the continued caution on the part of the UK consumer. With the quality of our estate, the talent within the business and our balance sheet strength, Young's remains in a strong position to continue to grow and deliver value to our shareholders."

For further information, please contact:

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PRELIMINARY RESULTS FOR THE 52 WEEKS ENDED 1 APRIL 2013

Overview

The summer of 2012, representing the first half of our financial year, was dominated in the public consciousness by the unique events in London – the Diamond Jubilee and the Olympic and Paralympic Games. Whilst tempered by some decidedly unseasonal weather, our like-for-like performance over that period saw some benefit from these events. In the second half, when London returned to normal, we delivered further like-for-like growth; this was at a slightly lower rate but still very pleasing as it was achieved against the backdrop of a very strong performance in the comparative period.

Throughout the year our focus has been on driving superior performance across our estate, week in week out, whatever the external forces at play. The strong revenue and profit growth that we have generated are a clear reflection of our success in this regard.

Revenue increased by 8.2% to £193.7 million, with strong like-for-like managed house growth across both Young's and Geronimo. Adjusted operating profit increased 10.6% to £28.9 million. Adjusted profit before tax was up 13.1% at £24.1 million and adjusted basic earnings per share increased 13.0% to 37.77 pence.

Our strategy is unchanged: we are focused on developing and growing an estate of premium pubs, primarily in London and the south east, with a clear emphasis on managed operations. We run pubs as opposed to restaurants and believe ours are well balanced providing our customers with an exciting choice of both food and drink. We will continue to invest in the existing estate to maintain our premium positioning and to grow our hotel business. We are looking to acquire further managed houses, either as packages or individual sites, to increase the size of both the Young's and Geronimo operations.

We remain soundly financed and asset backed. During the year we opened five new managed pubs including one transfer from tenancy. We also made seven disposals from our tenanted estate and decided not to renew two further leaseholds. At the period end therefore we operated an estate of 237 pubs of which 197 were either freehold or long leases on peppercorn rents.

The business again generated a strong operating cash flow of £35.1 million. This, together with the proceeds from disposals and the second installment from the sale of our stake in Wells & Young's, allowed us to invest £20.5 million whilst still reducing net debt by £5.5 million. Our balance sheet remains strong with net debt at £112.6 million; this represents 2.8 times EBITDA of £40.6 million, and gearing of 33.6%.

As always, our success is in large part due to the unstinting efforts and commitment of our colleagues across the group – our senior management, our operations team and those who look after our customers every day. My Board colleagues and I are very grateful to them all.

We remain committed to a progressive dividend policy. In light of our strong trading performance and sound financial position, the Board is recommending a final dividend of 7.61 pence per share, a 5.0% increase, resulting in a total dividend for the year of 14.63 pence (2012: 13.93 pence). This final dividend, if approved, is expected to be paid on 11 July 2013 to shareholders on the register at the close of business on 7 June 2013. This would be the sixteenth consecutive year of dividend growth.

Board and senior management changes

As previously announced, Ed Turner joined the Board at the start of the current financial year and assumed the role of Managing Director, Geronimo Inns. The Board is grateful to Rupert Clevely for his contribution since we acquired Geronimo in December 2010, and delighted he is continuing with the company as a Non-executive Director. These changes represent a smooth and effective succession plan within Geronimo, and Ed, a driving force behind Geronimo for 14 years, has made an excellent start in his new role.

In November 2012, Andrew Cox joined Young's as Director of Property and Tenancies. As a member of the Royal Institution of Chartered Surveyors, he brings 29 years of experience from Mitchells & Butler to his new role and is a very valuable addition to our senior team.

Business review

Managed operation

Our managed operation, which comprised 125 Young's managed houses (including 18 hotels) and 34 Geronimo pubs, increased revenue by 10.0% to £181.6 million, representing 93.7% of group revenue. Managed house operating profit before exceptional items was up 12.2% at £39.6 million. Our 146 like-for-like pubs increased sales by 4.6% and generated, on average, sales of £1.1 million and EBITDA of £327,000 per pub.

Young's managed operation revenue was up 7.0%, with like-for-like growth of 5.0%. Total revenue benefited from a number of key factors; the Plough (Clapham Junction) and the Shaftesbury (Richmond), having been transferred from our tenanted operation in the previous year; the more recent additions of the King's Head (Roehampton), the Cutty Sark (Greenwich) and the Narrow Boat (Islington); and from the runaway success of the recently re-opened Wheatsheaf (Borough Market). The impact of the poor weather that plagued the year was partly offset by strong trading at many sites during the London events of summer 2012. Our riverside pubs performed strongly over the Jubilee weekend and sites such as the Dial Arch (Woolwich), our Wimbledon pubs and those close to transport hubs all benefited from Olympic crowds.

