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

INTERIM RESULTS FOR THE 26 WEEKS ENDED 28 SEPTEMBER 2015

	2015 £m	2014 £m	% Change
Revenue	**126.3**	116.6	+8.3
Adjusted operating profit*	**23.1**	21.3	+8.5
Operating profit	**22.3**	21.7	+2.8
Adjusted profit before tax*	**20.3**	18.4	+10.3
Profit before tax	**19.5**	18.8	+3.7
Adjusted basic earnings per share*	**33.59p**	30.00p	+12.0
Basic earnings per share	**32.76p**	30.41p	+7.7
Interim dividend per share	**8.38p**	7.90p	+6.1

All of the results above are from continuing operations.
*Reference to an "adjusted" item means that item has been adjusted to exclude exceptional items (see note 3).

HIGHLIGHTS

- Very strong performance for the half year driven by organic growth from our well-invested estate and good contributions from recent acquisitions;
- Revenue up 8.3% despite tough comparatives;
- Profit before tax adjusted for exceptional items, up 10.3% at £20.3 million;
- Managed house like-for-like revenue growth of 5.5%, the fourth consecutive year of interim growth above 5%;
- Strong momentum in hotels, with our 475 rooms delivering occupancy of 78.5%, driving RevPAR up 5.6%;
- Net debt of £126.0 million, down £3.0 million, despite further investment of £21.8 million in the business;
- 6.1% increase in the interim dividend to 8.38 pence per share, the nineteenth consecutive year of growth; and
- Promising trading since the period end with managed house total sales for the first six weeks up 13.0% and 9.6% on a like-for-like basis.

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

"We are very pleased to report another six months of excellent trading, with particularly strong growth from our managed estate despite tough comparatives and more variable weather over the summer months. Our well-invested and well-located pubs, premium product range and the energy and dedication of our teams are crucial to this success. In addition we continue to see the benefit from a number of newly refurbished pubs providing excellent contributions to the success of the first half.

The second half will benefit from a full contribution from five recent acquisitions including most recently the Canonbury in Islington and the Grocer in Spitalfields Market, two scheduled new openings and the re-opening of a number of our London pubs currently under development.

Momentum has continued into the autumn. Many of our pubs, in south west London in particular, have a deep rooted rugby heritage and have thrown themselves into the World Cup. Despite England's early demise, they have generated good business from both local and visiting rugby fans alike."

For further information, please contact:

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INTERIM STATEMENT

Our business continues to thrive due to a combination of organic growth from our well-invested estate and the benefit of our recent, carefully selected acquisitions. Despite tough comparatives, total revenue was up 8.3% to £126.3 million, with profit before tax up 3.7% at £19.5 million and, once adjusted for exceptional items, up 10.3% at £20.3 million.

Our premium managed house estate, which makes up 94.7% of total revenue and 92.8% of our pub operating profit, is the cornerstone of this success. Managed like-for-like sales growth was 5.5%, the fourth consecutive year it has been above 5%.

The Ram Pub Company, our tenanted division, was confronted by particularly tough comparatives; nonetheless it met these challenges, maintaining last year's sales and profits. Over a two year period sales and profits are up 14.0% and 21.1% respectively.

Our robust balance sheet gives us the flexibility to take opportunities and make investments that enhance the quality of our estate. In the past two years we have acquired 15 managed houses for a total investment of £39.2 million. During the first six months we invested £21.8 million in our business, funded by healthy operating cash flow, up 19.9%. Net debt at the end of the period was £126.0 million, a decrease of £3.0 million. The returns on this investment, along with optimising the performance of our core estate, have resulted in our net debt continuing to fall as a multiple of the last twelve months' adjusted EBITDA, now 2.26 times (March 2015: 2.47 times). Our balance sheet, with 248 pubs and hotels, some 80% of which are either freehold or on long leases with peppercorn rents, remains underpinned by property values.

In line with our progressive dividend policy, the board has decided to raise the interim dividend for the nineteenth consecutive year. A dividend of 8.38 pence per share, an increase of 6.1%, is expected to be paid on 11 December 2015 to shareholders on the register at the close of business on 27 November 2015.

