



2010



Results Presentation

for the period ended 29 March 2010



Agenda

1. This is Young's
2. Financial Review
3. Operations Review
4. Prospects and Outlook





2010



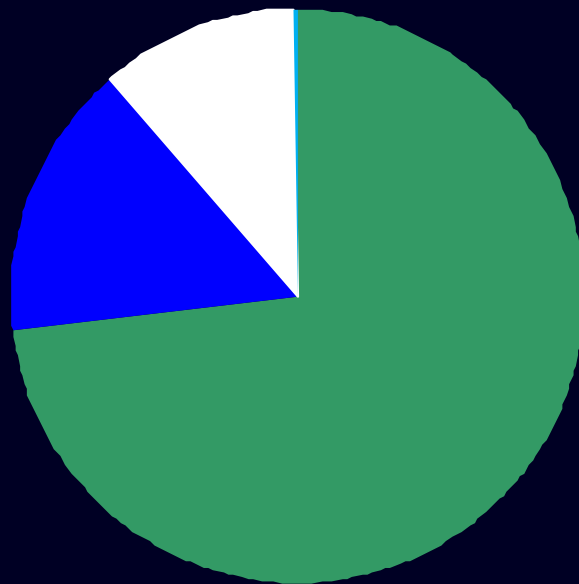
1. This is Young's



This is Young's

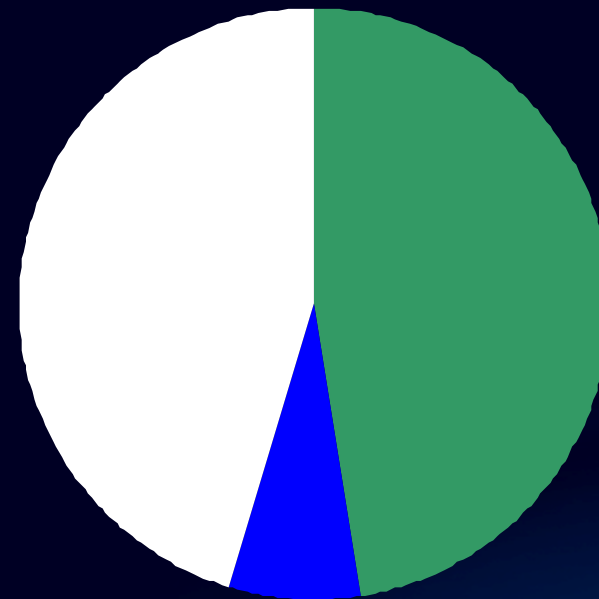
- One of Britain's most established pub companies with an estate of 219 pubs
- Premium offering, location and ambience
- Retains brewing heritage through 40% shareholding in Wells & Young's

Revenue



■ Managed pubs £93.1 M ■ Managed hotels £19.8
■ Tenanted pubs £14.3 M ■ Other £0.3 M
Total £127.5 M

