

Results Presentation

26 weeks ended 25 September 2004

04



Introduction

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Stephen Goodyear

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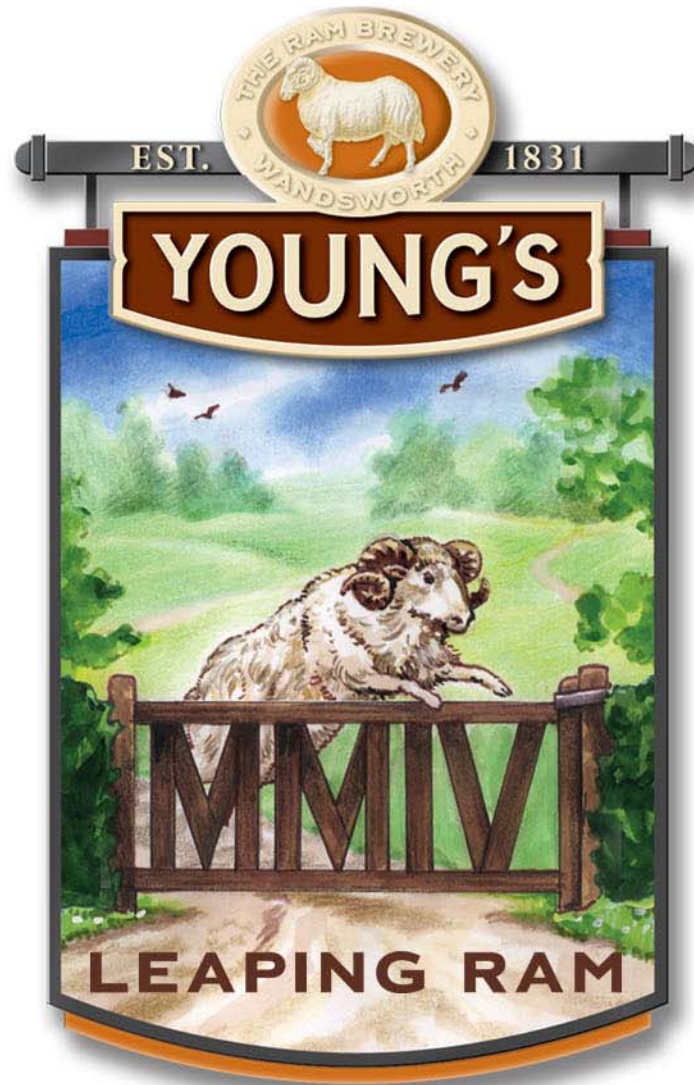
Peter Whitehead

Stephen Goodyear



Operating Highlights





Operating highlights

- Managed pub division has continued to deliver, with turnover up by 6.0% and profits by 4.4%
- Tenanted division saw an increase in turnover despite losing two high turnover pubs to management
- Total beer production up 18.8% at 85,173 barrels
- Young's cask ale sales increased by 5.8% in the period compared with a market decline
- Free trade has achieved growth in every business channel delivering total sales growth of 8.5%



