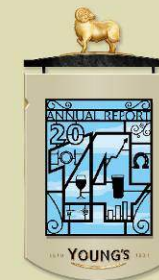

AT THE HEART OF THE COMMUNITY



RESULTS PRESENTATION

2014



INTRODUCTION

STEPHEN GOODYEAR

FINANCIAL REVIEW

PETER WHITEHEAD

MANAGED HOUSES - YOUNG'S

PATRICK DARDIS

MANAGED HOUSES - GERONIMO

ED TURNER

TENANCIES

STEPHEN GOODYEAR

OUTLOOK AND PROSPECTS

STEPHEN GOODYEAR

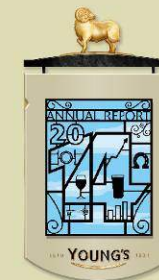
Highlights



- Well invested pubs run by teams who play a vibrant role in their communities
- Strong revenue and profit growth:
 - Revenue up 8.8%
 - LFL managed house up 6.7%
 - Profit before tax was up 17.0% at £27.2m
 - EPS increased 17.6% to 42.74 pence
- Soundly financed:
 - Record operating cashflow of £47.3m
 - Five freeholds acquired
 - Net debt lower, at £112.0m, 2.45x EBITDA
 - New financing in place
- Progressive dividend policy:
 - Recommended 6.0% increase in final dividend; if approved, 17th consecutive year of growth
- Recent Publican Awards crowned Young's double award winners

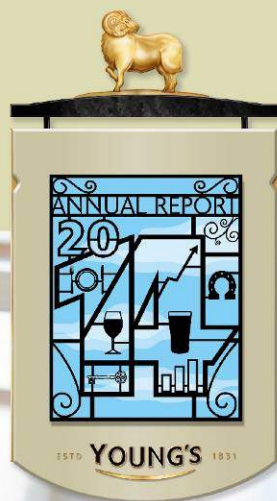


Premium strategy driving managed house revenue growth



	FY12 52 wks %	FY13 52 wks %	FY14 7 wks %	FY14 13 wks %	FY14 26 wks %	FY14 33 wks %	FY14 52 wks %	FY15 7 wks %
LFL	+6.0	+4.6	+10.6	+6.8	+6.0	+5.7	+6.7	+7.2
TOTAL	+29.1	+10.0	+14.7	+10.7	+9.0	+8.8	+9.6	+8.5

Real depth, richness and variety to our estate
One of the best like-for-like performances in the industry