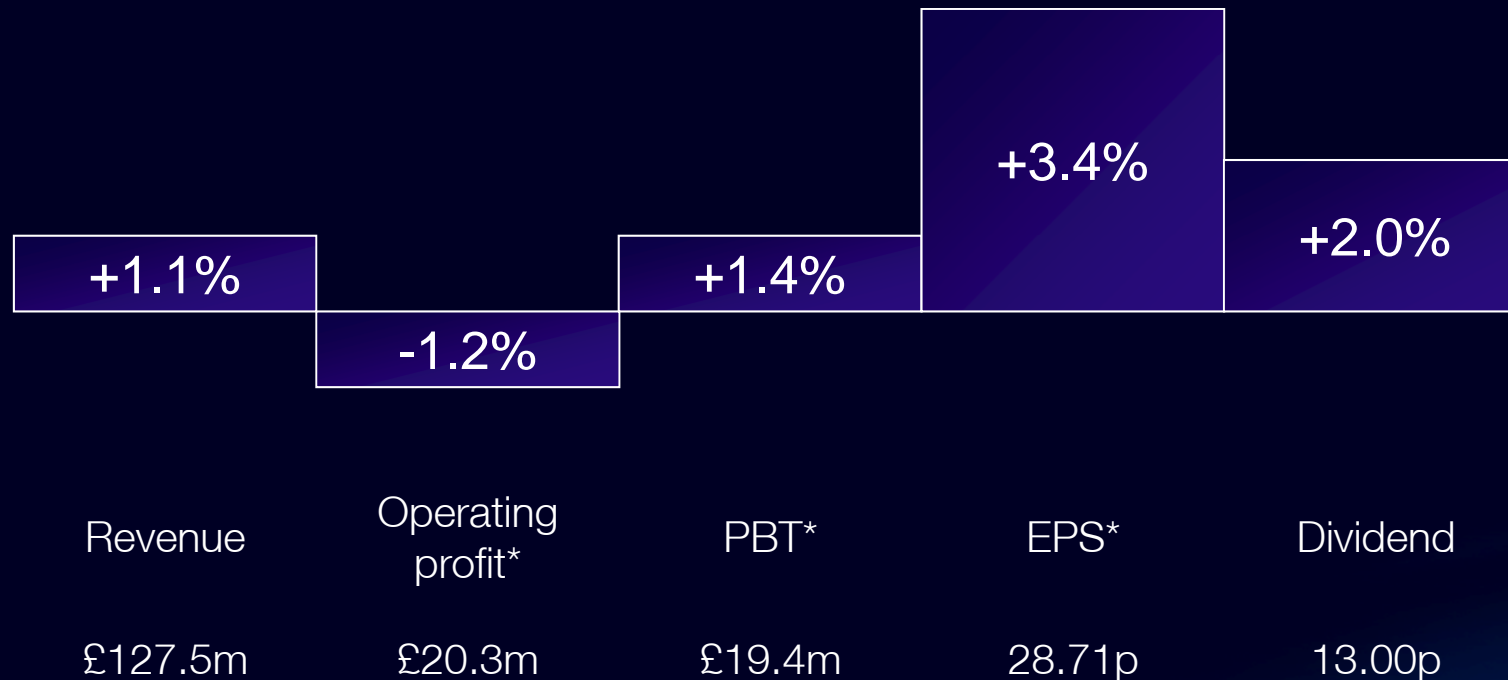
Pub Numbers



■ Managed pubs 104 ■ Managed hotels 16 ■ Tenanted pubs 99
Total 219

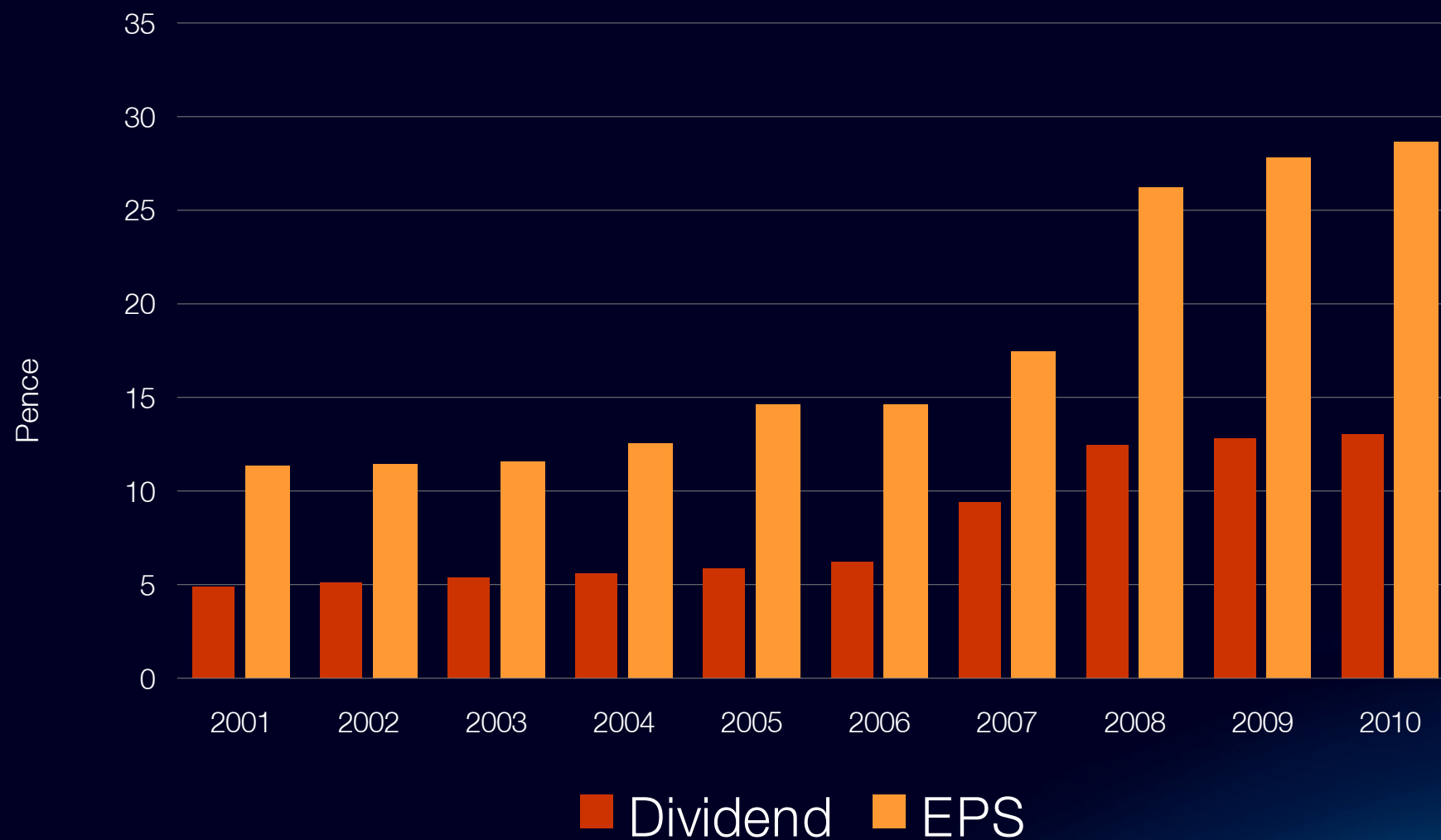
Robust Results

- Sales and profit growth in testing market
- Strong cashflow and repaid debt whilst investing in the estate
- 13th consecutive year of dividend increase



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

Value through Asset Backed Dividend Growth





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2. Financial Review



Group Results

	2010 £m	2009 £m
Managed houses	26.31	25.94
Tenanted houses	5.35	5.82