Geronimo grew its revenue by 19.2%, driven by six extra sites and like-for-like growth of 3.1%. The Oyster Shed (on the Embankment near Cannon Street) and the Cow and the Calf (both in the Westfield Shopping Centre in Stratford) were recent additions whilst the Half Moon (Putney), Chelsea Ram and the Princess of Wales (Clapton) had been transferred from our tenanted operation. Situated next to the Olympic Park, the Cow and the Calf shattered all our previous group sales records in the second week of the Games. The Calf was a temporary site which closed just after Christmas, and sales at the Cow, as expected, have returned to more normal patterns. The rate of Geronimo's overall sales growth has reduced as a consequence.

Like-for-like drink sales were up 3.2%, reflecting growth in both Young's and Geronimo. Our focus remains resolutely on a premium portfolio of products and this has proven to be very successful with customers continuing to trade up. Interest in craft beers is growing strongly and we have introduced separate cocktail bar concepts with a "Speakeasy" feel at two of our pubs –Smith's at the Brook Green Hotel (Hammersmith) and Old Mary's at the Mitre (Lancaster Gate). Both are proving very popular and we see potential for further such developments at other sites.

Food generated 7.6% like-for-like growth driven by quality, menu content and service initiatives. Food accounted for 29.8% of total revenue in the period (2012: 29.1%).

Hotel accommodation remains an important part of our growth strategy. At the year end we had 397 rooms in total, having added ten at the Bull's Head (Chislehurst) and 17 at the Foley (Claygate) during the year. Accommodation sales have benefited from recent investment, successful online marketing and booking simplicity. Sales were up 5.5% in total and RevPAR (revenue per available room) continues to improve and stands at £49.26, up 0.9% on last year and up from £38.62 three years ago. Further sales growth is anticipated next year with the full benefit of the recent investments at the Bull's Head and the Foley coming through. In addition, we are, subject to planning, to develop 16 rooms at the Dog & Fox (Wimbledon).

We continue to invest as we strive for excellence at every level – location, ambience and design, product portfolio and service. Despite little or no let up in the depressed economic climate, where some of our competitors may have chosen to invest less in their estate we have continued to invest more and where they may have reduced service levels we have increased them. In doing so we continue to widen our differentiation.

We invested £19.4 million in our managed houses – £16.5 million in Young's sites (of which £4.3 million was on hotels) and £2.9 million within Geronimo. We acquired the Cutty Sark (Greenwich) and the Narrow Boat (Islington). The two largest projects in our existing estate were the hotel development at the Foley (Claygate) and the redevelopment of the King's Head (Roehampton). Other major investments were made at the Albert (Kingston), Betjeman Arms (St Pancras), Chelsea Ram, Clock House (Peckham Rye), Coach & Horses (Kew), Duke's Head (Wallington), Grove (Balham), Marquess of Anglesey (Covent Garden), Princess of Wales (Clapton), Phoenix (Westminster), Shaftesbury (Richmond), Ship (Wandsworth), Thatched House (Hammersmith), Waterside (Fulham) and the Wheatsheaf (Borough Market). In all cases, we applied a creative, innovative and individual design that is the hallmark of our work in developing the modern pub without losing its time honoured appeal.

The major developments undertaken in the year to March 2012, which have now completed their first full year post development, generated a 20.1% return on investment based on increases in EBITDA.

We have increased the number of operations managers; reducing the ratio of pubs to operations manager increases their ability to work more proactively and creatively with their customer-facing retail teams. We have introduced a charter committing to all our retail staff that we will champion their cause through better communication, better training and development opportunities and faster response times to their needs. We are also increasing our focus on measuring service levels through mystery customer visits, doubling the number of annual visits to eight per pub. The outcome of these visits has a direct impact on the bonus the pub manager earns and results in a more committed team who deliver the best in customer service and a marked increase in productivity per pub.

Social media is a cornerstone of our marketing strategy. Our e-marketing databases have now surpassed 500,000 individual addresses, and with a growing number of Facebook fans and Twitter followers, more and more of our customers are using their mobiles to search out and book places to eat, drink and stay online. Over 30% of our five million website hits originate from hand held devices. As a consequence we continue to exploit our digital presence for mobile and tablet access which will further increase our ability to reach local communities and build loyalty and footfall.

Our food offer reflects our emphasis on high quality seasonal British food, locally sourced and prepared in-house. Successful butchery, fish and game master classes have been run in many pubs and proved popular with customers who are increasingly interested in learning more about their food and its provenance, especially at a time of heightened consumer awareness. We also hosted special events in our Clubrooms – fish filleting, preparing a whole pig and an offal dinner were all available to reinforce further the diversity and quality of our food offer.

Beer and food matching dinners have also proved popular, with London seeing a strong resurgence in cask and craft beers. Wells & Young's beers remain at the heart of all of our pubs and London craft beers from the Meantime Brewery and Camden Brewery have been successfully introduced alongside them to ensure that discerning drinkers are offered their artisanal beers of choice.