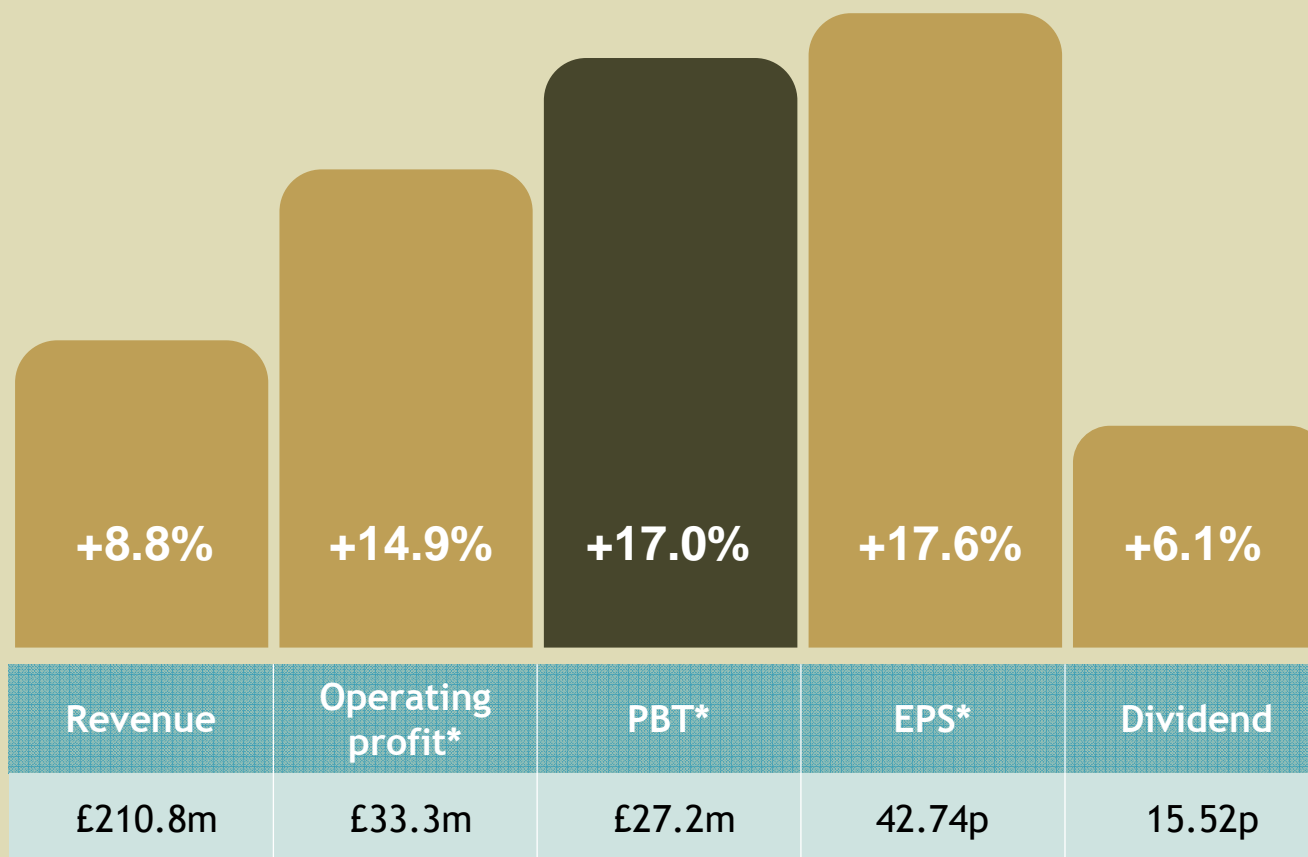
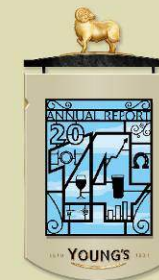


FINANCIAL REVIEW

2014

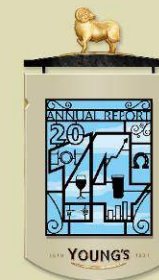
AT THE HEART OF THE COMMUNITY

Strong results



** adjusted to exclude exceptional items*

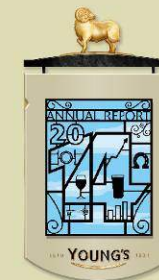
Group results



	2014 £m	2013 £m	Change %
Managed houses	45.00	39.56	+13.8%
Tenanted houses	3.84	4.25	-9.6%
Corporate services	(15.58)	(14.87)	-4.8%
Operating profit	33.26	28.94	+14.9%
Operating margin	15.8%	15.0%	+0.8%pt
Finance costs (net)	(6.09)	(5.72)	-6.5%
Profit before tax	27.17	23.22	17.0%

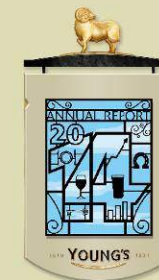
**Adjusted to exclude exceptional items*

Managed like-for-like revenue at pub level



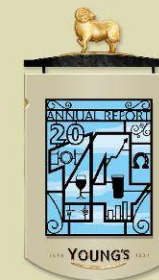
	No. of pubs	£k	Change %	AWT per pub £k
Young's	120	140,603	+7.5	22.5
Geronimo	33	49,604	+4.3	28.9
Total	153	190,207	+6.7	23.9

