

Results Presentation

26 weeks ended 1 October 2005

2005



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Operating Highlights

2005





Operating highlights

- Retail profits up 11.8%, despite increased costs, the bombings and weak consumer demand
- Continued growth of Young's cask ale, with volumes up by 1.3% against a market decline
- Total beer production down 7.1% reflecting lower levels of Light Ale and contract brewing
- Profit before tax impacted by £0.6 million of exceptional costs, including transfer to AIM
- Progress continues on Wandsworth site review, though the Board estimates that a conclusion to the process remains some time away

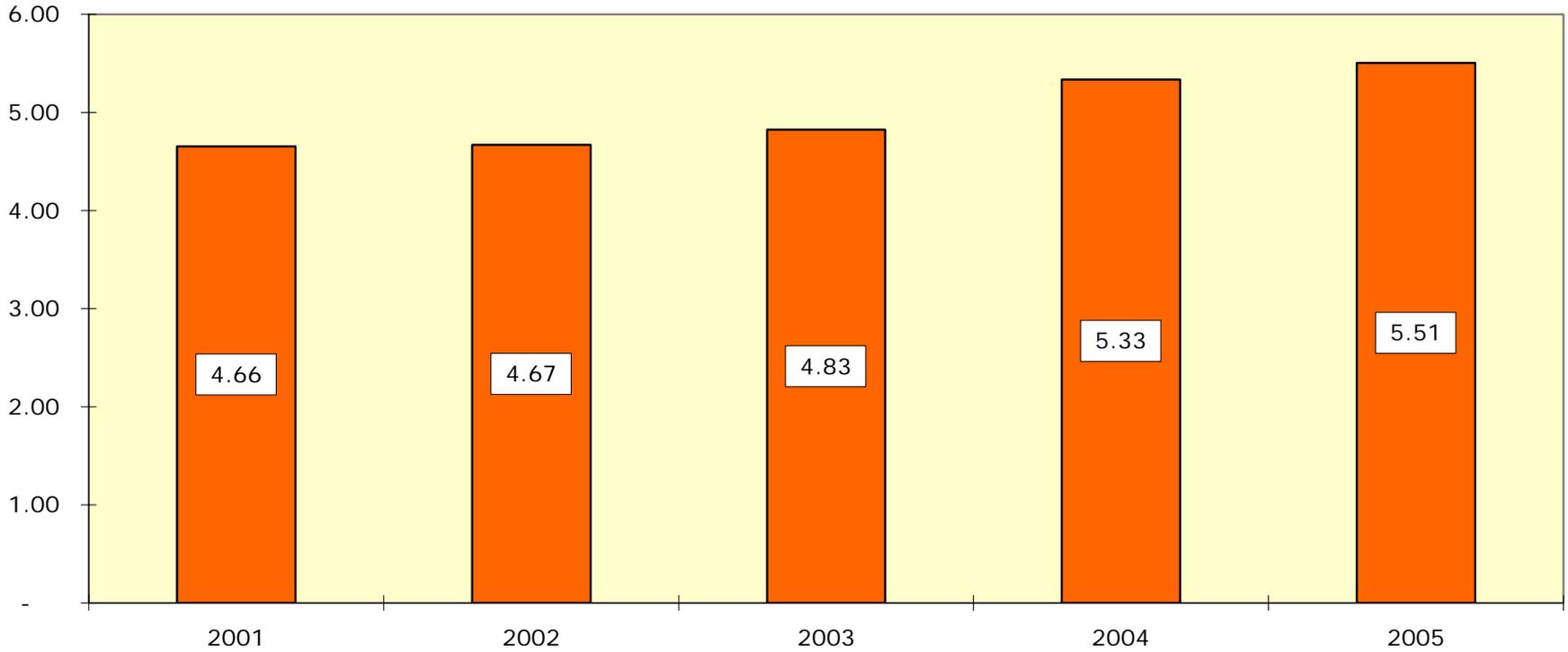


Financial Review

2025



Adjusted profit before tax £M

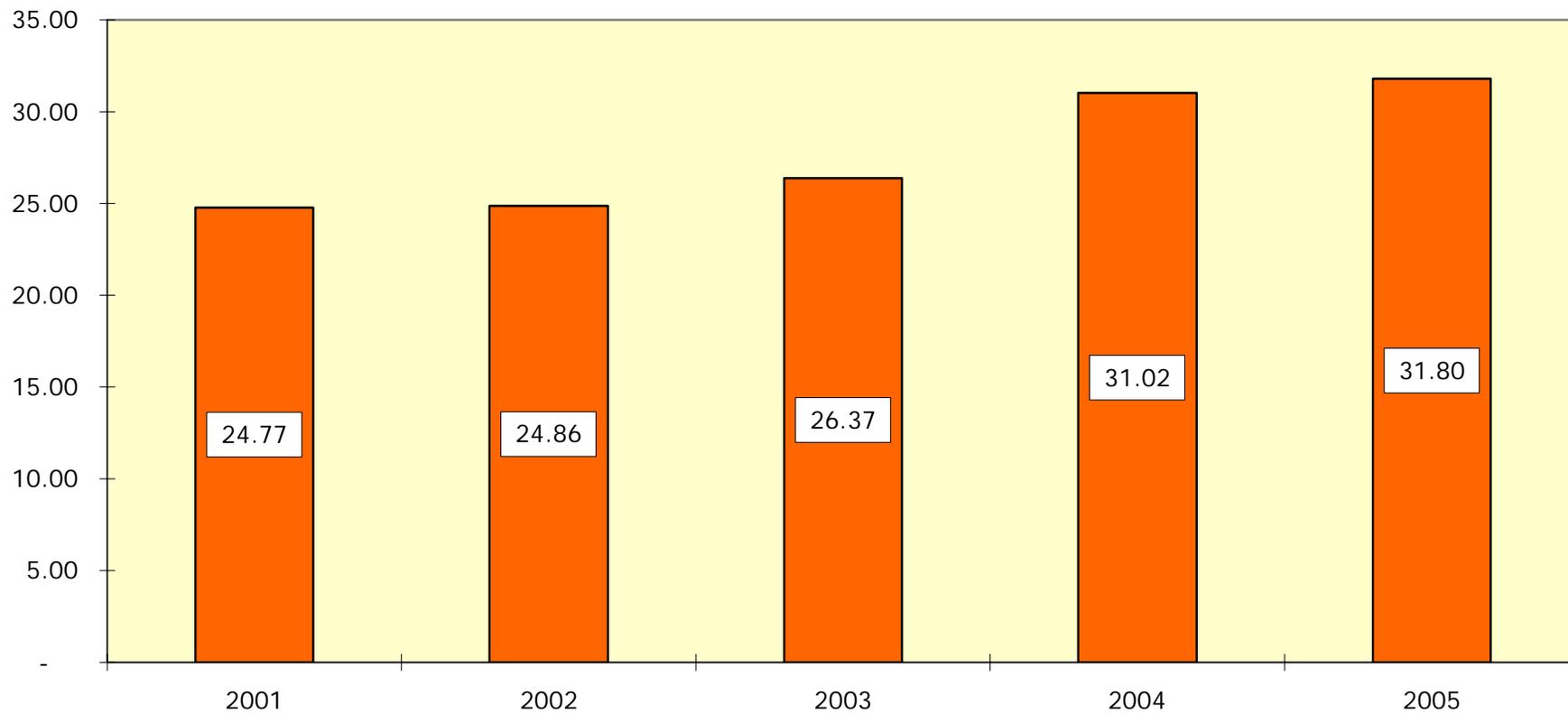


Financial highlights

- Turnover £62.5M up 2.7%
- Adjusted profit before tax £5.5M up 3.3%
- Adjusted earnings per share 31.80p up 2.5%
- Reported earnings per share 26.30p down 7.6%
- Dividend per share 12.00p up 5.3%
- Net assets per share £12.36 up 2.6%



Adjusted earnings per share (pence per share)