Corporate services	(11.36)	(11.21)
Wells & Young's	1.96	1.89
Finance costs (net)	(2.84)	(3.28)
Adjusted profit before tax	19.42	19.16

Adjusted Profits on Continuing Operations

	2010 £m	2009 £m
Profit before tax (including Wells & Young's)	18.4	4.2
Add back Wells & Young's tax included in above	0.3	0.7
Operating exceptional items	0.2	10.5
Wells & Young's exceptional items	0.5	3.8
Adjusted profit before tax	19.4	19.2
Tax (excluding exceptional items)	(5.6)	(5.9)
Adjusted profit after tax	13.8	13.3
Adjusted basic EPS (pence)	28.71	27.77

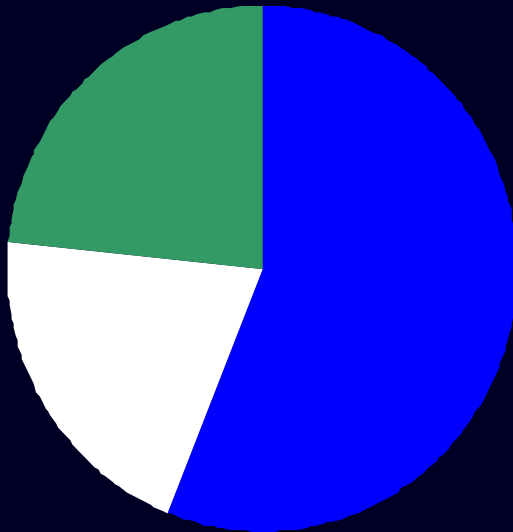
Strong Cash Flow and Continued Investment