Private hire and events have been major profit drivers over the past year. We are liaising with local businesses and creating bespoke occasions throughout the week to cater for an ever-increasing circle of customers in our communities, from Mums and Toddler groups to yoga sessions. Movie nights showing the latest releases have also gone down well. Free films and popcorn at the Grove (Balham) and Lord Palmerston (Tufnell Park) have helped drive custom whilst offering residents a cinema on their doorstep, reinforcing the role of the pub at the heart of its community. Pub quizzes are enjoying a strong revival, bringing customers in on quieter nights and once again reinforcing the community element of what we do best. The weekly Tuesday "Adventure Quiz" at the Hollywood Arms (Chelsea) was recently voted one of London's top five pub quizzes by the Evening Standard.

Each year we acknowledge the talent that we have within our managed operations through an annual awards ceremony. This year's winners, for the second year running, were Mick and Sarah Dore at the Alexandra (Wimbledon), a remarkable achievement bearing in mind the intense competition.

Tenanted operation

Our tenanted strategy is to reposition our estate by focussing on fewer but better quality and well invested tenanted pubs. We have reduced the estate from 97 to 78 over the past two years. We sold 13 tenanted pubs, generating proceeds of £8.8 million and an exceptional profit of £2.2 million; this includes the seven pubs we have sold this year. In addition, our leases expired on two further sites and we transferred the Princess of Wales (Clapton) to our Geronimo operation. This smaller estate generated 6.0% of group revenue in the year. As a result, revenue in our tenanted division was down 2.4% on a like-for-like basis and in total down 14.3% to £11.6 million. Total operating profit before exceptional items reduced by 2.6% on a like-for-like basis and by 19.7% to £4.2 million in total. The remaining 78 pubs generated an average EBITDA per outlet of £68,000.

Since the year end we have transferred the Marquess Tavern (Islington) and the Three Lords (the Minories in the City) to our Young's managed operations, and over the coming weeks the Bull's Head (Barnes) is set to become Geronimo's third high profile music venue following its successes with the Elgin (Notting Hill) and the Half Moon (Putney).

We are investing in the retained tenanted estate; £1.0 million was spent last year and a further £1.4 million is scheduled for this year. We continue to promote the traditional tenancy model, focussing on packages offering a three or five year agreement with the tenant having limited responsibility for repairs and decoration. Young's approach to its tenants has always been based on a strong partnership principle and we operate a legally binding code which is constantly being updated to meet the latest requirements of the UK pub industry framework code of practice. As a consequence we believe that the Government's latest consultation is unlikely to have a material impact on our tenanted operations.

With the estate now largely restructured and under the leadership of Andrew Cox, who joined Young's as Director of Property and Tenancies last November, the focus now is on working to drive attractive and sustainable returns both for our tenants and for Young's.

Investment and finance

Revenue rose by 8.2%, benefiting from recent acquisitions and underpinned by 4.6% like-for-like growth within the managed estate.

Our managed estate now accounts for over 93.7% of group revenue, up from 89.6% just two years ago. Operating margin was 14.9%, an increase of 0.3%pts since last year.

Net interest costs of £4.8 million were unchanged compared with last year, as we again benefited from a pension interest credit of £0.5 million (2012: £0.8 million) and a £0.5 million credit (2012: £0.5 million) relating to the unwinding of the discount applied to the sale proceeds from our shareholding in Wells & Young's in August 2011.

Total profit before tax for the year was £22.3 million and once adjusted for exceptional items (see note 3), was £24.1 million, up 13.1% on last year. The £5.9 million tax charge (excluding exceptional tax) on this equates to an effective tax rate of 24.3% (2012: 24.6%). The adjusted basic earnings per share has increased by 13.0% to 37.77p.

In January this year CBRE, an independent and leading commercial property and real estate services adviser, revalued 20% of our estate. As permitted by IAS 16 and in common with other listed pub groups a revaluation of the remaining 80% of the pub estate was undertaken internally, led by Andrew Cox, the Director of Property and Tenancies, using updated trading results, management's knowledge of each pub and applying the results of the external valuation. This revaluation has resulted in a total property value of £515.9 million (2012: £502.0 million), driven by a net upward revaluation of £7.6 million and additions of £20.5 million offset by depreciation of £11.7 million and disposals of £2.5 million. As in the previous year and in accordance with IFRS, individual increases in value have been reflected in the revaluation reserve in the balance sheet (except to the extent that they had previously been revalued downwards) and individual falls in value below cost have been accounted for through the income statement.

Net cash flow from operating activities was £35.1 million reflecting robust trading. We invested a total of £20.5 million, part funded by the disposal of seven tenanted pubs for £4.2 million. In addition, the second £5.0 million instalment of the consideration due from the sale of our interest in Wells & Young's was received from Charles Wells in February, with the final £5.0 million instalment falling due in February 2014.