BUSINESS REVIEW

MANAGED HOUSES

Our managed estate, which comprises 131 Young's pubs (including 22 hotels) and 38 Geronimo pubs, once again performed well over the period; revenue was up 8.7% in total and up 5.5% on a like-for-like basis. Adjusted operating profit was up 8.1%. We invested £20.8 million in total in this division, with £14.1 million on Young's pubs, £1.9 million on Young's hotels and £4.8 million on Geronimo pubs. This investment comprised £8.0 million on new pubs and developing recently acquired ones and £12.8 million on our core estate.

Three new developments started in the previous financial year, the Bull and Gate (Kentish Town), Trafalgar Arms (Tooting) and the Nine Elms Tavern, were opened in the period. In addition we acquired the Canonbury (Islington) and the Grocer (Spitalfields Market), two pubs that strengthen our small but growing north and east London presence. Major developments were undertaken at the Dirty Dicks (Bishopsgate), Brewers' Inn (Wandsworth), Castle (Islington), Clarence (Whitehall), Crown Tavern (Lee), Lamb Inn

(Hindon), Penny Black (Leatherhead), Wood House (Dulwich) and, most noteworthy, at the Bull (Streatham). Like the Castle (Tooting) in the previous year, the Bull has undergone a complete makeover and its popularity, sales and profitability have in turn been transformed.

Young's managed houses were up a very strong 11.4% in total revenue and 7.7% on a like-for-like basis. Our smaller Geronimo business benefited from some new pubs, but also reflected the loss of the Tin Goose (Heathrow Terminal 1) which closed in October 2014, the impact of changes in airline schedules on our other two Heathrow pubs and a 13 week closure of the Clarence (Whitehall) during its extensive redevelopment. As a result total sales grew only modestly by 0.6%, and declined by 1.4% on a like-for-like basis.

Our innovative, diverse and high quality drink offer, with sales up 8.4% in total and 4.4% on a like-for-like basis, is clearly appealing to our traditional customers and attracting new ones. We have seen good volume and price growth across our main product groups. Premium lagers, such as Estrella Damm, Meantime's London Lager and Camden Hells Lager, are proving particularly popular.

Food sales continue to outperform drink sales, up 8.7% in total and 7.5% on a like-for-like basis. The past six months has seen the implementation of our Burger Shack concept. These provide a fast-casual dining experience which complements our existing high quality food offer. Their inventive and original designs are also operationally effective, ensuring our service is efficient during periods of peak demand. Our sixth site is about to open at the Swan (Walton-on-Thames).

Our hotels have had a great summer following recent upgrades made to the Brewers' Inn (Wandsworth) and the Lamb Inn (Hindon), together with last summer's acquisition of the Fox & Anchor (Smithfield Market) and the Bell at Stow (Stow on the Wold), and bolstered by recent large investments at the Dog & Fox (Wimbledon Village), Orange Tree (Richmond) and Windmill (Clapham Common). The 475 rooms across our estate delivered occupancy of 78.5%, driving RevPAR up by £3.42 to £63.79.

For the Rugby World Cup 2015, Young's joined forces with Wooden Spoon, the children's rugby charity, and has raised over £100,000 to support underprivileged children and young adults in our local communities. Our 18 "Players at the Pump" events, each hosted by a rugby legend, pulled in large crowds for the chance to share a pint and a chat with these stars of the game.

Pubs remain a people business and our success is in no small part down to the entrepreneurial, dynamic and driven people that work in them. In September we were delighted when the Wheatsheaf (Borough Market), managed by Tom Bowen, was named the Best Managed Pub in the UK at the Great British Pub Awards 2015. The judges described the Wheatsheaf as an outstanding pub and one that demonstrated real "flair and imagination".

Providing a consistently outstanding customer experience is the essence of Young's and this is fundamental to the extensive training that runs from top to bottom of our organisation. Our Career Pathway programme, with six clear and simple steps from Team Member induction to General Manager, has been engineered to attract, nurture and retain our top talent. Our bespoke Young's chef academies, aligned to NVQ standards, and delivered by our in-house food team, help provide people with a career platform while improving our staff standards and retention.

We are supportive of the National Living Wage and are reviewing the overall structure of our pay scales to ensure that all our people continue to be fairly rewarded for the value that they add to the business. We do not believe that limiting the application of this to those over the age of 25 is appropriate for our business and intend to apply it to all staff aged 18 or over who successfully complete their probationary periods. We estimate that the additional cost of implementing the National Living Wage next year will be c. £2.0 million. However, we aim to offset the majority of this increase through the synergies and efficiencies created by the recent reorganisation of the Managed House division and through additional productivity, purchasing, technology and other efficiencies. These will, in turn, minimise impact on the customer.

