



2010



Results Presentation

for the period ended 27 September 2010



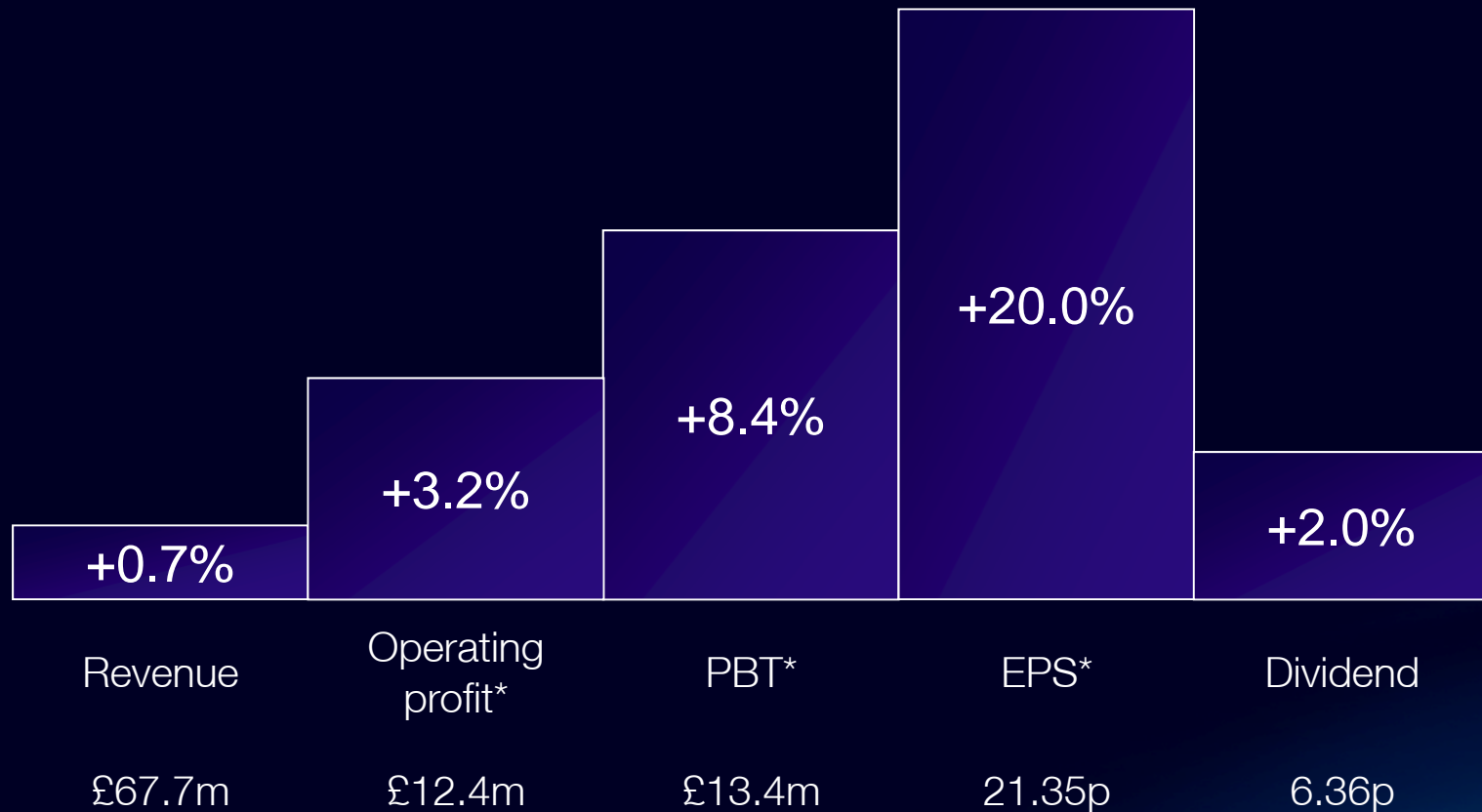
Agenda

1. Overview
2. Financial review
3. Operations review
4. Outlook and prospects



Robust results

- Sales and profit growth in challenging market
- 14th consecutive year of dividend increase



All results on continuing activities and where marked * adjusted for exceptional items

Highlights

- Strong results despite challenging market conditions
- Resilient trading in liquor and food
- Excellent progress in hotels after recent investment
- Benefits showing through from greater operating efficiencies
- Very good performance from Wells & Young's
- Interim dividend increased for 14th consecutive year, up 2.0%
- Positive start to H2 - managed house revenue up 1.8% like-for-like