Net debt at the period end was £112.6 million, down £5.5 million. £100 million of this debt has been effectively fixed at below 5.0%, with none needing to be refinanced until December 2015. Interest costs were covered 4.9 times by operating profits and net debt was a 2.8 times multiple of EBITDA of £40.6 million.

At the year end there was an IAS 19 pension deficit of £8.8 million (2012: £8.3 million). This small increase in deficit was the result of the lower discount rate applied to the scheme liabilities, offsetting strong investment returns achieved from the scheme's assets. Total cash contributions were £2.7 million for both past and current service. This scheme has been closed to new entrants since February 2003.

Net assets per share are £6.94 (2012: £6.59) after taking account of deferred tax and £8.00 (2012: £7.71) if excluded.

Current trading and outlook

Trading since the period end has been strong. Managed house revenue in the first seven weeks of the new financial year was up 14.7% in total and 10.6% on a like-for-like basis, albeit the comparative period a year ago was affected by some truly dismal weather. Over a thirteen week period, which gives a more rounded picture, like-for-like trade was up 3.7%.

Looking at the current year as a whole, whilst we obviously will not enjoy a repeat of the exceptional London events of last summer, it is difficult to believe the weather can be as bad. We will see a full year's benefit of two recent acquisitions, the Cutty Sark (Greenwich) and the Narrow Boat (Islington). There's also the recently reopened Foley (Claygate), following its transformation into a beautiful 17 bedroom hotel, the King's Head (Roehampton) and the Wheatsheaf (Borough Market) which re-opened in December after a lengthy closure and which is proving a huge success.

Since the year end we acquired the Bull & Gate (Kentish Town) for Young's and we remain active in looking for other sensibly priced opportunities, either in the form of individual pubs or packages.

A new and refreshing corporate identity is being introduced. This will be progressively incorporated in our pub signage, ale brands and other materials. It is a confident, contemporary brand image which reinforces our premium positioning whilst importantly retaining the famous ram to acknowledge our history and heritage.

We were very pleased to see the Government's decision, announced in the March Budget, to reduce the general beer duty rate and to scrap the duty escalator from 2014. The Chancellor of the Exchequer, George Osborne, has since stated publicly that he saw these moves as being just the beginning of greater Government support for the pub sector and we look forward to the Government fulfilling this important commitment.

We remain as focused as ever on driving profitable growth through the proactive management of our well invested and predominantly managed estate. Our premium offer continues to prove attractive despite the continued caution on the part of the UK consumer. With the quality of our estate, the talent within the business and our balance sheet strength, we believe that Young's remains in a strong position to continue to grow and deliver value to our shareholders.

Stephen Goodyear
Chief Executive
22 May 2013

GROUP INCOME STATEMENT
For the 52 weeks ended 1 April 2013

	Notes	**2013 £000**	2012 £000
Continuing operations			
Revenue		**193,677**	178,964
Operating costs before exceptional items		**(164,742)**	(152,802)
Operating profit before exceptional items		**28,935**	26,162
Operating exceptional items	3	**(1,809)**	(28,827)
Operating profit/(loss)		**27,126**	(2,665)
Finance costs		**(5,894)**	(6,135)
Finance revenue		**543**	537
Other finance income		**544**	769
Profit/(loss) before tax		**22,319**	(7,494)
Taxation	5	**(5,274)**	(3,540)
Taxation on property revaluation	5	**-**	5,640
Profit/(loss) for the period from continuing operations		**17,045**	(5,394)
Discontinued operations			
Loss for the period from discontinued operations	6	**-**	(1,117)
Profit/(loss) for the period		**17,045**	(6,511)
Attributable to			
Shareholders of the parent		**16,988**	(6,484)
Non controlling interest		**57**	(27)
Profit/(loss) for the period		**17,045**	(6,511)

		Pence	Pence
Earnings/(loss) per 12.5p ordinary share			
Basic from continuing operations	8	**35.23**	(11.13)
Basic from continuing and discontinued operations	8	**35.23**	(13.45)
Diluted from continuing operations	8	**35.20**	(11.13)
Diluted from continuing and discontinued operations	8	**35.20**	(13.45)

All discontinued operations are attributable to the shareholders of the parent.

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 1 April 2013

	Notes	**2013 £000**	2012 £000
Profit/(loss) for the period		**17,045**	(6,511)
Other comprehensive income			
Unrealised gain on revaluation of property		**8,547**	203,065
Actuarial loss on retirement benefit schemes		**(3,102)**	(4,088)
Fair value movement of interest rate swaps		**(1,647)**	(8,215)
Tax on above components of other comprehensive income	5	**2,916**	(41,222)
Discontinued operations' actuarial loss (net of deferred tax) on retirement benefit schemes		**-**	(377)
		6,714	149,163
Total comprehensive income		**23,759**	142,652
Attributable to			
Shareholders of the parent		**23,702**	142,679
Non controlling interest		**57**	(27)
Total comprehensive income		**23,759**	142,652

All discontinued operations are attributable to the shareholders of the parent.