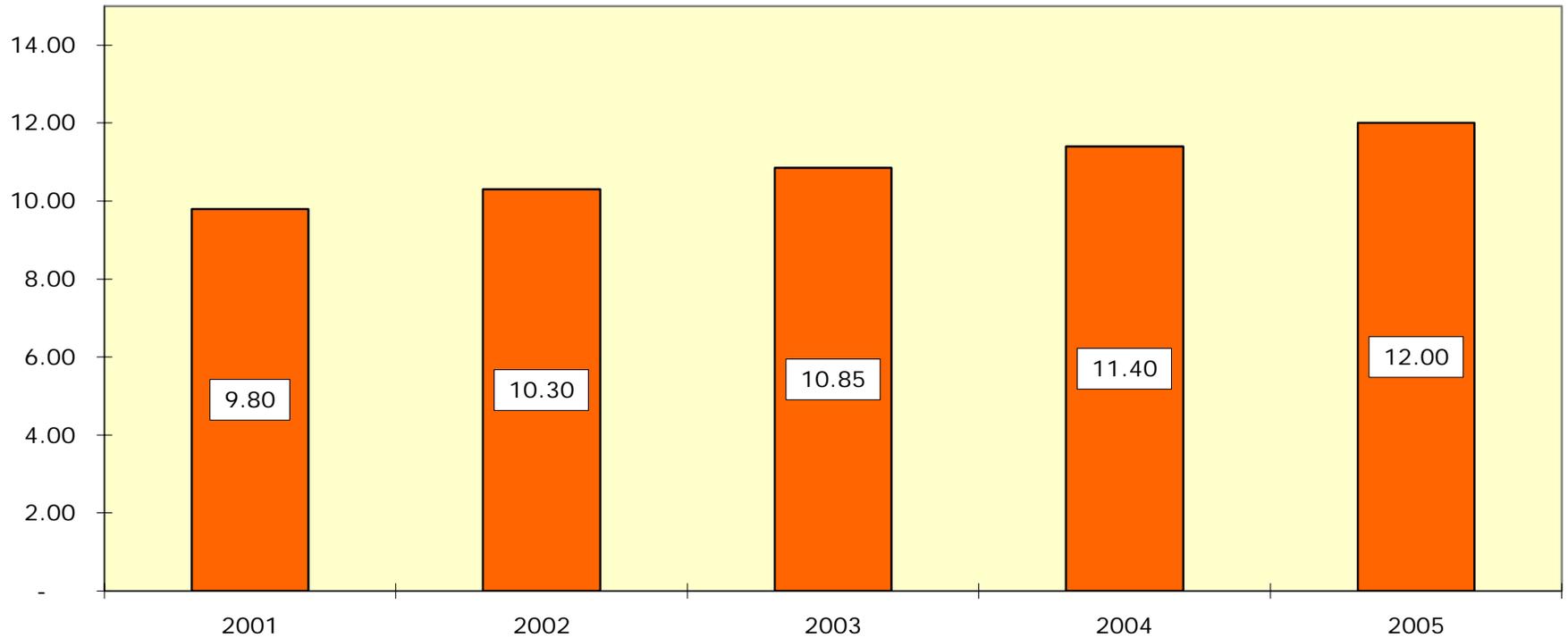


Solid cash flow

	1 Oct 05 £M	25 Sept 04 £M	2 April 05 £M
EBITDA	11.3	11.0	21.8
EBT share movements	0.4	(0.2)	0.3
Operating exceptional items	(0.6)	(0.4)	(0.5)
Working capital movements	(1.4)	(1.3)	2.7
Interest, tax and dividends	(4.9)	(4.9)	(10.0)
Free cash flow	4.8	4.2	14.3
Capital expenditure	(5.0)	(6.6)	(15.5)
Asset disposals	0.1	1.8	4.4
Increase/(decrease) in net debt	(0.1)	(0.6)	3.2



Dividend per share (pence per share)



Asset backed dividend growth

	1 Oct 05	25 Sept 04	2 April 05
Equity	£142.9M	£138.0M	£137.5M
Net debt	£53.1M	£56.8M	£53.0M
Percentage fixed rate	74%	70%	74%
Gearing	37.1%	41.1%	38.5%
Interest cover*	3.7 times	3.6 times	3.4 times
Dividend cover*	2.7 times	2.7 times	2.5 times
Net assets per share	£12.36	£12.05	£11.97

*Based on adjusted earnings and in the case of dividends those proposed



Young's Retail

2005





Retail highlights

Retail success is result of delighting our customers with stylish pubs, great service, quality food and unique beers

- Total retail turnover up 2.3%, operating profit up 11.8%
- Profit improvement driven by recent acquisitions developments and disposals
- Profits have increased despite increases in minimum wage, utilities, new rating and licensing regimes





Estate profile

	March 2005	+	-	Transfers (net)	Sept 2005
Managed	97	-	(1)	1	97
Inns	12	-	-	-	12
Tenanted	99	-	(1)	(1)	97
Total	208	-	(2)	-	206
Freehold	164	-	-	-	164





