10 November 2005

INTERIM RESULTS

for the 26 weeks to 1 October 2005

Highlights

• Turnover increased to £62.5 million	up	2.7%
• Operating profit up to £7.2 million*	up	0.7%
• Adjusted profit before tax of £5.5 million*	up	3.3%
• Profit before tax of £4.9 million	down	3.3%
• Adjusted earnings per share of 31.80p*	up	2.5%
• Dividend per share increased to 12.00p	up	5.3%

**Excludes exceptional items*

- Good performance from the retail estate, driven by 6.1% higher food sales and the benefits of previous investments coming through;
- Profits from managed and tenanted estate up 10.6% and 16.2% respectively, despite the impact of increased costs, the July bombings and weak consumer demand;
- Continued growth of Young's cask ale, with volumes up by 1.3% against a market decline;
- Good performance in take-home and wholesale markets, but total beer production down 7.1% reflecting lower levels of contract brewing in the period;
- Profits before tax impacted by exceptional costs reflecting major corporate activity during the period including simplifying the company's share structure and transfer of its shares to trading on AIM;
- Progress continues on Wandsworth site review, though the Board estimates that a conclusion to the process remains some time away.

John Young, Chairman, commented:

“The first half has seen a considerable amount of change at Young’s with a major simplification of our share structure and the transfer of our shares to trading on AIM. Without doubt we are one of the largest and oldest companies trading on this young and vibrant market.

“Trading has been solid, particularly given the pressures in London over the summer months and the continuing regulatory and government imposed cost increases facing all parts of our business.

“Reductions in consumer spending will make for a challenging second half and with the important Christmas trading period still to come, it remains too early to predict the outcome for the year as a whole.”

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Chairman's statement

The first half has seen a considerable amount of change at Young's with a major simplification of our share structure and the transfer of our shares to trading on AIM. We are one of the largest and oldest companies trading on this young and vibrant market.

Turnover for the first half was up 2.7% at £62.5 million. Adjusted profit before tax was £5.5 million and adjusted earnings per share were 31.80p up 3.3% and 2.5% respectively. This continued improvement in underlying performance has led the Board to decide to pay an increased interim dividend, up 5.3% to 12.00p. This will be paid on 9 December 2005 to shareholders on the register on 25 November 2005.

Profit before tax after exceptional items, which principally relate to the move to AIM, the continuing costs associated with the Wandsworth site review and other property related costs, was £4.9 million, a decrease of 3.3%.

Managed pubs and inns

This first half has seen growth in sales as the benefits of past investments in the retail estate have borne fruit. The positive start to the summer was cut short by the horrendous bombings in July followed by disappointing weather in August and the general slowdown in consumer spending. Despite this, our managed division has seen an increase in turnover of 2.0% and in profits of 10.8%. Food sales have led the way with growth of 6.1%. Like for like turnover increased 1.7% and like for like profits increased 1.9%.

Across both pubs and inns the increase in operating profit was achieved in the face of increased costs arising from the minimum wage, utilities, the new rating system and preparation for the new licensing laws, which come into force later this month. They create an unwelcome and costly distraction for our pub management teams, compounded by the fact that there has been very little consistency in the way each council has interpreted the laws.

The proposed smoking ban provides Young's next legislative hurdle. It is clearly difficult to judge how much trade will be affected and we are planning to minimise this. 84 of our 109 managed pubs have significant outdoor space and food is a growing part of our business. In the meantime we are increasing non-smoking areas ahead of the likely ban.

Despite strong competition and difficult market conditions in London, our inn division has proved quite resilient in the period with occupancy slightly lower than last year and room rates up at £61.49, leaving REVPAR at £39.35, a 3.1% increase.

During the period we invested £3.7 million in our managed estate. Major refurbishments have been completed at the Spread Eagle in Camden, the Queen Adelaide, the Duke on the Green (formerly the Duke of Cumberland) and the Orange Tree. These have all seen sales growth, especially food. In addition we have exchanged contracts on a prime riverside site in a new development in Vauxhall.

Our excellent pub environments, coupled with quality products and high service standards, will provide some protection from the difficult trading times ahead. In addition we have the advantage of running both managed and tenanted houses which allows us the flexibility to operate the estate to the best effect.

During the summer the Coopers Arms and the Grove in Balham returned to management, while the Rattlebone was transferred to tenancy and we relinquished the lease on the Bath Arms at Longleat. The total number of pubs in our managed estate at the end of the period was 109 with 366 letting rooms.

Tenancies

Turnover in the tenanted division was up 5.6% and profits by 16.2%. On a like for like basis sales were up 1.6% and profits up 6.4%. As with the managed estate a considerable amount of management time has been expended in assisting tenants with the new licensing laws.