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2. Financial review



Group results

	2010 £m	Change
Managed houses	15.26	+2.7%
Tenanted houses	2.70	-4.2%
Corporate services	(5.57)	-1.8%
Wells & Young's	2.11	+18.0%
Finance costs (net)	(1.12)	-22.6%
Adjusted profit before tax	13.38	+8.4%

Adjusted profits on continuing operations

	2010 £m	2009 £m
Profit before tax (including Wells & Young's)	11.9	11.5
Add back Wells & Young's tax included in above	0.5	0.6
Operating exceptional items	0.4	0
Wells & Young's exceptional items	0.6	0.2
Adjusted profit before tax	13.4	12.3
Tax (excluding exceptional items)	(3.1)	(3.8)
Adjusted profit after tax	10.3	8.5
Adjusted basic EPS (pence)	21.35	17.79

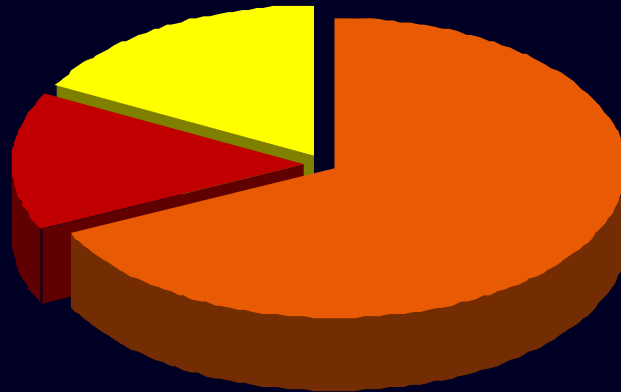
Strong cash flow and continued investment

	2010 £m	2009 £m
Cash generated from operations	10.9	12.0
Interest, tax and dividends	(5.7)	(6.4)
Free cash flow	5.2	5.6
Disposals	2.7	-
Capital expenditure	(8.2)	(5.2)
(Increase)/decrease in net debt	(0.3)	0.4

Investment in the estate

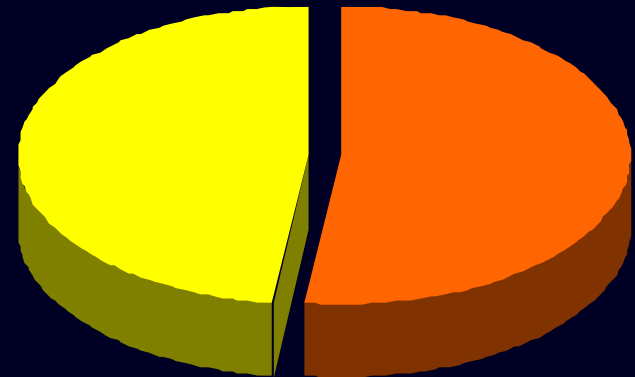
Total Spend: £8.1 million (2009: £5.1 million)

By Division



- Managed - £5.5m
- Hotels - £1.2m
- Tenanted - £1.4m

By Nature of Spend



- Expenditure on new pubs - £4.2m
- Expenditure on existing estate - £3.9m

Debt structure

Long dated committed facilities:

- £50 million long term finance (March 2018 to 2023)
- £40 million medium term finance (March 2013)

£90.0 million

Net debt

£62.6 million

Gearing (no revaluation since 1997)

35.6%

% of debt fixed

55.9%

Interest cover

9.3 times

Composite rate on fixed debt

6.0%

Estate profile of trading pubs

	March 2010	+	-	Transfers	Sept 2010
Managed	120	1	(1)	1	121
Tenanted	99	2	(1)	(1)	99
Total	219	3	(2)	-	220
Freehold	183	1	(2)	-	182

Freeholds above exclude 11 leases with > 40 years to run, with total rent < £10,000

Financial summary

- Profit before tax up 4.0%
- Managed house revenue up 0.9%, and 0.8% like-for-like
- Tenanted pub revenues maintained, both total and like-for-like
- Increased contribution of 18.0% from Wells & Young's
- Reliable cash generative business – net debt almost unchanged despite continued investment
- Interim dividend up 2.0%, 14th consecutive year of interim increase