Financial Review



Adjusted profit before tax £M

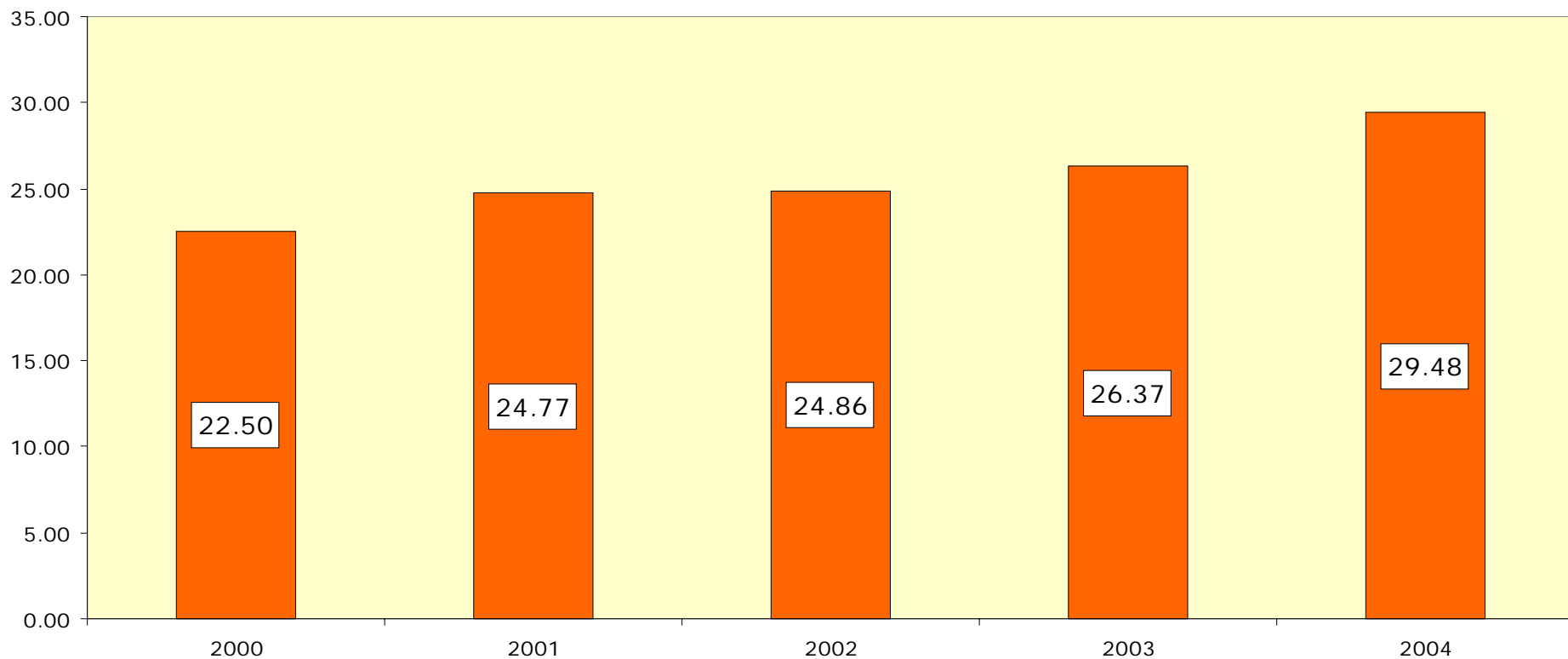


Enhancing shareholder value

- Turnover £60.9M up 5.5%
- Profit before tax and exceptionals £5.1M up 5.3%
- Adjusted earnings per share 29.48p up 11.8%
- Reported earnings per share 26.92p down 3.3%
- Dividend per share 11.40p up 5.1%
- Net assets per share £12.56 up 4.1%



Adjusted earnings per share (pence per share)