Major refurbishment works were carried out to the Bull's Head in Barnes to maintain the music area, despite issues with the local council. Several other smaller refurbishments have also taken place and we have disposed of Next Door in Oxford.

The total number of tenancies is 97.

Brewing and brands

We are pleased with the performance of Young's Bitter, our flagship brand, in the period, which saw cask sales up 1.3%, continuing its recent trend of bucking the market decline. Young's Bitter is the fourth most popular cask ale in London and is in the top ten nationally (AC Nielsen 2005).

Against this success for Young's Bitter, our total beer sales and production were down 7.1% in the first half, accounted for by less contract beer being brewed and the anticipated continued decline of Light Ale sales.

We saw good growth in the off-trade, up 5.4%. The star performer was Special London Ale, the UK's number one bottle conditioned beer, which secured several key distribution gains amongst the major supermarkets.

In the on-trade, Young's Bitter has increased its presence amongst the major pub multiples, with sales up 13% on a national basis, which has partly offset the ongoing decline in Young's Light Ale sales, leaving pub multiple sales down 7%. The wholesale channel has performed well with volumes up 9.8% and particular successes noted with the national distributors. This sector grows in importance year on year and is a vital part of delivering our cask ale strategy. Volumes in our regional independent free trade remain little changed on last year; nonetheless this remains an important and highly profitable part of our business. Export volumes are up 1.2% with a particularly strong performance in Scandinavia.

Cockburn & Campbell

Cockburn & Campbell had a good first half with turnover up 5.7% but, with margins under pressure due to suppliers' rising costs and a competitive market not prepared to accept price increases, profits were little changed.

Wine volumes were up 7.5% with free trade leading the way, up 14.8%. This was assisted by additions to the product range, especially Terra Mater from Chile, Churton from New Zealand and a range of new wines from Italy.

Investment and finance

We invested £5 million in our business, mainly on developments in our existing retail estate. Strong operating cash flow has allowed this to be achieved with only a modest change in net debt to £53.1 million. Gearing at the end of the period was 37.1% and operating profit before exceptional costs covered interest by 3.7 times.

Review of Ram Brewery site

The review of the development potential of the Ram Brewery site continues to make progress. As previously stated, identifying, understanding and resolving the complex issues relating to the future use of this major town centre site was always expected to be a time consuming process. Our relationship with Wandsworth Council has been invaluable in this process and is a key factor in maximising the site's potential value. We shall continue to keep shareholders informed as we progress.

Outlook

Further reductions in consumer spending and the apparently ever increasing margin pressures will make for a challenging second half. With the important Christmas trading period still to come, it remains too early to predict the outcome for the year as a whole. Nonetheless we are confident that our actions will provide long-term sustainable growth for our shareholders.

YOUNG & CO.'S BREWERY, P.L.C.
Unaudited profit and loss account
For the 26 weeks ended 1 October 2005

	26 weeks to 1 Oct 05	Restated 26 weeks to 25 Sept 04	*Restated 53 weeks to 2 Apr 05*
	£000	£000	*£000*
Turnover	**62,528**	60,858	*119,532*
Net operating costs before exceptional items	**(55,368)**	(53,751)	*(105,856)*
Operating profit before exceptional items	**7,160**	7,107	*13,676*
Operating exceptional items	**(561)**	(412)	*(485)*
Operating profit	**6,599**	6,695	*13,191*
Non-operating exceptional items	**(72)**	118	*362*
Profit on ordinary activities before interest	**6,527**	6,813	*13,553*
Net interest charge	**(1,920)**	(1,953)	*(3,969)*
Other finance income	**267**	179	*364*
Profit on ordinary activities before tax	**4,874**	5,039	*9,948*
Tax on profit on ordinary activities	**(1,845)**	(1,777)	*(3,135)*
Profit attributable to ordinary shareholders	**3,029**	3,262	*6,813*
Ordinary dividends on equity shares	**(1,414)**	(1,355)	*(2,671)*
Retained profit for the financial period	**1,615**	1,907	*4,142*

	Pence	Pence	*Pence*
Basic earnings per 50p ordinary share	**26.30**	28.46	*59.48*
Effect of operating exceptional items	**4.87**	3.59	*4.23*
Effect of non-operating exceptional items	**0.63**	(1.03)	*(5.12)*
Adjusted earnings per 50p ordinary share	**31.80**	31.02	*58.59*
Diluted basic earnings per 50p ordinary share	**25.71**	27.90	*58.29*

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

The comparative figures have been restated for the effects of the adoption of FRS 17 Retirement benefits and FRS 21 Events after the balance sheet date. The impact of these changes is detailed in note 7.