	2010 £m	2009 £m
Cash generated from operations	26.9	26.4
VAT on sale of brewery site	-	(10.3)
Interest, tax and dividends	(14.0)	(9.0)
Free cashflow	12.9	7.1
Allocation of ESOP shares	-	0.6
Disposals	1.0	1.4
Capital expenditure	(10.8)	(24.5)
Decrease/(increase) in net debt	3.1	(15.4)

Investment in the Pub Estate

Total Spend: £10.7 million (2009: £24.0 million)

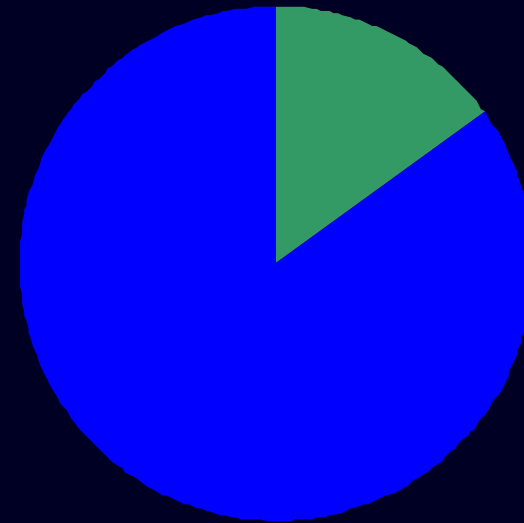
By Division



■ Managed £6.0 M ■ Hotels £2.2 M

■ Tenanted £2.5 M

By Nature of Spend



■ Investment on recent acquisitions £1.6 M

■ Investment expenditure on existing estate £9.1 M

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

£62.2 million

Gearing (no revaluation since 1997)

36.9%

% of debt fixed

55.1%

Interest cover

7.6 times

Composite fixed rate on fixed debt

6.0%

Estate Profile of Trading Pubs

	2009	+	-	Transfers	2010
Managed	122	-	-	(2)	120
Tenanted	99	1	(3)	2	99
Total	221	1	(3)	-	219
Freehold	185	-	(2)	-	183

The freeholds above exclude 11 leases with in excess of 40 years to run, with rents that in total amount to less than £10,000

Financial Summary

- Resilient performance in managed houses; comparatively strong in tenanted
- Revenue up 1.1% with adjusted profit before tax up 1.4%
- Cash generative business, with net debt reductions despite £10.8 million CAPEX
- Robust balance sheet and conservative long term financing
 - Net debt at £62.2 million and gearing at 36.9%
- Continued dividend growth



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3. Operations Review



Like-for-like Sales

	Number of sites	Sales £m	Change %
Same outlet			
Managed	107	104.9	-
Tenanted	95	13.7	1.2
	202	118.6	0.1
Un-invested			
Managed	96	93.5	-1.2
Tenanted	83	11.7	-0.4
	179	105.2	-1.1

