

**Interim Results
for the 26 weeks ended
30 September 2006**

16 November 2006



Agenda

1. Results review
2. Retail operations
3. Wells & Young's Brewing Company
4. Strategy & outlook



1. Results review



Significant events and highlights

- Period of enormous change
 - Formation of Wells & Young's Brewing Co.
 - Sale of Ram Brewery site
 - Death of John Young
- Strong Managed pubs performance
 - Turnover up 15.2%
 - Operating profit up by 7.1%
- Retail investment of £37.4 million
- Recent estate valuation gives NAV of £31.87 per share
- Dividend increased 50% to 18p

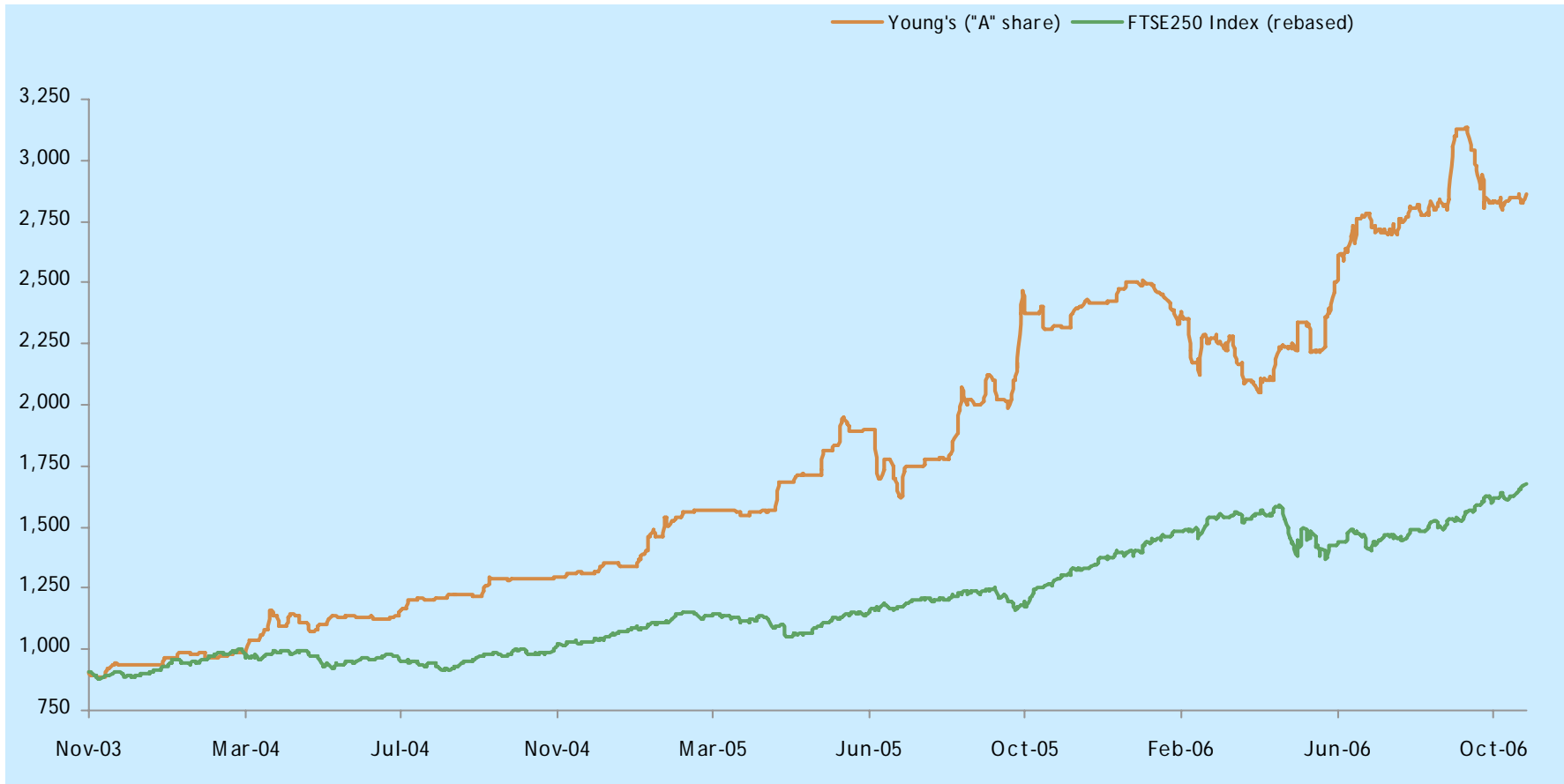


Financial highlights

• Turnover	£69.1M	up 10.6%
• Adjusted profit before tax	£5.8M	up 4.8%
• Adjusted earnings per share	33.83p	up 6.4%
• Reported profit before tax	£42.7M	not comparable
• Dividend per share	18.00p	up 50.0%

Young's share price performance

Three year share price performance



Source: Datastream (as at 14 November 2006)
FTSE 250 rebased to Young's 'A' share price, at 14 November 2003

Operating exceptional costs

	£000's
CGT on ESOP allocated shares	1,060
Property valuations	200
	<hr/>
Total exceptional costs	<u>£1,260</u>

Non-operating exceptional profit

	£000's
Proceeds from Wandsworth sites	69,000
Net book value of the sites	(10,849)
Assets held on the sites	(11,543)
	<hr/>
Gain on disposal of Wandsworth sites	46,608
Cost of fundamental reorganisation	(4,404)
	<hr/>
Gain on sale and reorganisation	42,204
	<hr/>

Period of strong investment

	First half 30 Sept 06 £M	First half 1 Oct 05 £M	Full year 1 April 06 £M
EBITDA	11.5	11.3	22.2
Cash operating exceptional items	-	(0.3)	(1.9)
Working capital movements	(2.0)	(1.3)	1.5
Interest, tax and dividends	(5.3)	(4.9)	(9.9)
Free cash flow	4.2	4.8	11.9
Capital expenditure/acquisitions	(37.8)	(5.0)	(13.5)
Investment in associated undertaking	(10.0)	-	-
Disposals/reorganisation costs	(4.3)	0.1	0.1
Increase in net debt	(47.9)	(0.1)	(1.5)

Step change in dividend

	First half 30 Sept 06 £M	First half 1 Oct 05 £M	Full year 1 April 06 £M
Net debt	£102.3M	£53.1M	£54.4M