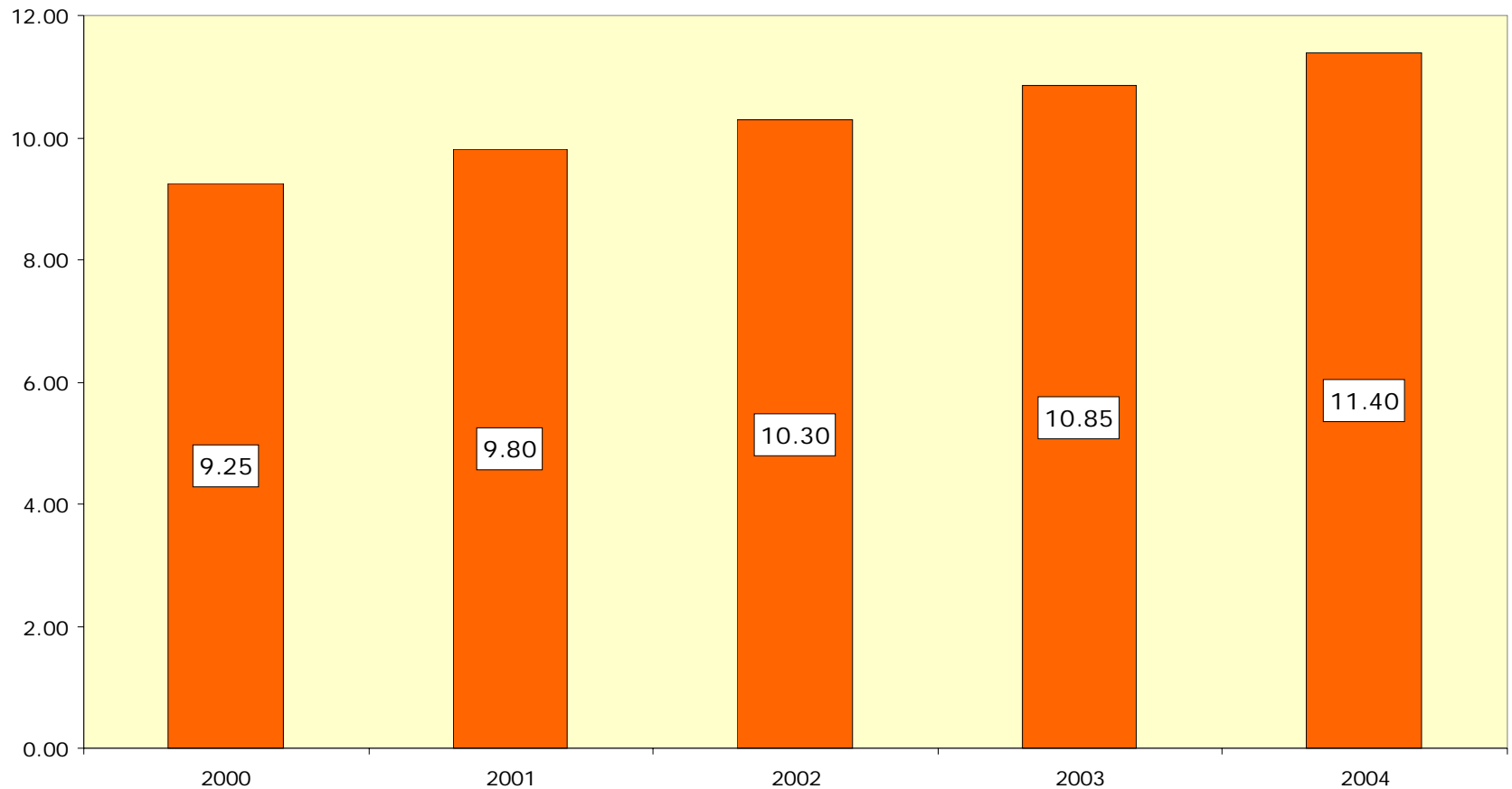


Solid cash flow

	Sept 2004 £M	Sept 2003 £M	Mar 2004 £M
EBITDA	11.0	10.4	20.2
Site review costs	(0.4)	-	-
Working capital movements	(1.5)	(1.5)	-
Interest, tax and dividends	(4.9)	(4.2)	(8.7)
Free cash flow	4.2	4.7	11.5
Capital expenditure	(6.6)	(5.9)	(12.5)
Asset disposals	1.8	1.0	1.1
Share repurchases	-	-	(5.7)
Movement in net debt	(0.6)	(0.2)	(5.6)



Dividend per share (pence per share)



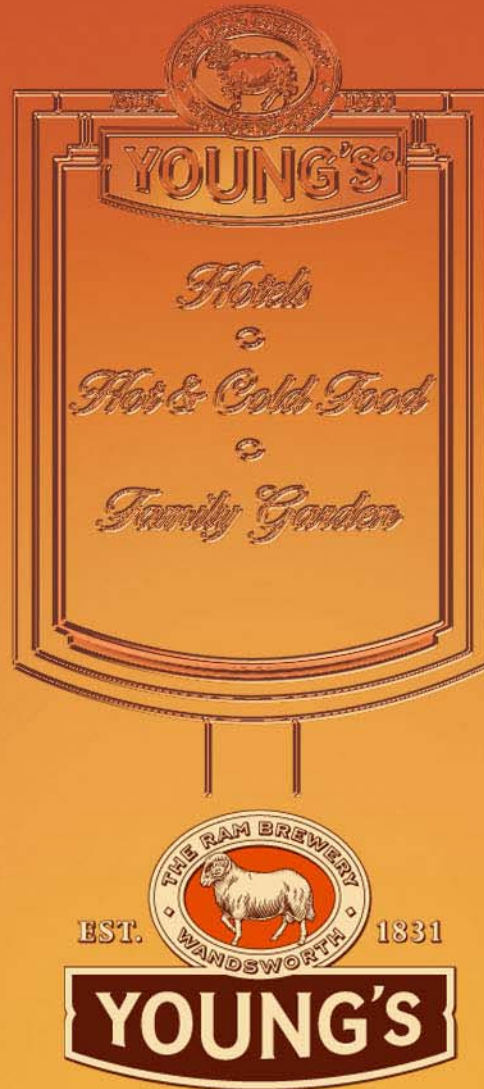
Asset backed dividend growth

	Sept 2004	Sept 2003	Mar 2004
Equity	£143.8M	£146.7M	£142.1M
Net debt	£56.8M	£50.7M	£56.2M
Gearing	39.5%	34.6%	39.5%
Interest cover*	3.6 times	3.7 times	3.5 times
Percentage fixed rate	70%	79%	71%
Net assets per share	£12.56	£12.06	£12.39