GROUP BALANCE SHEET
At 1 April 2013

	2013 **£000**	2012 £000
Non current assets		
Goodwill	**20,426**	20,426
Property and equipment	**515,899**	502,042
Deferred tax assets	**7,111**	-
Other financial asset	**-**	4,463
	543,436	526,931
Current assets		
Inventories	**2,455**	2,342
Other financial asset	**4,749**	4,749
Trade and other receivables	**4,261**	4,445
Cash	**6,123**	3,914
	17,588	15,450
Non current assets classified as held for sale	**-**	755
Total assets	**561,024**	543,136
Current liabilities		
Borrowings	**(10,006)**	(5)
Trade and other payables	**(24,156)**	(26,140)
Income tax payable	**(2,545)**	(2,469)
	(36,707)	(28,614)
Non current liabilities		
Borrowings	**(108,680)**	(121,978)
Derivative financial instruments	**(13,870)**	(12,223)
Deferred tax liabilities	**(58,381)**	(54,388)
Retirement benefit schemes	**(8,841)**	(8,290)
	(189,772)	(196,879)
Total liabilities	**(226,479)**	(225,493)
Net assets	**334,545**	317,643
Capital and reserves		
Share capital	**6,028**	6,028
Share premium	**1,274**	1,274
Capital redemption reserve	**1,808**	1,808
Hedging reserve	**(10,680)**	(9,290)
Revaluation reserve	**168,860**	158,731
Retained earnings	**167,255**	159,134
Equity attributable to equity shareholders of the parent	**334,545**	317,685
Non controlling interest	**-**	(42)
Total equity	**334,545**	317,643

GROUP STATEMENT OF CASH FLOW
For the 52 weeks ended 1 April 2013

	Notes	**2013** **£000**	2012 £000
Operating activities			
Net cash generated from operations	9	**35,118**	34,601
Interest received		**6**	5
Tax paid		**(5,393)**	(3,885)
Net cash flow from operating activities		**29,731**	30,721
Investing activities			
Sale of property and equipment		**4,161**	7,033
Sale of discontinued operations		**5,000**	5,100
Purchases of property and equipment		**(16,793)**	(25,605)
Business combinations, net of cash acquired		**(3,700)**	-
Net cash used in investing activities		**(11,332)**	(13,472)
Financing activities			
Interest paid		**(5,808)**	(6,154)
Equity dividends paid	7	**(6,882)**	(6,549)
Decrease in borrowings		**(3,500)**	(300)
Decrease in short term borrowings		**-**	(2,664)
Net cash flow used in financing activities		**(16,190)**	(15,667)
Increase in cash		**2,209**	1,582
Cash at the beginning of the period		**3,914**	2,332
Cash at the end of the period		**6,123**	3,914

Analysis of net debt

	2013 **£000**	2012 £000
Cash	**6,123**	3,914
Loan capital and finance leases	**(118,686)**	(121,983)
Net debt	**(112,563)**	(118,069)