Percentage fixed rate	38%	74%	72%
Debt/EBITDA*	4.5	2.4	2.5
Interest cover (adjusted)	3.2 times	3.7 times	3.5 times
Dividend cover **	1.9 times	2.7 times	2.4 times

* On annualised EBITDA

** Based on proposed dividends and adjusted earnings



Revaluation of pub estate

	Valuation £M	NAV Per share £
Recent estate valuation (Fleurets)	399	31.87
Increase in value	174	15.01

This valuation has been made in accordance with the RICS Appraisal and Valuation Standards (Red Book) and represents the aggregate sum total of the property assets. This is not a portfolio valuation and the value of the estate as a single entity would be significantly higher.





2. Retail operations



YOUNG'S

Retail highlights

Retail success from delighting customers with high service standards, quality food, market leading drinks and stylish pubs

- 14 new pubs acquired
- £32.5M invested on new pubs
- Strong sales and profit growth in managed houses
- Tenanted estate transfers landmark sites to management



Managed house highlights

- Sales up 15.2% and up 11.2% LFL (7.0% uninvested)
 - Food sales up 27.2%, the result of clear focus through segmentation
 - Food sales now 22.4% of managed turnover
 - RevPAR up 9.0% at £40.73
- Operating profit up 7.1%
 - Significant impact from changes and investments in the estate
 - Increased wages, utility costs and rates across the business



Managed estate development

- £31.4M invested in the managed estate
- Acquired 8 managed pubs
- Two new riverside pubs opened Riverside (Vauxhall) and Waterside (Fulham). Waterfront (Battersea) due to open before Christmas
- £2.1M invested in major refurbishments on existing sites targeting broader customer base
 - Windmill (Clapham), Dog & Fox (Wimbledon), Ship (Wandsworth), Alma (Wandsworth), Duke's Head (Putney), Bear (Esher), Horts (Bristol)
 - Development activity includes preparation for total ban on smoking
- Investments impacted near term profits
 - Pre-opening and initial losses for acquisitions and new pubs
 - 53 weeks trade lost through disruption and lead times