Operating Performance at Pub Level

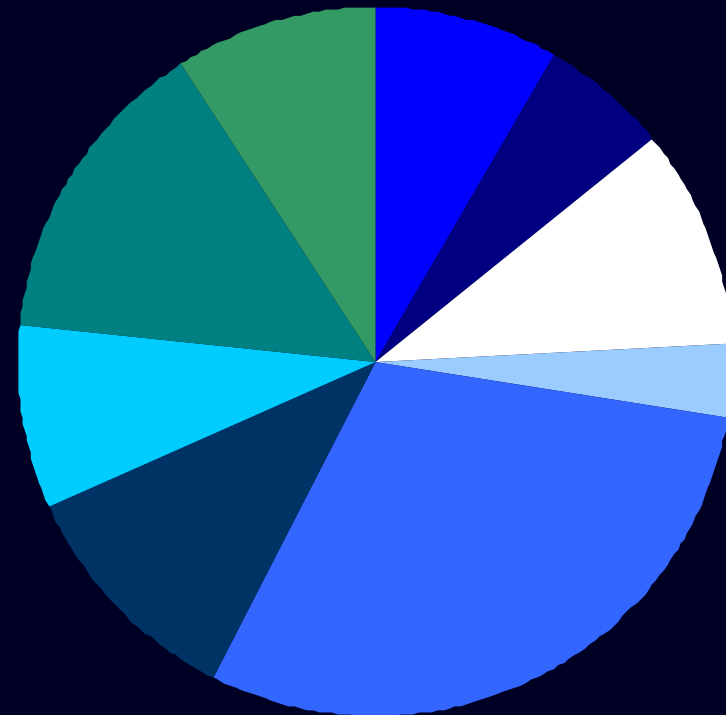
		2010	Change
Revenue		£m	%
	Managed	112.9	1.3
	Tenanted	14.3	-0.3
		127.2	1.2
EBITDAR*		£m	%
	Managed	34.7	1.5
	Tenanted	7.1	-5.9
		41.8	0.1