THE RAM PUB COMPANY

The momentum of the previous year has continued into this, with significant developments undertaken to enhance the Bristol Ram, Calthorpe Arms (Bloomsbury), Old Inn (Congresbury), Railway Telegraph (Thornton Heath) and Waggon and Horses (Surbiton). Further improvements have been made to the business support offered to tenants of the Ram Pub Company, including a refreshed Mystery Guest Programme, extended product portfolio and associated marketing support. The division's sales and profits have been maintained despite incurring the inevitable costs during periods of closure, trading disruption experienced during these developments and trading against strong comparatives. Over a two year view, sales and profits are up 14.0% and 21.1% respectively.

We now operate 79 tenanted pubs within the Ram Pub Company, following the transfer of the Lord Palmerston (Tufnell Park) from Geronimo, the disposal of the New Town (Sutton) and our lease termination at the Sekforde Arms (Clerkenwell).

INVESTMENT AND FINANCE

A record operating profit performance coupled with a modest reduction in finance costs has resulted in a 3.7% increase in profit before tax to £19.5 million and, once adjusted for exceptional items, by 10.3% to £20.3 million. Adjusted operating profit increased by 8.5%, the result of 8.3% revenue growth and an unchanged operating margin at 18.3% (2014: 18.3%). Adjusted earnings per share increased by 12.0% to 33.59 pence after allowing for exceptional costs of £0.8 million primarily related to the reorganisation of the group's head office functions, which will have a beneficial impact on the group's cost base going forward (see note 3).

Record operating cash flows allowed us to invest £21.8 million in tandem with reducing net debt by £3.0 million to £126.0 million. Net debt is now a 2.26 multiple of the last twelve months' EBITDA (March 2015: 2.47 times), interest costs were covered 8.9 times (2014: 7.6 times) by adjusted operating profit, and gearing was 29.7% (2014: 29.8%).

Since the year end our retirement benefit deficit has reduced by £4.5 million to £8.6 million. A 0.4 percentage points increase in corporate bond yields, the rate at which our liabilities are discounted, coupled with company contributions more than offset adverse investment performance arising from the late summer's unfavourable market conditions.

As a consequence of these results we have increased our interim dividend, for the nineteenth consecutive year, this time by 6.1% to 8.38 pence per share. As ever we recognise the integral part a progressive dividend policy plays in delivering shareholder value, but are also mindful that we retain sufficient funds for the investments on which such a long term track record depends.

CURRENT TRADING AND OUTLOOK

Strong trading has continued into the autumn with total sales up 13.0% and 9.6% on a like-for-like basis. The Rugby World Cup 2015 may have proved a disappointment for home nation fans but has nonetheless assisted trade in a number of pubs in our south west London heartland.

Acquisitions remain an integral part of our strategy and in the second half we will benefit from the Grocer, which opened in late September in Spitalfields Market, and Bull and Gate (Kentish Town), Canonbury (Islington), Trafalgar Arms (Tooting) and the Nine Elms Tavern, all of which opened earlier in the year. Later in the second half we will open the Leman Street Tavern (Aldgate) and the Guard House (Woolwich).

Well-invested and well-located pubs, a diverse premium product range across drink and food, and the energy and dedication of our employees are the bedrocks of our strategy, and will continue to serve us well for the remainder of the year and beyond.

Stephen Goodyear
Chief Executive
11 November 2015

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 Interim Report for the 26 weeks ended 28 September 2015 which comprises the group income statement, the group statement of comprehensive income, the group balance sheet, the group statement of changes in equity, the group statement of cash flow and the related explanatory notes. We have read the other information contained in the Interim 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 International Standard on Review Engagements 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 Interim 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 IFRS as adopted by the European Union. The condensed set of financial statements included in this Interim 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 Interim Report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "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 Interim Report for the 26 weeks ended 28 September 2015 has not been prepared, in all material respects, in accordance with the accounting policies outlined in note 1, which comply with IFRS as adopted by the European Union, and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London
11 November 2015