Unaudited balance sheet

at 1 October 2005

	At 1 Oct 05 £000	Restated At 25 Sept 04 £000	*Restated At 2 Apr 05 £000*
Fixed assets	**213,240**	210,143	*212,455*
Current assets and liabilities			
Stocks	**4,364**	4,048	*4,018*
Debtors	**7,003**	8,459	*6,247*
Cash	**2,174**	718	*1,028*
	13,541	13,225	*11,293*
Creditors: amounts falling due within one year			
Short term borrowings	**(183)**	(793)	*(177)*
Other creditors	**(17,371)**	(15,988)	*(17,613)*
	(17,554)	(16,781)	*(17,790)*
Net current liabilities	**(4,013)**	(3,556)	*(6,497)*
Total assets less current liabilities	**209,227**	206,587	*205,958*
Creditors: amounts falling due after more than one year	**(55,058)**	(56,684)	*(53,806)*
Provisions for liabilities and charges	**(6,503)**	(6,500)	*(6,238)*
Net assets excluding retirement benefit liability	**147,666**	143,403	*145,914*
Retirement benefit liability	**(4,790)**	(5,392)	*(8,436)*
Net assets	**142,876**	138,011	*137,478*
Capital and reserves			
Called-up share capital	**6,028**	6,028	*6,028*
Share premium account	**1,307**	1,330	*1,319*
Revaluation reserve	**87,139**	87,734	*87,139*
Capital redemption reserve	**1,808**	1,808	*1,808*
Investment in own shares	**(2,861)**	(3,418)	*(3,267)*
Profit and loss account	**49,455**	44,529	*44,451*
Equity shareholders' funds	**142,876**	138,011	*137,478*

The comparative figures have been restated for the effects of the adoption of FRS 17 Retirement benefits and FRS 21 Events after the balance sheet date. The impact of these changes is detailed in note 7.

YOUNG & CO.'S BREWERY, P.L.C.
Unaudited cash flow statement
For the 26 weeks ended 1 October 2005

	26 weeks to 1 Oct 05	26 weeks to 25 Sept 04	*53 weeks to 2 Apr 05*
	£000	£000	*£000*
Net cash inflow from operating activities	**9,762**	9,278	*24,705*
Interest received	**5**	4	*22*
Interest paid	**(2,002)**	(1,996)	*(4,340)*
Returns on investments and servicing of finance	**(1,997)**	(1,992)	*(4,318)*
Corporation tax paid	**(1,503)**	(1,551)	*(2,983)*
Purchases of tangible fixed assets	**(5,022)**	(6,573)	*(15,526)*
Sales of tangible fixed assets	**62**	1,840	*4,382*
Capital expenditure	**(4,960)**	(4,733)	*(11,144)*
Equity dividends paid	**(1,414)**	(1,355)	*(2,671)*
Cash (outflow)/inflow before financing	**(112)**	(353)	*3,589*
Increase/(decrease) in loan capital	**1,270**	(316)	*(3,183)*
(Decrease) in lease finance	**(12)**	(7)	*(15)*
Employee benefit trust share redemptions	**-**	(230)	*(368)*
Financing	**1,258**	(553)	*(3,566)*
Increase/(decrease) in cash in period	**1,146**	(906)	*23*

YOUNG & CO.'S BREWERY, P.L.C.
Reconciliation of net cash flow to movement in net debt
For the 26 weeks ended 1 October 2005

	26 weeks to 1 Oct 05	26 weeks to 25 Sept 04	*53 weeks to 2 Apr 05*
	£000	£000	*£000*
Increase/(decrease) in cash in period	**1,146**	(906)	*23*
(Increase)/decrease in debt in period	**(1,258)**	323	*3,198*
(Increase)/decrease in net debt in period	**(112)**	(583)	*3,221*
Opening net debt	**(52,955)**	(56,176)	*(56,176)*
Closing net debt	**(53,067)**	(56,759)	*(52,955)*

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

Statement of total recognised gains and losses

For the 26 weeks ended 1 October 2005

	26 weeks to 1 Oct 05	Restated 26 weeks to 25 Sept 04	*Restated 53 weeks to 2 Apr 05*
	£000	£000	*£000*
Profit for the financial period	**3,029**	3,262	*6,813*
Actuarial gain/(loss) on retirement benefit schemes	**4,825**	2,068	*(2,656)*
Deferred tax on actuarial gain/(loss)	**(1,448)**	(620)	*797*
Total recognised gains for the financial period	**6,406**	4,710	*4,954*