GROUP STATEMENT OF CHANGES IN EQUITY
At 1 April 2013

	Notes	Share capital (1) £000	Capital redemption reserve £000	Hedging reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity attributable to equity shareholders £000	Non controlling interest £000	Total equity £000
At 4 April 2011		**7,302**	**1,808**	**(2,966)**	**-**	**175,388**	**181,532**	**(15)**	**181,517**
Total comprehensive income									
Loss for the period		-	-	-	-	(6,484)	(6,484)	(27)	(6,511)
Other comprehensive income									
Unrealised gain on revaluation of property		-	-	-	203,065	-	203,065	-	203,065
Actuarial loss on retirement benefit schemes		-	-	-	-	(4,088)	(4,088)	-	(4,088)
Fair value movement of interest rate swaps		-	-	(8,215)	-	-	(8,215)	-	(8,215)
Tax on above components of other comprehensive income	5	-	-	1,891	(43,702)	589	(41,222)	-	(41,222)
Discontinued operations' actuarial loss (net of deferred tax) on retirement benefit schemes		-	-	-	-	(377)	(377)	-	(377)
		-	-	(6,324)	159,363	(3,876)	149,163	-	149,163
Total comprehensive income		-	-	(6,324)	159,363	(10,360)	142,679	(27)	142,652
Transactions with owners recorded directly in equity									
Dividends paid on equity shares	7	-	-	-	-	(6,549)	(6,549)	-	(6,549)
Revaluation reserve realised on disposal of properties		-	-	-	(632)	632	-	-	-
Share based payments by discontinued operations		-	-	-	-	23	23	-	23
		-	-	-	(632)	(5,894)	(6,526)	-	(6,526)
At 2 April 2012		**7,302**	**1,808**	**(9,290)**	**158,731**	**159,134**	**317,685**	**(42)**	**317,643**
Total comprehensive income									
Profit for the period		-	-	-	-	16,988	16,988	57	17,045
Other comprehensive income									
Unrealised gain on revaluation of property		-	-	-	8,547	-	8,547	-	8,547
Actuarial loss on retirement benefit schemes		-	-	-	-	(3,102)	(3,102)	-	(3,102)
Fair value movement of interest rate swaps		-	-	(1,647)	-	-	(1,647)	-	(1,647)
Tax on above components of other comprehensive income	5	-	-	257	2,183	476	2,916	-	2,916
		-	-	(1,390)	10,730	(2,626)	6,714	-	6,714
Total comprehensive income		-	-	(1,390)	10,730	14,362	23,702	57	23,759
Transactions with owners recorded directly in equity									
Dividends paid on equity shares	7	-	-	-	-	(6,882)	(6,882)	-	(6,882)
Revaluation reserve realised on disposal of properties		-	-	-	(601)	601	-	-	-
Disposal of subsidiary		-	-	-	-	-	-	(15)	(15)
Share based payments		-	-	-	-	33	33	-	33
Tax on share based payments		-	-	-	-	7	7	-	7
		-	-	-	(601)	(6,241)	(6,842)	(15)	(6,857)
At 1 April 2013		**7,302**	**1,808**	**(10,680)**	**168,860**	**167,255**	**334,545**	**-**	**334,545**

(1) Total share capital comprises the share capital issued and fully paid of £6,028,000 (2012: £6,028,000) and the share premium account of £1,274,000 (2012: £1,274,000).

Notes

1. Accounts

This preliminary announcement was approved by the board on 22 May 2013. The financial statements in it are not the group's statutory financial statements. The statutory financial statements for the period ended 2 April 2012 have been delivered to the Registrar of Companies. The auditor has reported on those financial statements (and on the statutory financial statements for the period ended 1 April 2013, which are expected to be delivered to the Registrar of Companies shortly). Both audit reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain any statement under s.498(2) or (3) of the Companies Act 2006.

This preliminary announcement has been agreed with the company's auditor for release.

The audited financial information in this statement has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. The accounting policies used have been consistently applied and are described in full in the statutory financial statements for the period ended 1 April 2013, which are expected to be mailed to shareholders on or before 12 June 2013. The financial statements will also be available on the group's website, www.youngs.co.uk.

2. Segmental reporting

The group is organised into the reporting 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 reporting segment's operating profit or loss before exceptional items for the purpose of deciding on the allocation of resources and assessing performance.

The group has three operating segments: Young's managed houses, Geronimo managed houses and Tenanted houses. Both Young's and Geronimo managed houses operate pubs. Revenue is derived from sales of drink, food and, also for Young's managed houses, accommodation. Due to common economic characteristics, similar product offerings and customers, the Young's managed houses and Geronimo managed houses operating segments have been reported below as a single reportable segment, managed houses. Tenanted houses consists of 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. Unallocated relates to head office costs.

There were intersegment revenues of £511,000 between the segments in the current period (2012: £473,000), which have been eliminated on consolidation. Intersegment sales are charged at current market prices. The group's revenue is derived entirely from the UK.

Income statement	**Managed houses**	**Tenanted houses**	**Segment total**	**Unallocated**	**Total**
2013	**£000**	**£000**	**£000**	**£000**	**£000**
External revenue	**181,558**	**11,623**	**193,181**	**496**	**193,677**
Intersegment revenue	**-**	**-**	**-**	**511**	**511**
Total segment revenue	**181,558**	**11,623**	**193,181**	**1,007**	**194,188**
Depreciation	**(10,377)**	**(1,019)**	**(11,396)**	**(288)**	**(11,684)**
Operating profit/(loss) before exceptional items	**39,560**	**4,245**	**43,805**	**(14,870)**	**28,935**
Operating exceptional items	**(977)**	**(114)**	**(1,091)**	**(718)**	**(1,809)**
Operating profit/(loss)	**38,583**	**4,131**	**42,714**	**(15,588)**	**27,126**
2012					
External revenue	164,999	13,555	178,554	410	178,964
Intersegment revenue	-	-	-	473	473
Total segment revenue	164,999	13,555	178,554	883	179,437
Depreciation	(10,158)	(1,222)	(11,380)	(460)	(11,840)
Operating profit/(loss) before exceptional items	35,257	5,286	40,543	(14,381)	26,162
Operating exceptional items	(21,605)	(6,950)	(28,555)	(272)	(28,827)
Operating profit/(loss)	13,652	(1,664)	11,988	(14,653)	(2,665)