Managed like-for-like operating profit at pub level



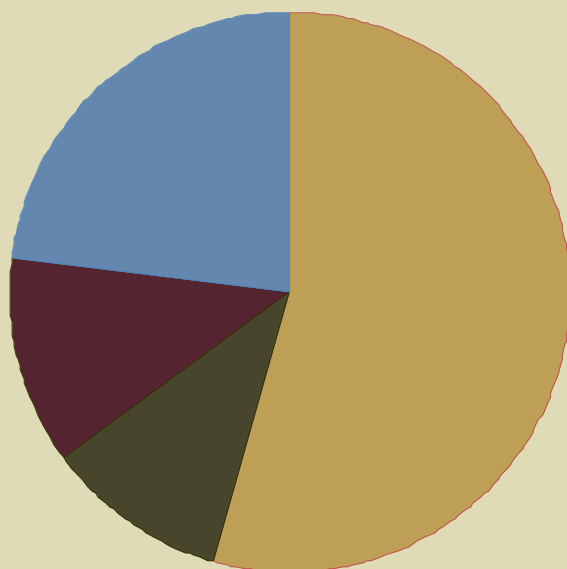
	£k	Change %	Margin %	Change %pts
Young's	34,024	+8.5	24.2	+0.2
Geronimo	9,540	+16.4	19.2	+2.0
Total	43,564	+10.1	22.9	+0.7

Capital investment in pub estate



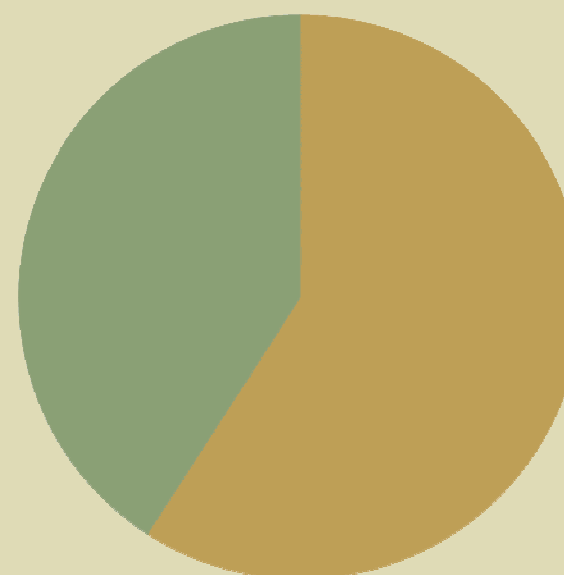
Total: £33.5m (2013: £20.4m)

By division



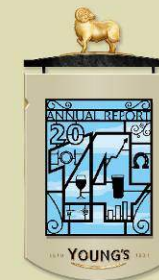
- Young's Managed £18.2m
- Young's Hotels £3.6m
- Geronimo £4.0m
- Tenanted £7.7m

By nature of spend



- Investment on existing estate £19.8m
- Acquisitions £13.7m

Pub portfolio



	2013	+	-	Transfers	2014
Young's Managed	125	2	-	1	128
Geronimo	34	-	-	1	35
Tenanted	78	3	-	(2)	79
Total	237	5	-	-	242

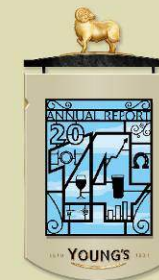
**Out of the total of 242 pubs, there are 189 freeholds and 13 long leases with peppercorn rents (leases with > 39 years to run, with rents that are < £10K per annum)*

Strong cash generation and investment

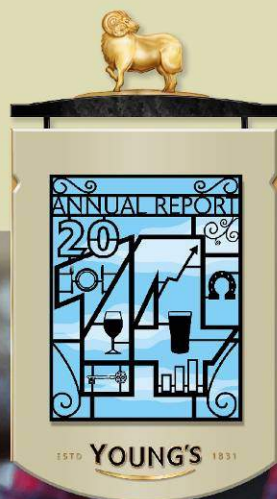


	2014 £m	2013 £m
Cash generated from operations	47.3	35.1
Interest and tax	(10.8)	(11.3)
Dividends	(7.3)	(6.9)
Disposals	5.0	9.1
Capital expenditure	(33.6)	(20.5)
Decrease in net debt	0.6	5.5