**Based on adjusted profits*



Young's Retail





Operations review

- Delighting our customers with stylish pubs, unique beers and great service
- Retail division profits up by 2.5%
- Managed pub division's turnover and profits up by 6.0% and 4.4%
- Acquisitions and sales but estate remains at 207
- Robust performance against strong trading comparatives
- Further increases in employee and regulatory costs





Estate profile

	March 2004	+	- Transfers (net)	Sept 2004	
Managed	99	2	(4)	1	98
Inns	13	-	-	(1)	12
Tenanted	95	2	-	-	97
Total	207	4	(4)	-	207
Freehold	160	4	(1)	-	163



Managed estate development

- Invested £3.8M on acquisition and development
- Acquired 2 new pubs White Hart and Lord Nelson
- Large developments at Grove and County Arms
- Duke's Head in Putney transferred from tenancy
- King's Head in Merton sold
- Three leasehold City wine bars sold
- The Penny Black and Bell have been acquired since period end





Managed house operating highlights

- Turnover up 6.0% and profits up 4.4%.
- Like for like turnover and profits up 1.5% and 4.6%
- Inns profits up 20.9% following investment at City Gate and Crown Chertsey but competition intense
- Property repair expenditure £1.1M up £0.3M
- Minimum wage up 7.8%
- Licensing, Disability Act and smoking
- Seeing the benefits of our investment in training





Inns

	2004	2003	Change
Inn rooms	326	322	+4
Total rooms *	372	368	+4
Room rates	£58.79	£60.39	- £1.60
Occupancy	64.9%	64.4%	+0.5%
RevPar	£38.15	£38.89	- £0.74

* Includes rooms within the managed pubs



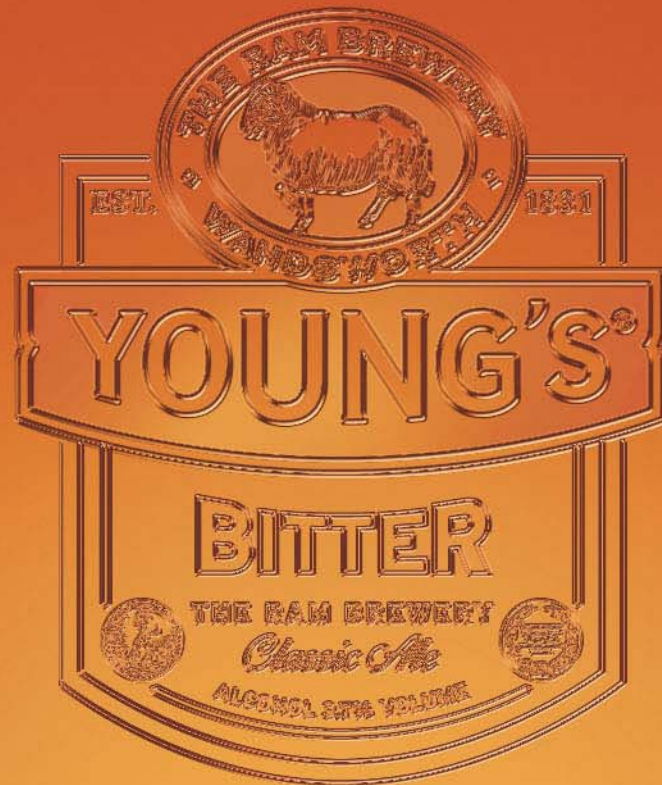


Tenancies

- Turnover ahead despite the transfer of two high turnover pubs
- Like for like sales increased 0.2% and profits were 3.3% ahead
- Major developments at the Railway Telegraph and the Old House at Home
- Unicorn and Bell acquired for £1.4M
- Two Doves at Bromley acquired post period end