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

Reconciliation of movements in shareholders' funds

For the 26 weeks ended 1 October 2005

	26 weeks to 1 Oct 05	Restated 26 weeks to 25 Sept 04	*Restated 53 weeks to 2 Apr 05*
	£000	£000	*£000*
Profit attributable to ordinary shareholders	**3,029**	3,262	*6,813*
Dividends	**(1,414)**	(1,355)	*(2,671)*
Movement in own shares:			
Employee benefit trust redemptions	**-**	(230)	*(368)*
Employee benefit trust allocations	**406**	-	*677*
Actuarial gain/(loss) on retirement benefit schemes, net of deferred tax	**3,377**	1,448	*(1,859)*
Net addition to shareholders' funds	**5,398**	3,125	*2,592*
Opening shareholders' funds as previously reported	**137,478**	139,249	*139,249*
Prior year adjustments			
FRS 17 Pension deficit (see note 7)	**-**	(5,718)	*(5,718)*
FRS 21 Dividend (see note 7)	**-**	1,355	*1,355*
Opening shareholders' funds as restated	**137,478**	134,886	*134,886*
Net addition to shareholders' funds (see above)	**5,398**	3,125	*2,592*
Closing shareholders' funds	**142,876**	138,011	*137,478*

The comparative figures have been restated for the effects of the adoption of FRS 17 Retirement benefits and FRS 21 Events after the balance sheet date. The impact of these changes is detailed in note 7.

Notes to the accounts

(1) Accounts

The interim accounts, which are unaudited, have been prepared on the basis of the accounting policies set out in the company's statutory accounts for the 53 weeks ended 2 April 2005, except as described in note 7 below. The accounts present information about the company as an individual undertaking.

These interim accounts do not constitute statutory accounts within the meaning of S.240 of the Companies Act 1985. Statutory accounts for the 53 weeks ended 2 April 2005 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under S.237 of the Companies Act 1985.

(2) Operating exceptional items

Operating exceptional items of £561,000 (2004: £412,000; for the 53 weeks to 2 April 2005: £485,000) principally comprise costs incurred to date relating to the Wandsworth site review and the costs incurred in moving the company's share listing to AIM.

(3) Taxation

Corporation tax has been provided on the profits for the 26 weeks to 1 October 2005 at a rate of 30% (2004: 30%; for the 53 weeks to 2 April 2005: 30%).

(4) Earnings per share

Earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue. An adjusted earnings per share figure is presented to eliminate the effect of the exceptional items on basic earnings per share.

The weighted average number of shares in issue, which excludes the investment in own shares, is 11,517,202 (2004: 11,461,154; for the 53 weeks to 2 April 2005: 11,453,672). Diluted earnings per share are calculated by adjusting basic earnings per share to reflect the notional exercise of the weighted average number of share options outstanding during the period. The resulting weighted average number of shares is 11,781,459 (2004: 11,693,822; for the 53 weeks to 2 April 2005: 11,687,302).

(5) Ordinary dividends on equity shares

		Restated	*Restated*
	26 weeks to 1 Oct 05	26 weeks to 25 Sept 04	*53 weeks to 2 Apr 05*
	Pence	Pence	*Pence*
Final dividend (previous year)	**12.25**	11.65	*11.65*
Interim dividend (current year)	**-**	-	*11.40*
	12.25	11.65	*23.05*

The trustee of the Ram Brewery Trust has waived its rights in respect of the dividends on the shares held in the trust on behalf of the directors' share option scheme.

(6) Net cash inflow from operating activities

	26 weeks to 1 Oct 05	Restated 26 weeks to 25 Sept 04	*Restated 53 weeks to 2 Apr 05*
	£000	£000	*£000*
Operating profit	**6,599**	6,695	*13,191*
Depreciation	**4,103**	3,962	*8,127*
Employee benefit trust share allocations	**406**	-	*677*
Movements in working capital			
Stocks	**(346)**	173	*203*
Debtors	**(756)**	(513)	*1,650*
Creditors	**(244)**	(1,039)	*857*
Net cash inflow from operating activities	**9,762**	9,278	*24,705*

(7) Changes in accounting policies

The company has adopted the following accounting standards in the year. Comparative figures at 25 September 2004 and 2 April 2005 have been restated.

FRS 17 Retirement benefits – requires changes to the accounting treatment of defined benefit pension arrangements. The company now includes the fair value of assets and liabilities of these arrangements in the balance sheet. Current and past service costs together with financial returns are included in the profit and loss account. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

FRS 21 Events after the balance sheet date – includes the requirement that dividends be recognised when declared, not when proposed.