Group income statement

For the 26 weeks ended 28 September 2015

	Notes	**Unaudited 26 weeks to 28 Sep 2015 £m**	Unaudited 26 weeks to 29 Sep 2014 £m	Audited 52 weeks to 30 Mar 2015 £m
Revenue		**126.3**	116.6	227.0
Operating costs before exceptional items		**(103.2)**	(95.3)	(189.6)
Operating profit before exceptional items		**23.1**	21.3	37.4
Operating exceptional items	3	**(0.8)**	0.4	4.1
Operating profit		**22.3**	21.7	41.5
Finance costs		**(2.6)**	(2.8)	(5.2)
Other finance charge	9	**(0.2)**	(0.1)	(0.2)
Profit before tax		**19.5**	18.8	36.1
Taxation	4	**(3.6)**	(4.1)	(9.4)
Profit for the period attributable to shareholders of the parent company		**15.9**	14.7	26.7

		Pence	Pence	Pence
Earnings per 12.5p ordinary share				
Basic	5	**32.76**	30.41	55.17
Diluted	5	**32.74**	30.36	55.09

The results and earnings per share measures above are all from continuing operations.

Group statement of comprehensive income

For the 26 weeks ended 28 September 2015

	Notes	**Unaudited 26 weeks to 28 Sep 2015 £m**	Unaudited 26 weeks to 29 Sep 2014 £m	Audited 52 weeks to 30 Mar 2015 £m
Profit for the period		**15.9**	14.7	26.7
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Unrealised gain on revaluation of property	8	**-**	4.2	19.6
Remeasurement of retirement benefit schemes	9	**2.3**	(5.0)	(9.1)
Tax on above components of other comprehensive income	4	**(0.1)**	0.4	(0.7)
Items that will be reclassified subsequently to profit or loss:				
Fair value movement of interest rate swaps		**1.2**	(0.5)	(3.6)
Tax on fair value movement of interest rate swaps	4	**(0.2)**	0.1	0.7
		3.2	(0.8)	6.9
Total comprehensive income for shareholders of the parent company		**19.1**	13.9	33.6

Group balance sheet

At 28 September 2015

	Notes	**Unaudited At 28 Sep 2015 £m**	Unaudited At 29 Sep 2014 £m	Audited At 30 Mar 2015 £m
Non current assets				
Goodwill		**20.6**	20.4	20.9
Property and equipment	8	**627.2**	578.1	617.3
Deferred tax assets		**7.1**	6.2	7.7
		654.9	604.7	645.9
Current assets				
Inventories		**2.9**	2.7	2.7
Trade and other receivables		**6.2**	5.3	5.5
Cash		**5.8**	0.2	0.2
		14.9	8.2	8.4
Total assets		**669.8**	612.9	654.3
Current liabilities				
Borrowings		**-**	(2.2)	(5.0)
Trade and other payables		**(31.5)**	(27.9)	(29.2)
Income tax payable		**(4.7)**	(4.0)	(4.0)
		(36.2)	(34.1)	(38.2)
Non current liabilities				
Borrowings		**(131.8)**	(114.6)	(124.2)
Derivative financial instruments		**(10.9)**	(9.0)	(12.0)
Deferred tax liabilities		**(58.6)**	(55.1)	(59.8)
Retirement benefit schemes	9	**(8.6)**	(9.2)	(13.1)
		(209.9)	(187.9)	(209.1)
Total liabilities		**(246.1)**	(222.0)	(247.3)
Net assets		**423.7**	390.9	407.0
Capital and reserves				
Share capital	10	**6.1**	6.1	6.1
Share premium	10	**4.1**	2.7	2.7
Capital redemption reserve		**1.8**	1.8	1.8
Hedging reserve		**(8.6)**	(7.1)	(9.6)
Revaluation reserve		**209.4**	196.5	209.6
Retained earnings		**210.9**	190.9	196.4
Total equity		**423.7**	390.9	407.0