Brewing and brands



THIS IS A RAM'S WORLD



Brewing and brands



- Production for the first half was 85,173 barrels up 18.8%
- “This is a Ram's World” drives Young's Bitter up 8.5%
- Young's cask ale sales increased by 5.8%, compared with a market decline
- Contract brewing accounted for 37.1% of the total
- Silver award for Special London Ale in CAMRA's Beer Festival



THIS IS A RAM'S WORLD



Free trade and exports

- Free trade sales growth of 8.5%
- Exports up 8.2%, big growth in Scandinavia
- Silver medals for Pilsner Lager and Double Chocolate Stout in the Stockholm Beer and Whisky Festival.
- Sales outside of the tie represent 65.5% of own brand





Total beer volumes

	Volume %	Total %
Tied	-2.2	48.6
Free	+8.5	46.8
Exports	+8.2	4.6
Total	+3.0	100.0
Own beer	+2.4	59.6



Free trade volumes

	Volume %	Total %
Independent	+9.1	32.2
Wholesale	+31.1	16.4
Take home	+4.1	20.0
Multiple pub groups	+1.5	31.4
Total	+8.5	100.0
Own beer	+5.2	73.6

FINCA NAVARRITA



A Spanish family from Navarra in Spain founded Finca Navarrita at the end of the 19th Century. Their passion for winemaking led them to Mendoza, at the foothills of the Andes Mountains. The vineyards, located in Vistaflores, bask in the sun with gentle breezes providing perfect growing conditions for the production of premium wines.



CHARDONNAY

Composition: 100% Torrontes.
Harvest: By hand in March.
Winemaking: Pneumatic pressing. The must is fermented in stainless steel tanks at temperature of 17-18° C for 10 days.
Area of production: Vistaflores - Mendoza.
Colour: Gold coloured with greenish lights.
Aroma & Flavour: A beautifully elegant dry white wine with creamy, buttery citric aromas. Medium bodied and well balanced the wine displays delicate and tropical fruit flavours on the palate with a subtle creamy oak character.
Serving suggestion: 12-14° C.



TORRONTES

Composition: 100% Torrontes.
Harvest: By hand in March.
Winemaking: Pneumatic pressing. The must is fermented in stainless steel tanks at temperature of 17-18° C for 10 days.
Area of production: Vistaflores - Mendoza.
Colour: Gold coloured with greenish lights.
Aroma & Flavour: With powerful yet elegant fruit flavours. This spicy dry white wine excites the senses with intense floral aromas and flavours reminiscent of grapefruit, pineapple and elderflower.
Serving suggestion: 10-12° C.

ON THE QUEST FOR THE SUN
VISTAFLORES
MENDOZA - ARGENTINA

FINCA NAVARRITA



Winemaker's Selection

A Spanish family from Navarra in Spain founded Finca Navarrita at the end of the 19th Century. Their passion for winemaking led them to Mendoza, at the foothills of the Andes Mountains. The vineyards, located in Vistaflores, bask in the sun with gentle breezes providing perfect growing conditions for the production of premium wines.



ON THE QUEST FOR THE SUN
MENDOZA - ARGENTINA

MALBEC

Composition: 100% Malbec.

Harvest: By hand in mid April.

Winemaking: After hand picking, the grapes are transported to the Winery in small crates and placed on sorting tables. The grapes are then destalked and crushed before being transferred into small epoxy-covered cement tanks of 12,000 litres by gravity. The alcoholic fermentation, with pumping over and temperature control between 28-30° C is followed by a maceration of 25 days at 30° C. The wine is matured in barrels for 12 months.

Area of production: Mendoza.

Colour: Garnet-red.

Aroma & Flavour: A powerful, full bodied wine with very rich concentrated fruit flavours and the ability to develop during the next 4 to 6 years.

Serving Suggestion: 16-18° C.

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MALBEC

Composition: 100% Malbec.

Harvest: By hand at the beginning of April.
Winemaking: Table sorted by hand. Fermented in stainless steel tanks with full temperature control.
Area of production: Vistaflores - Mendoza.
Colour: Deep, dark violet colour.
Aroma & Flavour: This is an elegant wine showing rich ripe blackcurrant and plummy fruit flavours together with a subtle vanilla oak character.
Serving suggestion: 16-18° C.