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

Managed Operating Highlights

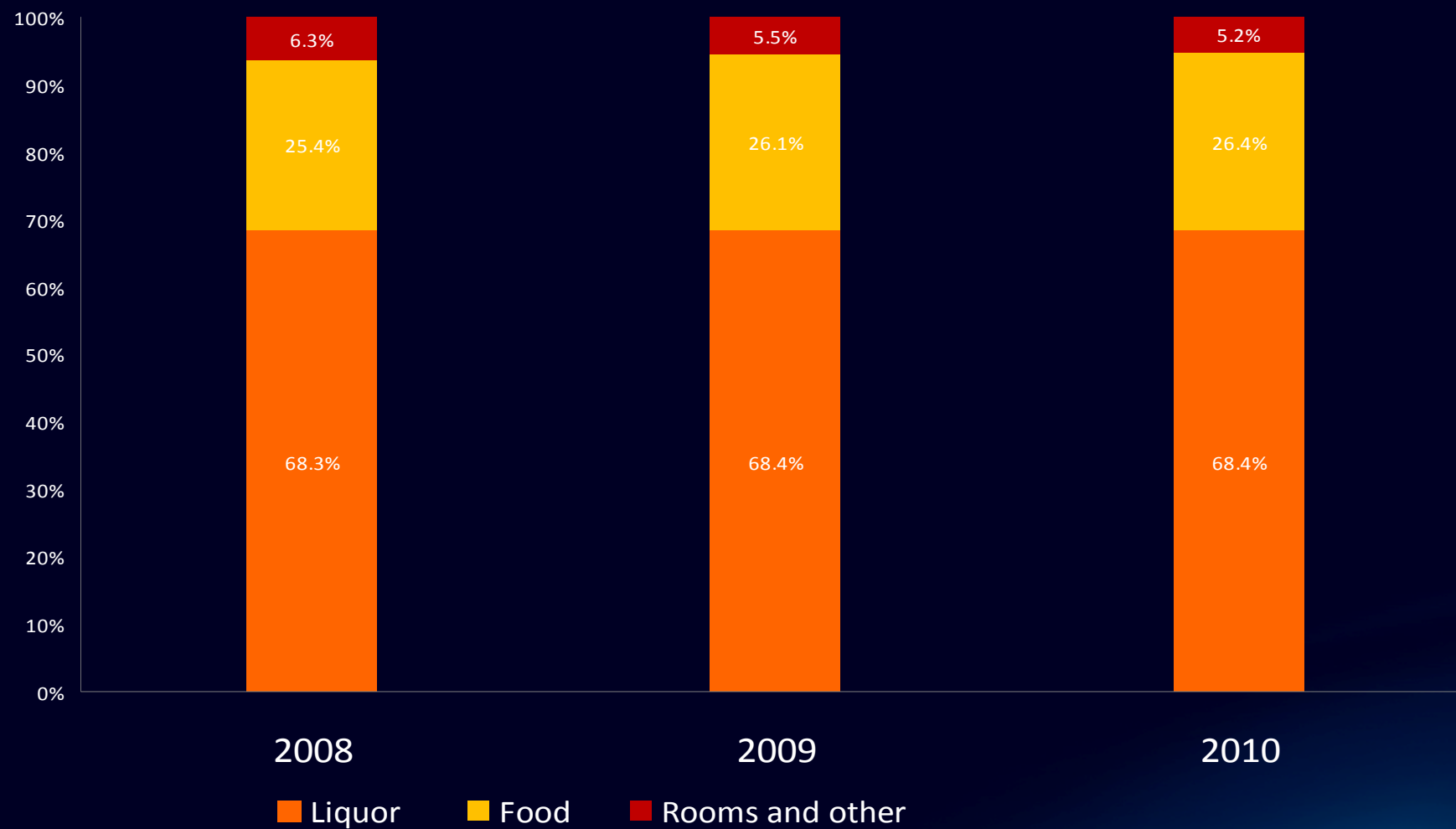
Managed houses, 88.5% of total revenue

- Resilience despite challenging market:
 - Revenue up 1.3% to £112.9 million
 - Operating profit up 1.4% to £26.3 million
 - EBITDA up 1.5% to £33.0 million
- Combined food and liquor margins ahead of last year on a like-for-like basis
- 300,000 e-marketing database = 4 million customer “touch points” in the year
- Invested £6.0 million in managed pubs and £2.2 million in hotels