Group statement of changes in equity

For the 26 weeks ended 28 September 2015

	Notes	Share capital and premium £m	Capital redemption reserve £m	Hedging reserve £m	Revaluation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2014		**7.7**	**1.8**	**(6.7)**	**193.1**	**183.8**	**379.7**
Total comprehensive income							
Profit for the period		-	-	-	-	26.7	26.7
Other comprehensive income							
Unrealised gain on revaluation of property	8	-	-	-	19.6	-	19.6
Remeasurement of retirement benefit schemes	9	-	-	-	-	(9.1)	(9.1)
Fair value movement of interest rate swaps		-	-	(3.6)	-	-	(3.6)
Tax on above components of other comprehensive income	4	-	-	0.7	(2.5)	1.8	-
		-	-	(2.9)	17.1	(7.3)	6.9
Total comprehensive income		-	-	(2.9)	17.1	19.4	33.6
Transactions with owners recorded directly in equity							
Share capital issued	10	1.1	-	-	-	-	1.1
Dividends paid on equity shares		-	-	-	-	(7.7)	(7.7)
Revaluation reserve realised on disposal of properties		-	-	-	(0.6)	0.6	-
Share based payments		-	-	-	-	0.2	0.2
Tax on share based payments		-	-	-	-	0.1	0.1
		1.1	-	-	(0.6)	(6.8)	(6.3)
At 30 March 2015		**8.8**	**1.8**	**(9.6)**	**209.6**	**196.4**	**407.0**
Total comprehensive income							
Profit for the period		-	-	-	-	15.9	15.9
Other comprehensive income							
Unrealised gain on revaluation of property	8	-	-	-	-	-	-
Remeasurement of retirement benefit schemes	9	-	-	-	-	2.3	2.3
Fair value movement of interest rate swaps		-	-	1.2	-	-	1.2
Tax on above components of other comprehensive income	4	-	-	(0.2)	0.3	(0.4)	(0.3)
		-	-	1.0	0.3	1.9	3.2
Total comprehensive income		-	-	1.0	0.3	17.8	19.1
Transactions with owners recorded directly in equity							
Share capital issued	10	1.4	-	-	-	-	1.4
Dividends paid on equity shares		-	-	-	-	(4.2)	(4.2)
Revaluation reserve realised on disposal of properties		-	-	-	(0.5)	0.5	-
Share based payments		-	-	-	-	0.3	0.3
Tax on share based payments		-	-	-	-	0.1	0.1
		1.4	-	-	(0.5)	(3.3)	(2.4)
At 28 September 2015		**10.2**	**1.8**	**(8.6)**	**209.4**	**210.9**	**423.7**

Group statement of cash flow

For the 26 weeks ended 28 September 2015

	Notes	**Unaudited 26 weeks 28 Sep 2015 £m**	Unaudited 26 weeks 29 Sep 2014 £m	Audited 52 weeks 30 March 2015 £m
Operating activities				
Net cash generated from operations	7	**31.3**	26.1	50.6
Tax paid		**(3.7)**	(3.5)	(7.1)
Net cash flow from operating activities		**27.6**	22.6	43.5
Investing activities				
Sales of property and equipment		**3.5**	0.5	3.3
Purchases of property and equipment	8	**(20.9)**	(15.2)	(32.4)
Business combinations, net of cash acquired		**(0.9)**	(6.1)	(18.5)
Net cash used in investing activities		**(18.3)**	(20.8)	(47.6)
Financing activities				
Interest paid		**(2.0)**	(2.3)	(4.9)
Equity dividends paid		**(4.2)**	(3.9)	(7.7)
Increase in borrowings		**7.5**	-	9.5
(Decrease)/increase in short term borrowings		**(5.0)**	-	5.0
Net cash flow used in financing activities		**(3.7)**	(6.2)	1.9
Increase/(decrease) in cash		**5.6**	(4.4)	(2.2)
Cash at the beginning of the period		**0.2**	2.4	2.4
Cash/(overdraft) at the end of the period		**5.8**	(2.0)	0.2

NOTES TO THE FINANCIAL STATEMENTS

1. Accounts

This interim report was approved by the board on 11 November 2015. The interim financial statements are unaudited, and are not the group's statutory accounts as defined in s. 434 of the Companies Act 2006.

The consolidated interim financial statements have been prepared under IFRS as adopted by the European Union and on the basis of the accounting policies set out in the statutory accounts of Young & Co.'s Brewery, P.L.C., for the period ended 30 March 2015. The financial statements have not been prepared (and are not required to be prepared) in accordance with IAS 34 'Interim Financial Reporting', with the exception of Note 4, taxation, where the tax charge for the half year to 28 September 2015, has been calculated using an estimate of the full year effective tax rate, in line with the principles of IAS 34. The accounting policies have been applied consistently throughout the group for the purposes of preparation of this financial information. There are no IFRS, IAS amendments or IFRIC interpretations effective for the first time for the year to 28 March 2016 that have had a material impact on the group.