MALBEC-SYRAH

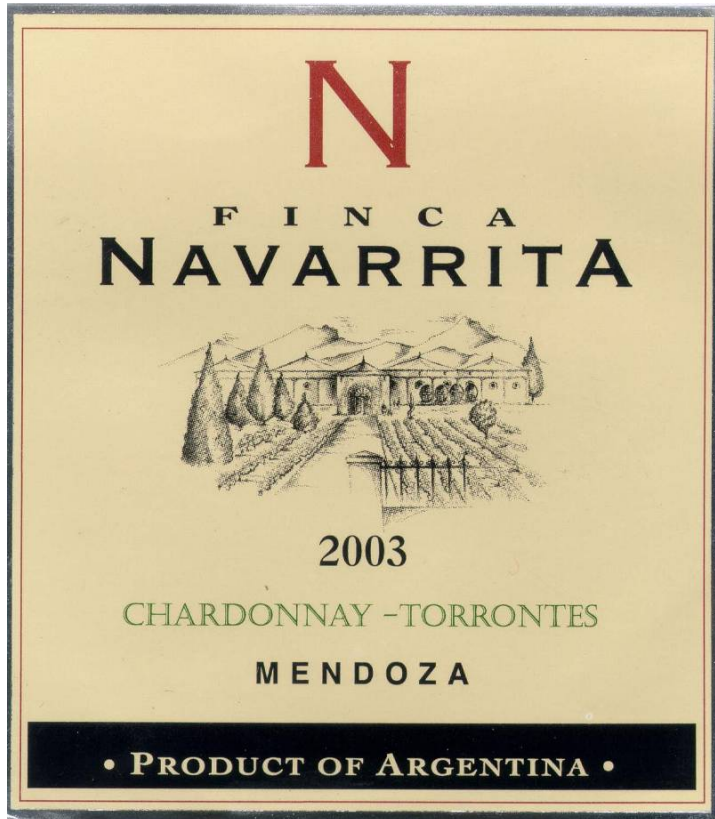
Composition: 60% Malbec 40% Syrah.

Area of production: Vistaflores - Mendoza.
Winemaking: Sorting table. Stainless steel tanks with control of temperature.
Area of production: Vistaflores - Mendoza.
Harvest: Hand made in the middle of March.
Colour: Dark violet colour with shades of black and purple.
Aroma & Flavour: Intensely concentrated black cherry fruit aromas, with nuances of tobacco. Soft and elegant mouth feel, with rich, concentrated fruit flavors and ripe, soft-sweet tannins.
Serving suggestion: 16-18° C.

ON THE QUEST FOR THE SUN
VISTAFLORES
MENDOZA - ARGENTINA

MENDOZA - ARGENTINA

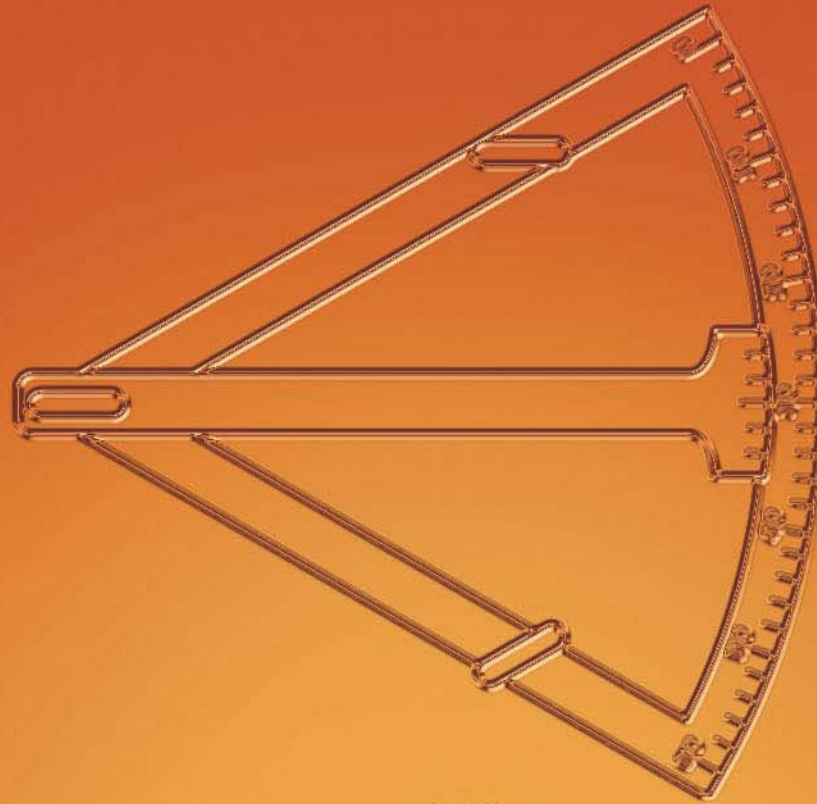
Cockburn & Campbell



- Turnover up by 5.6% despite lower sales to our tied estate
- Free trade sales up 26.1%
- Free trade sales comprise 30.4% of total sales
- Overall profits down 5.2% due to margin pressure, largely internal