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3. Operations review



Like-for-like sales

	Number of sites	Sales £m	Change %
Managed	119	59.5	+0.8
Tenanted	94	6.9	+0.2
	213	66.4	+0.7

Operating performance at pub level

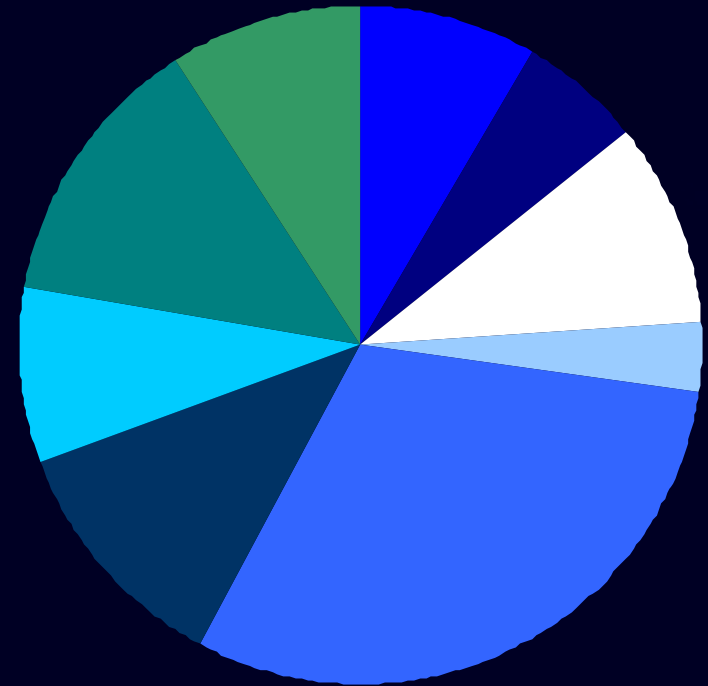
	2010	Change
Revenue	£m	%
Managed	60.2	+0.9
Tenanted	7.3	-0.5
	67.5	+0.7
EBITDAR*	£m	%
Managed	19.2	+0.7
Tenanted	3.6	-1.2
	22.8	+0.4

* At outlet level, before interest, taxes, depreciation, rents payable

Managed operating highlights

89.0% of revenues – 121 pubs

- Good performance in mixed trading conditions
- Continued to reject heavy discounting
- Liquor sales and gross margins maintained
- Food sales up 1.5%
- £6.6 million invested, with two new openings – Dial Arch and Lass O' Richmond Hill
- Clear success from 'Young's Hotels' re-vamp and re-launch
- Operating profit up 2.7% to £15.3m



Central London 10 City 7
Greater London 12 South London 4
South West London 37 Thames Side 14
West London 10 Home Counties 16
West Country 11

Two new pubs trading well

Dial Arch, Woolwich

- Opened in June to very positive local reception
- Strong trading to date



Lass O' Richmond Hill

- Acquired in August
- Re-opened September after full refurbishment
- Early trading encouraging



Continued programme of major refurbishments

Coopers Arms, Chelsea

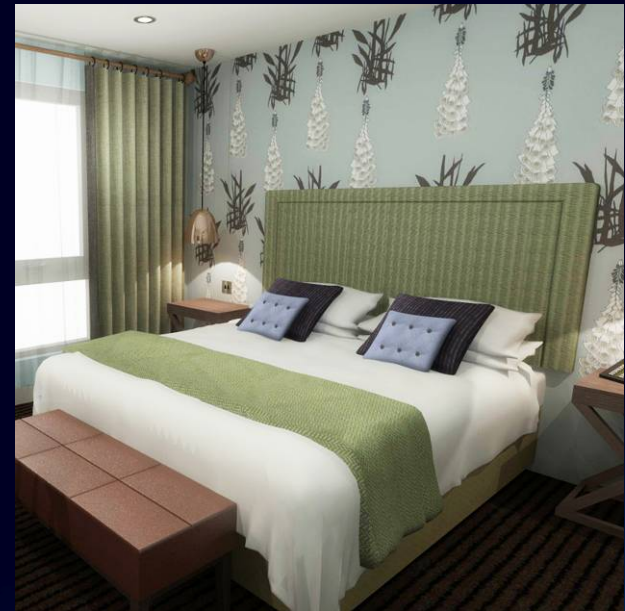



Alexandra, Wimbledon



Hotel accommodation – key initiatives

- Considerable investment in our hotel rooms, and greater focus on strategy and pricing over past three years
- New discrete brand launched during summer
- Most of our 347 hotel rooms have now been upgraded to premium standard
- Websites offering enhanced bookings service and other functionality
- Further growth of hotel offering – Alma to open 23 rooms pre-Christmas







THE ALMA
WANDSWORTH


MAKE A HOTEL BOOKING

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Just like the coaching inns of old, we provide a relaxed home-from-home for locals and visitors alike – and if you're staying with us, you can be assured of all the comforts and luxuries you'd expect from the best modern accommodation.