Tenancies

- Major changes to tenanted estate
 - 6 pubs transferred from managed to tenanted
 - 2 pubs transferred from tenanted to managed
 - 6 tenanted pubs acquired and 2 sold
- Commenced four year refurbishment
 - To raise the standard of the tenanted estate
 - £0.5 million invested on 5 tenanted pubs
- Seeking to move more tenancies to long leases to drive profit performance



Estate profile

	1 April 06	+	-	Transfers (net)	30 Sept 06
Managed	112	8	-	(4)	116
Tenanted	96	6	(2)	4	105*
Total	208	14	(2)	-	221*
Freehold	164	14	-	-	178**

* A new tenanted outlet has been created out of an existing pub

** In addition to the 178 freeholds the Company has 10 leases with in excess of 45 years to run, with rents that in total amount to £8K

3. Wells & Young's Brewing Company



A new force in UK brewing

The Wells & Young's Brewing Company

- Freehold site and modern brewery in Bedford – Eagle Brewery
- Strong portfolio of growing beer brands – Young's Bitter, Wells Bombardier, Young's Special, Eagle IPA, Waggledance, Kestrel + range of bottle conditioned speciality beers
- Licensed brands - Corona, Red Stripe, Kirin Ichiban
- Significant wines & spirits wholesaler
- Significant sales & marketing resource
- Strong free trade presence
- Supply agreement with Charles Wells and Young's

Charles Wells – 60% shareholding

Young's – 40% shareholding



Integration progress

- Transfer of sales & marketing teams
- Successful beer matching
- Portfolio review & customer presentations
- Commenced decommissioning of Ram Brewery site
- Identification of alternative distribution centre in Croydon
- Relocation and installation of specialist brewing equipment

Financial impact on Young's

- Annualised net profit increase of £2.5M from 1 October
- 40% share of any profit improvement of Wells & Young's
 - Synergy savings
 - Scale benefits
 - Other integration benefits
- Cash impacts
 - £10M cash investment in Wells & Young's
 - One-off costs of £8M (including expected costs relating to the brewery sale)
 - Working capital reduced by £4M

Ongoing relationship

- A highly focused drinks business run at arm's length from its two shareholders
- Rolling beer supply agreement
- Board representation and shareholder protection rights
- Dividend policy – 80% of profits, post pension contributions



4. Strategy & outlook



Active operational management

- Focused quality retail pub business
 - 219 pubs in London and Southern England
- Premium strategy to provide clear point of differentiation...
 - Premium end of the market - style, quality and individuality of a Young's pub
 - Measure against best individual pub and restaurant operators
 - Strong emphasis on service and training
 - Food growth from skilled chefs and fresh produce
 - Attractive environment from well invested estate
 - Strong locations
- ...Designed to drive performance
 - More customers and better gross margins
 - Like for like sales from innovation and differentiation
 - Operational efficiencies to offset inflationary pressures





Active estate management

Organic growth augmented by:

- Benefits from recent investments and developments
- Ongoing investment in existing estate on high returning projects
- Transfers from tenancies to leased
- Acquisitions:
 - Individual pubs or packages that maintain the quality of Young's estate
 - Leverage existing management and operational infrastructure
 - Retain focus on Southern England, principally London
 - Measured against returning capital to shareholders
- Disposals

Outlook

- Strong current trading
 - Sales up 21.9% in 6 weeks to 11 November 2006
 - LFL sales up 10.6% on an invested basis
- Second half will benefit from
 - New supply agreement
 - Improved contribution from JV
 - Recent investments in the estate
- Wells & Young's commenced trading on 1/10/06
 - Positive industry reaction
- Foundations in place for a step change in financial performance
- The 50% increase in interim dividend demonstrates the Board's confidence in the future





**Facing the future with
considerable confidence**