Outlook



A surreal scene set in a dimly lit, classic room with stone columns and candelabras. Several men in suits are gathered around a central figure who has the head of a ram. The ram-headed man is seated and appears to be in a position of authority or being the center of attention. The men around him are engaged in conversation, some leaning in. In the foreground, a large, vibrant glass of beer with a thick white head of foam is prominently displayed. The glass features a logo of a ram's head and the text 'YOUNG'S BITTER'.

THIS IS A RAM'S WORLD



Outlook

- Acquired three freeholds the Penny Black in Leatherhead, the Bell in Fetcham and the Two Doves in Bromley
- Satisfied with our underlying performance in the first half
- Christmas as always the most important trading period
- Confident of delivering long term value



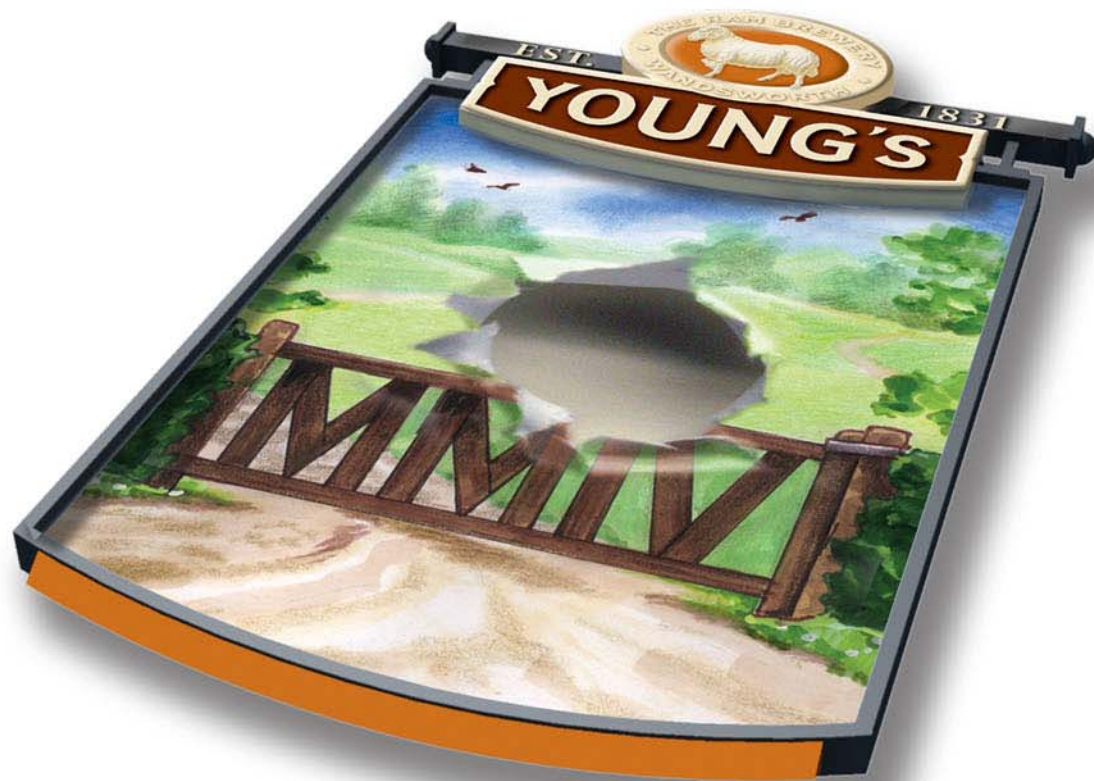
Ram Brewery review

- Fees and costs of £0.4M relating to drawing up reports and development plans
- Review's objective to obtain necessary facts needed to assess future of Ram Brewery
- No certainty of outcome
- Any decision subject to shareholder approval



Strategy





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