The interim report is presented in pounds sterling and all values are shown in millions of pounds (£m) rounded to the nearest £0.1m, except where otherwise indicated. The prior period and 52 weeks ended 30 March 2015 comparatives have likewise been shown in millions of pounds (£m) rounded to the nearest £0.1m, except where otherwise indicated.

Statutory accounts for the period ended 30 March 2015 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain any reference to any matters to which the auditor 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 not kept, 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.

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 group's executive board 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 Ram Pub Company. 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. Management have reported the group's managed houses as a single reportable segment since they are affected by common economic factors (market trends and consumer demand, taste, disposable income and propensity to spend), have similar product offerings and are measured against the same key performance indicators. Ram Pub Company 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 income and costs.

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Revenue			
Managed houses	**119.6**	110.0	214.2
Ram Pub Company	**6.5**	6.4	12.5
Segment revenue	**126.1**	116.4	226.7
Unallocated income	**0.2**	0.2	0.3
	126.3	116.6	227.0
Operating profit before exceptional items			
Managed houses	**29.5**	27.3	50.1
Ram Pub Company	**2.3**	2.3	4.3
Segment operating profit before exceptional items	**31.8**	29.6	54.4
Unallocated expense	**(8.7)**	(8.3)	(17.0)
Operating exceptional items	**(0.8)**	0.4	4.1
Operating profit	**22.3**	21.7	41.5
Finance costs	**(2.6)**	(2.8)	(5.2)
Other finance charge	**(0.2)**	(0.1)	(0.2)
Profit before tax	**19.5**	18.8	36.1

3. Exceptional items and other financial measures

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Amounts included in operating profits			
Restructuring	**(0.7)**	-	-
Profit on sales of properties	**0.2**	0.1	0.9
Goodwill impairment	**(0.3)**	-	-
Capital gains tax on ESOP Trust allocated shares	**-**	(0.1)	(0.2)
Acquisition costs	**-**	(0.4)	(1.0)
Upward movement on the revaluation of properties (note 8)	**-**	0.9	6.4
Downward movement on the revaluation of properties (note 8)	**-**	(0.1)	(2.2)
Pension settlement gain	**-**	-	0.2
	(0.8)	0.4	4.1
Exceptional tax			
Tax attributable to exceptional items	**0.4**	(0.2)	(1.9)
	0.4	(0.2)	(1.9)
Total exceptional items after tax	**(0.4)**	0.2	2.2

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

The profit on sales of properties relates to the difference between the cash, less selling costs, received from the sale or lease termination of the Seven Stars (Brighton), New Town (Sutton) and Sekforde Arms (Clerkenwell) and the carrying value of the assets on the date of sale.

The goodwill impairment is a non-cash item and relates to the Lord Palmerston (Tufnell Park) that was transferred out of the Geronimo group of cash generating units (which are the pubs trading under the Geronimo concept) and falls within the Geronimo managed houses segment.

The upward movement on the revaluation of properties in previous periods relates to a reversal of previous downward valuations in the income statement and the downward movement on the revaluation of properties relates to an impairment charge.

Other financial measures

The table below shows how adjusted group EBITDA, operating profit and profit before tax have been arrived at. These alternative performance measures have been provided as the board believes that they give useful additional measures of the group's underlying performance.

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Profit before tax	**19.5**	18.8	36.1
Operating exceptional items	**0.8**	(0.4)	(4.1)
Adjusted profit before tax	**20.3**	18.4	32.0
Net finance costs	**2.6**	2.8	5.2
Other finance charges	**0.2**	0.1	0.2
Adjusted operating profit	**23.1**	21.3	37.4
Depreciation	**8.6**	7.0	14.8
Adjusted EBITDA	**31.7**	28.3	52.2

4. Taxation

The taxation charge for the 26 weeks ended 28 September 2015 has been calculated by applying an estimate of the effective tax rate before exceptional items for the 52 weeks ending 28 March 2016 at 19.51% (2015: 21.20%).