The following is a reconciliation of the operating profit/(loss) to the profit/(loss) before tax from continuing operations:

	2013	2012
	£000	£000
Operating profit/(loss)	**27,126**	(2,665)
Finance costs	**(5,894)**	(6,135)
Finance revenue	**543**	537
Other finance income	**544**	769
Profit/(loss) before tax from continuing operations	**22,319**	(7,494)

3. Exceptional items

	2013 £000	2012 £000
Amounts included in operating profits:		
Movement on the revaluation of properties	**(958)**	(29,110)
Acquisition costs	**(217)**	(489)
Profit on sales of properties	**765**	1,306
Restructuring costs	**(552)**	-
Compensation to terminate leases	**(679)**	(382)
Capital gains tax on ESOP Trust allocated shares	**(168)**	(152)
	(1,809)	(28,827)
Exceptional tax:		
Movement on the revaluation of properties	**-**	5,640
Change in corporation tax rate	**811**	1,746
Tax attributable to above adjustments	**(228)**	(39)
	583	7,347
Total exceptional items after tax	**(1,226)**	(21,480)

The movement on the revaluation of properties relates to the revaluation exercise which was completed during the period. The revaluation was conducted at an individual pub level and identified a downward movement of £958,000 (2012: £29,110,000) which has been taken to the income statement. The movement is split between land and buildings £228,000 (2012: £26,534,000) and fixtures and fittings £730,000 (2012: £2,576,000).

The acquisition costs include legal fees and stamp duty incurred on the purchase of the Cutty Sark (Greenwich) and the Narrow Boat (Islington). In the prior period acquisitions costs related to the purchase of the freeholds for the Clarence (Whitehall), Fentiman Arms (Vauxhall) and the King's Head (Winchmore Hill).

The profit on sales of properties relates to the difference between the cash, less selling costs, received from the sale of the Plough Inn (Lambeth), Marble Hill (Twickenham), Mitre (Richmond), Gorringe Park (Tooting), Chequers (Cassington), Prince of Wales (Merton) and the Old Anchor (Twickenham) and the carrying value of the assets on the date of sale.

Restructuring costs relate to a reorganisation of the group's head office functions. These are largely made up of severance packages and consultancy fees.

Compensation paid to terminate leases represents payments made to former tenants to enable properties to be moved into both the Young's managed house and Geronimo managed house operations.

The capital gains tax on ESOP Trust allocated shares relates to the shares held within the Ram Brewery Trust II on behalf of the 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.

In the prior period the tax on the movement on the revaluation of properties was separately disclosed due to its size and nature.

4. 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. All the results below are from continuing operations.

	2013 £000	2012 £000
Profit/(loss) before tax	**22,319**	(7,494)
Operating exceptional items	**1,809**	28,827
	24,128	21,333

5. Taxation

Tax charged in the group income statement	**2013** **£000**	2012 £000
Current tax		
Current tax expense	**5,719**	4,825
Adjustment in respect of current tax of prior periods	**(250)**	(229)
	5,469	4,596
Deferred tax		
Movement on the revaluation of properties	**-**	(5,640)
Origination and reversal of temporary differences	**854**	875
Change in corporation tax rate	**(811)**	(1,746)
Adjustment in respect of deferred tax of prior periods	**(238)**	(185)
	(195)	(6,696)
Tax expense/(credit)	**5,274**	(2,100)
Presented in the income statement as follows:		
Taxation	**5,274**	3,540
Taxation on property revaluation	**-**	(5,640)
Tax expense/(credit)	**5,274**	(2,100)

Deferred tax in the group statement of comprehensive income		
Property revaluation and disposals	**(378)**	47,344
Retirement benefit schemes	**(744)**	(1,063)
Interest rate swaps	**(395)**	(2,136)
Change in corporation tax rate	**(1,399)**	(2,923)
Tax (credit)/expense	**(2,916)**	41,222

Deferred tax in the group income statement		
Property revaluation and disposals	**795**	(4,926)
Fair value gains on acquisition of subsidiaries	**(600)**	(1,543)
Capital allowances	**(1,050)**	(1,583)
Retirement benefit schemes	**578**	858
Other tax provisions	**63**	72
Share based payments	**(8)**	-
Derecognition of deferred tax on the sale of subsidiary	**27**	-
Utilisation of tax losses	**-**	426
Tax credit	**(195)**	(6,696)

During the period, as a result of the change in the UK corporation tax rate from 24% to 23%, that was substantively enacted on 3 July 2012 and was effective from 1 April 2013, the relevant deferred tax balances have been re-measured. Deferred tax expected to reverse in the period ending 31 March 2014 and thereafter has been measured using the effective rate that will apply in the UK for the period of 23%.