Think of The Alma like a boutique hotel, without the attitude – at heart we're a friendly local pub, boasting fantastic cask ales and the best in British food. Upstairs are 23 stylish bedrooms.

Above all, we offer friendly, personal and unpretentious service, whether you're just in for a quiet pint, planning an intimate dinner, a stop-over for a business trip or staying for a leisurely weekend.

Welcome to your local.

“EXCELLENT SERVICE
DELICIOUS FOOD &
A GREAT WINE LIST...”



REVIEWS



HISTORY



RECRUITMENT

“RELAX
& UNWIND”

MEETINGS

At Young's Hotels we pride ourselves on our ability to deliver the event you had imagined. From business meetings to weddings, parties and conferences, we look forward to extending our warm welcome to you and your guests.

If you know which of our hotels you would like to hold your event in please select it here:

The Alexander

View Hotel Facilities

Alternatively, please feel free to use our search facility and we will make a recommendation for you based on your requirements.

REQUIREMENTS

Area / Postcode

xxx.xxx

Number of guests

01

☒ Projector

☐ Bar

☐ Conference Room

☐ Garden

☐ DJ / Music

☐ PC

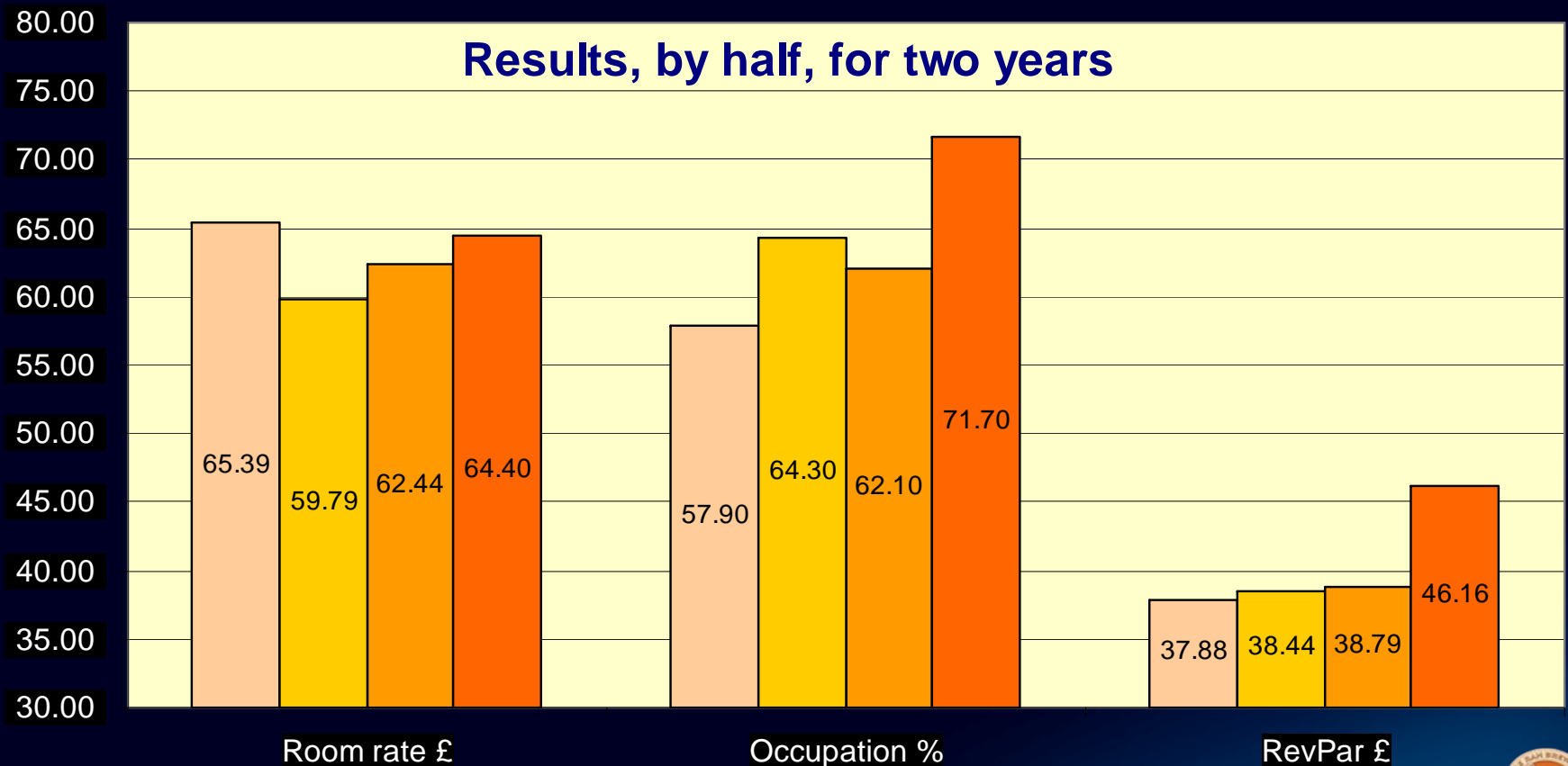
View Results

BOOK A ROOM
ONLINE TODAY & RECEIVE A

FREE ENGLISH
BREAKFAST

Hotel accommodation – results showing through

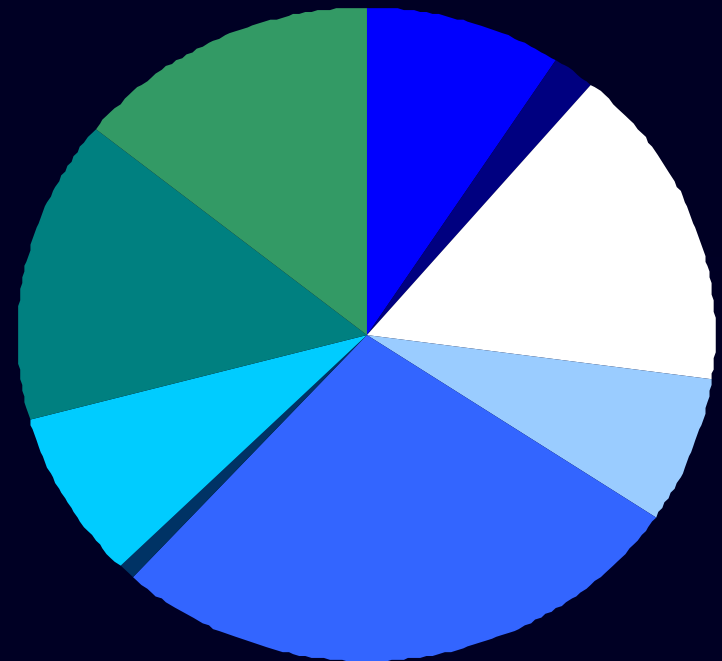
- Results of recent investment and focus clearly showing through