Tax charged in the group income statement	**26 weeks to 28 Sep 2015 £m**	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Current tax			
Corporation tax expense	**4.4**	4.3	7.6
Adjustment in respect of current tax of prior periods	**-**	-	0.3
	4.4	4.3	7.9
Deferred tax			
Origination and reversal of temporary differences	**(0.8)**	(0.1)	1.6
Adjustment in respect of deferred tax of prior periods	**-**	(0.1)	(0.1)
	(0.8)	(0.2)	1.5
Tax expense	**3.6**	4.1	9.4
Deferred tax in the group income statement			
Property revaluation and disposals	**(0.7)**	0.1	1.8
Fair value gains on acquisition of subsidiaries	**(0.2)**	-	-
Retirement benefit schemes	**0.5**	0.2	0.2
Capital allowances	**(0.1)**	(0.3)	(0.3)
Share based payments	**(0.3)**	(0.2)	(0.2)
Tax (credit) / expense	**(0.8)**	(0.2)	1.5
Deferred tax in the group statement of comprehensive income			
Interest rate swaps	**0.2**	(0.1)	(0.7)
Retirement benefit schemes	**0.4**	(1.0)	(1.8)
Property revaluation and disposals	**(0.3)**	0.6	2.5
Tax expense / (credit)	**0.3**	(0.5)	-

The deferred tax balances have been measured at 20%. It was announced in the Summer Budget on 8 July 2015 that the headline rate of corporation tax will be reduced from 20% to 19% from 1 April 2017 and then to 18% from 1 April 2020. These reductions were not substantively enacted by the balance sheet date and therefore the deferred tax balances have not been revised to reflect the new rates. Had the proposed new rates been enacted by the balance sheet date then the total net deferred tax liability would have decreased by £5.3 million to £46.2 million.

5. Earnings per ordinary share

(a) Earnings

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Profit attributable to equity shareholders of the parent	**15.9**	14.7	26.7
Operating exceptional items	**0.8**	(0.4)	(4.1)
Tax attributable to above adjustments	**(0.4)**	0.2	1.9
Adjusted earnings after tax	**16.3**	14.5	24.5

	Number	Number	Number
Basic weighted average number of ordinary shares in issue	**48,532,089**	48,340,660	48,397,275
Dilutive potential ordinary shares from outstanding employee share options	**36,157**	71,400	69,303
Diluted weighted average number of shares	**48,568,246**	48,412,060	48,466,578

(b) Basic earnings per share

	Pence	Pence	Pence
Basic	**32.76**	30.41	55.17
Effect of exceptional items and other adjustments listed above	**0.83**	(0.41)	(4.55)
Adjusted basic	**33.59**	30.00	50.62

(c) Diluted earnings per share

	Pence	Pence	Pence
Diluted	**32.74**	30.36	55.09
Effect of exceptional items and other adjustments listed above	**0.82**	(0.41)	(4.54)
Adjusted diluted	**33.56**	29.95	50.55

The basic earnings per share figure is calculated by dividing the net profit for the period attributable to equity shareholders of the parent 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 36,157 (2014: 71,400) 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.

6. Dividends on equity shares

	26 weeks to 28 Sep 2015 Pence	26 weeks to 29 Sep 2014 Pence	52 weeks to 30 Mar 2015 Pence
Final dividend (previous period)	**8.56**	8.07	8.07
Interim dividend (current period)	**-**	-	7.90
	8.56	8.07	15.97

The table above sets out dividends that have been paid. The interim dividend, in respect of the period ended 28 September 2015, of 8.38 pence per share at a cost of £4.1 million is expected to be paid on 11 December 2015 to shareholders on the register at the close of business on 27 November 2015.

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

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Profit before tax	**19.5**	18.8	36.1
Net finance cost	**2.6**	2.8	5.2
Other finance charge	**0.2**	0.1	0.2
Operating profit	**22.3**	21.7	41.5
Depreciation	**8.6**	7.0	14.8
Movement on the revaluation of property	**-**	(0.8)	(4.2)
Goodwill impairment	**0.3**	-	-
Profit on sales of property	**(0.2)**	(0.1)	(0.9)
Pension scheme settlement gain	**-**	-	(0.2)
Difference between pension service cost and cash contributions paid	**(2.4)**	(1.9)	(2.0)
Share based payments	**0.3**	0.1	0.2
Provision for capital gains tax on ESOP Trust allocated shares	**-**	0.1	0.2
Movements in working capital			
- Inventories	**(0.2)**	(0.1)	(0.1)
- Receivables	**(0.7)**	0.6	0.4
- Payables	**3.3**	(0.5)	0.9
Net cash generated from operations	**31.3**	26.1	50.6

Analysis of group net debt

	At 28 Sep 2015 £m	At 29 Sep 2014 £m	At 30 Mar 2015 £m
Cash	**5.8**	0.2	0.2
Loan capital and finance leases	**(131.8)**	(116.8)	(129.2)
Net debt	**(126.0)**	(116.6)	(129.0)