Further reductions to the UK tax rate have been announced. The changes, which are expected to be enacted in Finance Bill 2013, propose to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. The changes had not been substantively enacted at the balance sheet date and are not therefore recognised in these financial statements.

6. Discontinued operations

In the prior period the group disposed of its entire 40% share in Wells & Young's Brewing Company Limited ("Wells & Young's"), its brewing associate.

The consideration receivable for the company's shareholding was £15.1 million in cash of which £5.0 million remains outstanding at 1 April 2013. This final instalment is due in February 2014. This deferred consideration has been discounted to its present value, £4,749,000, and is recognised in the group's balance sheet as "Other financial asset" within current assets (2012: £4,749,000 within current assets and £4,463,000 within non current assets).

The discounted present value of these proceeds less the carrying amount of the investment in associate and disposal costs resulted in a loss on disposal in the prior period of £1.7 million:

	2012 £000
Cash consideration	13,782
Net assets disposed	(15,455)
Disposal costs	(60)
Loss on disposal of discontinued operations	(1,733)

The results of the discontinued operations, which have been included in the group income statement, were as follows:

	2012 £000
Share of associate's profit before exceptional items and tax	1,289
Share of associate's exceptional items	(401)
Share of associate's tax expense	(272)
Share of associate's post tax result	616
Loss on disposal of discontinued operations	(1,733)
Tax on loss on disposal of discontinued operations	-
Loss for the period from discontinued operations	(1,117)

During the current period and the prior period Wells & Young's contributed £nil to the group's cash flows.

7. Dividends on equity shares

	2013 Pence	2012 Pence	**2013 £000**	2012 £000
Final dividend (previous period)	**7.25**	6.90	**3,497**	3,328
Interim dividend (current period)	**7.02**	6.68	**3,385**	3,221
	14.27	13.58	**6,882**	6,549

The board is proposing a final dividend in respect of the period ended 1 April 2013 of 7.61p per share at a cost of £3,670,000. If approved, it is expected to be paid on 11 July 2013 to shareholders who are on the register of members at the close of business on 7 June 2013.

8. Earnings/(loss) per ordinary share

(a) Earnings/(loss)	2013 £000	2012 £000
Profit/(loss) from continuing operations	**16,988**	(5,367)
Loss from discontinued operations	**-**	(1,117)
Profit/(loss) attributable to shareholders of the parent	**16,988**	(6,484)
Profit/(loss) from continuing operations	**16,988**	(5,367)
Operating exceptional items	**1,809**	28,827
Tax on movement on revaluation of properties	**-**	(5,640)
Tax attributable to above adjustments	**228**	39
Change in corporation tax rate	**(811)**	(1,746)
Adjusted earnings after tax	**18,214**	16,113

	Number	Number
Basic weighted average number of ordinary shares in issue	**48,224,000**	48,224,000
Dilutive potential ordinary shares from outstanding employee share options	**33,932**	-
Diluted weighted average number of shares	**48,257,932**	48,224,000

(b) Basic earnings per share

	Pence	Pence
Basic from continuing operations	**35.23**	(11.13)
Effect of exceptional items and other adjustments listed above	**2.54**	44.54
Adjusted basic from continuing operations	**37.77**	33.41
Basic from continuing operations	**35.23**	(11.13)
Basic from discontinued operations	**-**	(2.32)
Basic	**35.23**	(13.45)

(c) Diluted earnings per share

	Pence	Pence
Diluted from continuing operations	**35.20**	(11.13)
Effect of exceptional items and other adjustments listed above	**2.54**	44.54
Adjusted diluted from continuing operations	**37.74**	33.41
Diluted from continuing operations	**35.20**	(11.13)
Diluted from discontinued operations	**-**	(2.32)
Diluted	**35.20**	(13.45)

The basic earnings per share figure is calculated by dividing the net profit before the non controlling interest for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share have been calculated on a similar basis taking into account 33,932 (2012: nil) dilutive potential shares under the SAYE scheme.

Adjusted earnings per share are presented to eliminate the effect of the exceptional items and the tax attributable to those items on basic and diluted earnings per share.

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

	2013 £000	2012 £000
Profit/(loss) before tax on continuing operations	**22,319**	(7,494)
Net finance cost	**5,351**	5,598
Other finance income	**(544)**	(769)
Operating profit/(loss) on continuing operations	**27,126**	(2,665)
Depreciation	**11,684**	11,840
Movement on revaluation of properties	**958**	29,110
Profit on sale of properties	**(765)**	(1,306)
Difference between pension service cost and cash contributions paid	**(2,007)**	(2,621)
Share based payments	**33**	-
Provision for capital gains tax on ESOP Trust allocated shares	**168**	152
Movements in working capital		
Inventories	**(113)**	(119)
Receivables	**184**	442
Payables	**(2,150)**	(232)
Net cash generated from operations	**35,118**	34,601