- 21.0% return from 2009’s major developments



Central London 10 City 7
Greater London 12 South London 4
South West London 36 Thames Side 13
West London 10 Home Counties 17
West Country 11

Managed House Revenue Mix



Liquor and Food - Key Initiatives

Liquor

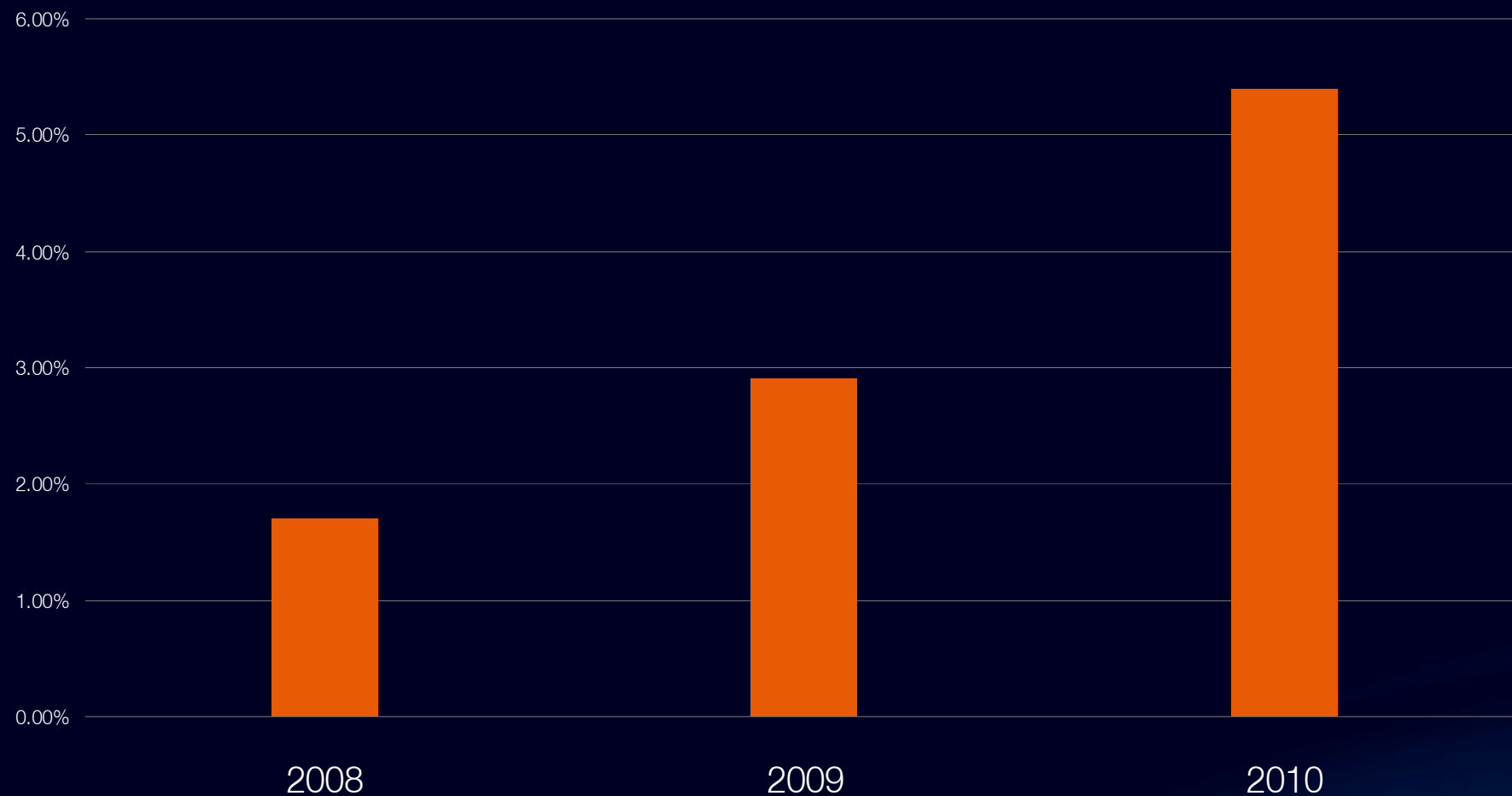
- Strong cask ale offering accounts for 35.4% of total draught beer volumes
- Complemented by extensive lager range:
 - Estrella Damm and Kirin
- Most resilient component of revenue