8. Property and equipment

	Land & buildings £m	Fixtures, fittings & equipment £m	Total £m
Cost or valuation			
At 1 April 2014	562.6	93.4	656.0
Additions	10.7	21.7	32.4
Business combinations	17.0	1.5	18.5
Disposals	(2.0)	(0.1)	(2.1)
Fully depreciated assets	(0.8)	(9.7)	(10.5)
Revaluation			
- effect of upward movement in property valuation	24.9	-	24.9
- effect of downward movement in property valuation	(5.3)	-	(5.3)
At 30 March 2015	607.1	106.8	713.9
Additions	8.1	12.8	20.9
Business combinations	0.6	0.3	0.9
Disposals	(4.0)	(1.0)	(5.0)
Revaluation			
- effect of upward movement in property valuation	-	-	-
- effect of downward movement in property valuation	-	-	-
At 28 September 2015	**611.8**	**118.9**	**730.7**
Depreciation and impairment			
At 1 April 2014	46.8	50.0	96.8
Depreciation charge	2.3	12.5	14.8
Disposals	(0.2)	(0.1)	(0.3)
Fully depreciated assets	(0.8)	(9.7)	(10.5)
Revaluation			
- effect of downward movement in property valuation	1.9	0.3	2.2
- effect of upward movement in property valuation	(6.4)	-	(6.4)
At 30 March 2015	43.6	53.0	96.6
Depreciation charge	1.2	7.4	8.6
Disposals	(1.1)	(0.6)	(1.7)
Revaluation			
- effect of downward movement in property valuation	-	-	-
- effect of upward movement in property valuation	-	-	-
At 28 September 2015	**43.7**	**59.8**	**103.5**
Net book value			
At 1 April 2014	515.8	43.4	559.2
At 30 March 2015	563.5	53.8	617.3
At 28 September 2015	**568.1**	**59.1**	**627.2**

8. Property and equipment (continued)

Revaluation of property and equipment

The value of the group's freehold and leasehold land, buildings, fixtures and fittings were reviewed in light of current market factors but have not been updated as at 28 September 2015 from their year-end market values by Andrew Cox MRICS, the group's director of property and tenancies and a Chartered Surveyor, pursuant to the group's accounting policy. This review was carried out in accordance with the provisions of the RICS Valuation – Professional Standards January 2014 ('the Red Book'), which takes account of the properties' highest and best value.

Each individual pub is valued as a fully equipped operational entity after taking into account its trading potential, location, tenure, size and condition and other factors such as recent market transactions. Changes in these variables and assumptions could materially impact the valuations.

These values and the assumptions used to derive these values were discussed and reviewed with Andrew Cox, the board and the auditors. The highest and best use of its properties does not differ materially from their current use.

These techniques are consistent with the principles in IFRS 13 Fair Value Measurement and use significant unobservable inputs such that the fair value measurement of each property within the portfolio has been classified as Level 3 in the fair value hierarchy.

The key inputs to valuation are consistent with those set out in the group's audited accounts for the 52 weeks ended 30 March 2015.

9. Retirement benefit schemes

The table below summarises the movement in the retirement benefit schemes' deficit in the period.

	26 weeks to 28 Sep 2015 £m	26 weeks to 29 Sep 2014 £m	52 weeks to 30 Mar 2015 £m
Changes in the present value of the retirement benefit schemes are as follows:			
Opening deficit	**(13.1)**	(6.0)	(6.0)
Current service cost	**(0.3)**	(0.3)	(0.6)
Settlement gain	**-**	-	0.2
Contributions	**2.7**	2.2	2.6
Other finance charge	**(0.2)**	(0.1)	(0.2)
Remeasurement through other comprehensive income	**2.3**	(5.0)	(9.1)
Closing deficit	**(8.6)**	(9.2)	(13.1)

10. Share capital

Total share capital comprises the share capital issued and fully paid of £6.1 million (2015: £6.1 million) and the share premium account of £4.1 million (2015: £2.7 million). Share capital issued in the period comprises the nominal value of £0.0 million (2014: £0.1 million) and share premium of £1.4 million (2014: £1.0 million).

The shares issued in the current period relate to directors' and senior management's share awards and the exercise of share options under our SAYE scheme.