- Revenues up 18.7% - driven by better occupancy and room rates
- RevPar up 20.1% - at £46.16 per room



Tenanted operating highlights

10.8% of revenue – 99 pubs

- Revenue maintained despite difficult conditions
- £1.4m invested in acquisitions and in developing existing estate
- Recruited nine new tenants during period – all tenanted pubs trading
- Industry accredited Code of Practice
- Profit reduced by 4.2% to £2.7m - additional support to tenants a contributing factor
- EBITDAR per pub maintained at £36.1k on like-for-like basis



■ Central London 9 ■ City 2
■ Greater London 16 ■ South London 7
■ South West London 27 ■ Thames Side 1
■ West London 8 ■ Home Counties 15
■ West Country 14

Wells & Young's

- Brewing partnership with Charles Wells, Bedford
- Our 40% share contributed £2.1 million to our adjusted profits, up 18.0%
- Management of Corona Extra and Red Stripe brands will not be renewed – management responding accordingly
- Focus will be on its enviable ale brand portfolio





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4. Outlook and prospects



H2 outlook and prospects

- Positive start to H2
- Total managed house sales up 3.4%, and 1.8% like-for-like
- Trading conditions likely to remain challenging
- Continue to assess value enhancing opportunities
- Remain committed to driving shareholder value from our existing estate



Questions