Food

- 'Best of British' with emphasis on local provenance:
 - Emphasis on freshly prepared, locally sourced food
 - Participants in "British Food Fortnight"
- Young's Food Development & Learning Centre opened in December
- Selected promotion activity e.g. "Dine with Wine"



Like-for-like Food Margin



■ Cumulative Percentage Point Growth

Hotel Accommodation

	First half		Second half		Total	
Room rate	£59.79	-£4.75	£62.44	-£2.94	£61.09	-£3.84
Occupation	64.3%	-4.40%	62.1%	+4.20%	63.2%	-0.10%
REVPAR	£38.44	-£5.91	£38.79	+£0.91	£38.62	-£2.49

Accommodation Profile



Who stays in a Young's hotel?

- Business guests during week attracted by the individual touch and local welcome
- Diverse range of weekend guests: tourists, leisure breaks, people visiting friends and family

What attracts them to our hotels?

- Individual, quality, stylish accommodation with a great pub at its heart
- Location, price and brand are motivating factors

Who are our competitors?

- Well known brands and local hotels in direct vicinity of our hotels
- Third party distribution channels

Our competitive edge

- Credible brand heritage
- Local hotels, local welcome
- Sophisticated e-marketing

Accommodation – Key Initiatives

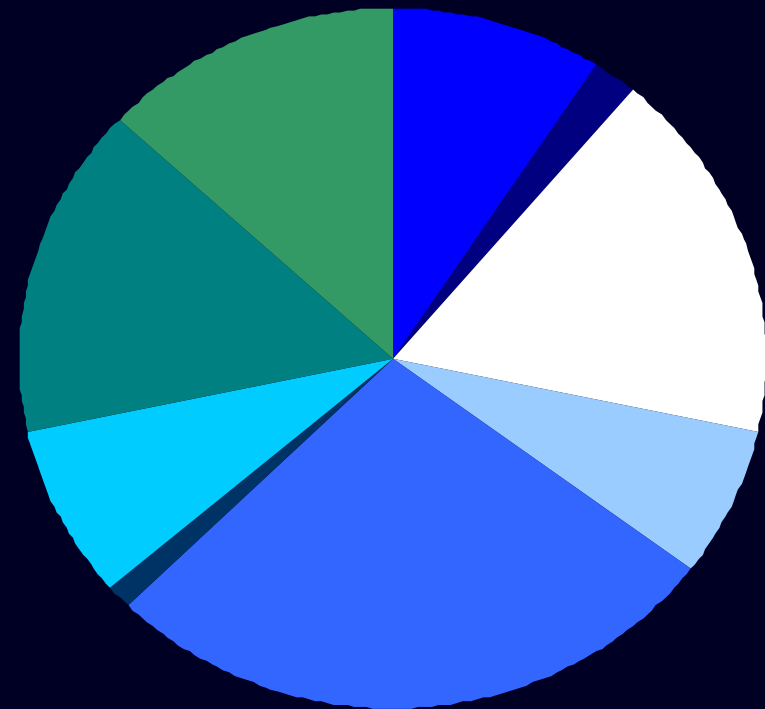
- Much improved second half performance
- RevPar of £38.62
 - Down 6.1% for the year due to reduced rates
 - But up 2.4% on the comparable six months
- Initiatives undertaken during the period include:
 - New general manager for hotel division
 - Appointment of five new, experienced hotel managers
 - Updated training schedules for existing managers
- Third of 348 hotel rooms upgraded
- New hotel brand due to be rolled out during summer 2010
- Alma due to complete £2.2 million hotel makeover in autumn 2010



Tenanted Operating Highlights

Tenanted houses, 11.2% of total revenue

- Comparatively strong performance:
 - Same outlet like-for-like sales up 1.2% and volumes little changed on last year
- Transfer of two high profile tenancies:
 - Overall volumes down 4.1%
- Operating profits down 7.9% to £5.4 million:
 - Revenue per pub £144,300
 - EBITDA per pub £66,100
- Invested £2.5 million in redeveloping the tenanted estate



■ Central London 9	■ City 2
■ Greater London 17	■ South London 7
■ South West London 27	■ Thames Side 1
■ West London 8	■ Home Counties 15
■ West Country 13	

Tenanted Operating Highlights (continued)

- Competitive and flexible packages designed to attract entrepreneurial new tenants
- Diverse portfolio of ales and lagers supplied by Wells & Young's complemented by a guest ale range
- Value for money wine offer from Cockburn & Campbell
- Implemented support packages individually tailored to specific tenants' circumstances
- Remain committed to being a fair partner
- One of the highest average EBITDAs per pub



Wells & Young's

- Brewing partnership with Charles Wells, Bedford
- Our 40% share contributed £2.0 million to adjusted profit before tax, up 3.6%
- Comparatively strong performance with sales and brewing volume growth, once adjusted for the loss of Cobra contract
- Export volumes up 9.1%
- Innovative marketing behind rejuvenating established brands and creating new ones
- Wide range of cask ale, lager and wine provide clear point of distinction





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4. Outlook and Prospects



World cup winning initiatives

Target customer

- Young's customers, their families and friends
- Individuals, mixed groups of friends and colleagues
- Private parties and corporate hospitality with unobstructed views and full table service

Young's World Cup Micro site - <http://worldcup.youngs.co.uk/>

- Booking platform for all pubs showing the game
- E-marketing campaign driving footfall



Outlook and Prospects

- Wider trading conditions still demanding
- Trading during first eight weeks of the new financial year has been encouraging
 - Managed house sales up 1.9% in total and up 2.2% on a like-for-like basis
- Continue to drive value from existing estate and invest across the business
- Focus remains on driving profitable growth
- Continue to assess value enhancing opportunities



Solid performance - well placed to meet challenges ahead

Our Investment Proposition

- Well managed story
- Consistent shareholder returns
- Well positioned in the marketplace both geographically and demographically
- Cash generative business model
- Strong balance sheet, having avoided the high levels of gearing that have blighted the sector
- Clearly defined growth strategy



Questions