Managed estate development

- £3.7M capital expenditure on the managed estate
- Major refurbishments have been carried out at Spread Eagle, Camden, Queen Adelaide, Wandsworth and Duke on the Green in Parsons Green
- Three other major developments have been started
- Exchanged contracts on a prime riverside site in Vauxhall
- Disposal of the Bath Arms, a leasehold site
- Transfer of the Rattlebone to tenancy
- Coopers Arms and the Grove in Balham have been transferred from tenanted

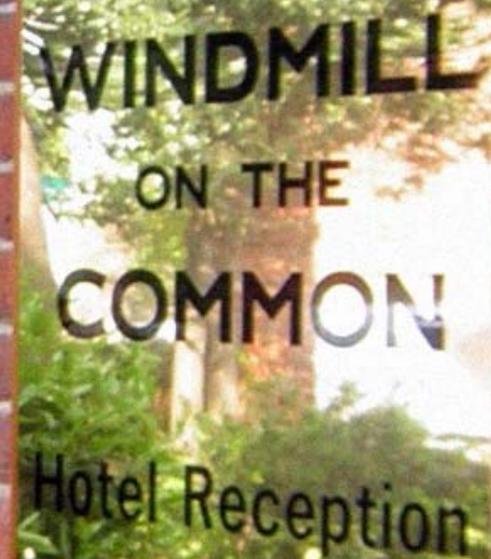




Managed house operating highlights

- Turnover up 2.0% and operating profit up 10.8%
- Like for like turnover and profits up 1.7% and 1.9%
- Food sales up 6.1% with once again improved margins
- Profit improvement driven from recent acquisitions, developments and disposals
- Profits have increased despite increases in minimum wage, utilities, new rating and licensing regimes
- Managed estate at period end comprised 109 pubs



A rectangular sign with a thin wooden frame is mounted on a brick wall. The sign features a background image of a sunlit path through green trees. Overlaid on this image is the text 'WINDMILL ON THE COMMON' in large, bold, black, sans-serif capital letters. Below this, the words 'Hotel Reception' are written in a smaller, black, sans-serif font.

WINDMILL
ON THE
COMMON
Hotel Reception



Inns

	2005	2004	Change
Inn rooms	326	326	-
Total rooms *	366	372	(6)
Room rates	£61.49	£58.79	£2.70
Occupancy	64.0%	64.9%	(0.9%)
RevPar	£39.35	£38.15	£1.20

*Includes rooms within the managed pubs

Disruption caused by refurbishment of 59 hotel rooms





YOUNG'S
UNICORN
HOTEL



Tenancies

- Turnover was up by 5.6% and operating profit was up by 16.2%
- Strong profit improvements from last year's investments
- We invested £0.5 million in our estate
- Disposed of the leasehold interest in Next Door Oxford
- One net transfer to managed
- Tenanted division has 97 pubs



Brewing and brands

2015

BITTER





Brewing and brands



- Young's Bitter volume 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 GB Ons)
- Sales of Young's produced beer down 7.1%, the result of less contract beer and the anticipated decline of Light Ale
- Prizes at the Great British Beer Festival, the Brewing Industry International Awards and Tesco Beer Awards.



Total beer volumes (excl. contract)

	Change %	Proportion %
Tied	(2.0)	48.1
Free	(0.1)	47.2
Exports	1.2	4.7
Total	(0.9)	100.0
Own beer	(3.6)	58.0

Total beer production including contract down 7.1%

Free trade and export volume

	Change %	Proportion %
Independent	(1.8)	28.8
Wholesale	9.8	16.3
Take home	5.4	19.3
Multiple pub groups	(7.0)	26.5
Exports	1.2	9.1
Total	0.0	100.0
Own beer	(2.2)	74.3



YOUNG'S[®]

BITTER

Ram Brewery review

- The review of the development potential of the Ram Brewery site continues to make progress
- Costs incurred in the first half were £0.2 million
- 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 will continue to keep shareholders informed as we progress





Cockburn & Campbell

- Solid first half with turnover up 5.7%
- Wine volumes up by nearly 7.5%
- Free trade volumes up 14.8%
- Terra Mater from Chile, Churton from New Zealand together with new wines from Italy enhance range
- Margins tough in competitive market leaving profits little changed



Outlook

2005



Outlook

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



Strategy

2005





Enhance shareholder value by delivering sustainable, asset-backed earnings and dividend growth

- Focus on maximising returns & minimising costs
- Active management of property assets
- Developing Young's Bitter as a national brand
- Exploit trade channels to drive volume growth
- Opportunistic acquisitions