Debt structure



Longer-dated committed facilities	
£30m long term (March 2023)	£50.0m
£20m medium term (March 2018)	
Medium-dated committed facilities	
£50m term loan (March 2021)	£125.0m
£75m RCF (March 2019)	
Net debt	£112.0m
% of debt fixed	80.4%
Interest cover	5.6x
Net debt/EBITDA	2.45x
Loan to value	20.0%

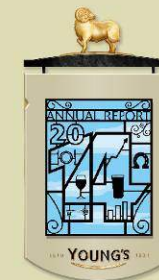


MANAGED HOUSES – YOUNG'S

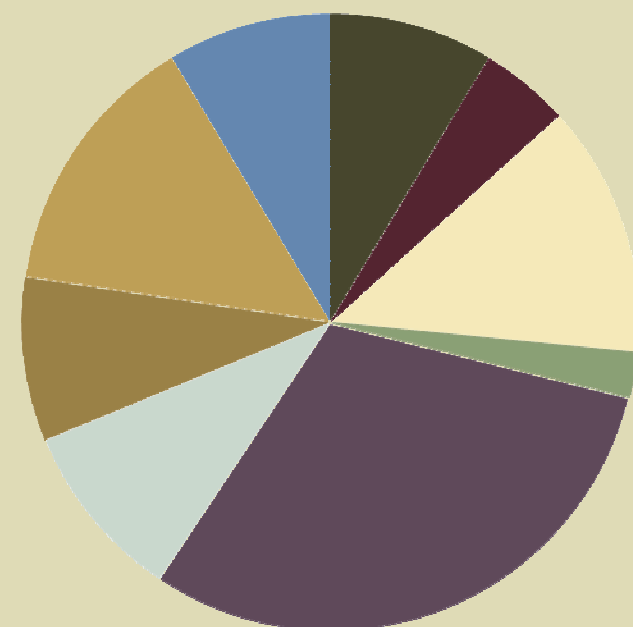
2014

AT THE HEART OF THE COMMUNITY

Young's managed estate

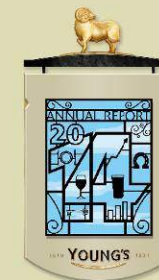


- **128 outlets, including 18 hotels:**
 - Revenue up 11.9%
 - LFL revenue up 7.5%
 - LFL food sales up 10.1%
- **Improving operating margin:**
 - Operating profit up by 13.3%
- **Invested £15.1m on existing houses and acquired two new freeholds:**
 - The Weyside (a riverside pub in Guildford)
 - The King's Head (Islington)
- **We continue to invest heavily in our hotels:**
 - 46 new rooms opened or about to open
 - Upgrading existing rooms to boutique
- **Multi-platform digital focus to drive footfall:**
 - Over 135,000 social media followers and a customer database in excess of 720,000
 - Targeted and instant interaction with customers
- **Embracing new technology in our pubs:**
 - Hand held order tablets improving service time and quality



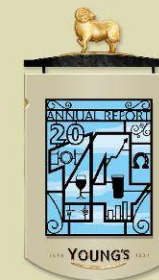
- | | |
|---------------------|-----------------|
| ■ Central London | ■ City |
| ■ Greater London | ■ South London |
| ■ South West London | ■ Thames-side |
| ■ West London | ■ Home Counties |
| ■ West Country | |

Well-invested estate



Pub developments	Additions/transfers	Hotel developments
Duke of Wellington (Notting Hill)	Weyside (Guildford)	Brook Green (Hammersmith)
Horts (Bristol)	King's Head (Islington)	Crown (Chertsey)
Queen Adelaide (Wandsworth)	King's Arms (Epsom)	Dog & Fox (Wimbledon)
Castle (Tooting)	Three Lords (City)	Windmill (Clapham)
Hand & Spear (Weybridge)	Marquess Tavern (Islington)	
White Hart (Barnes)		
Flask (Hampstead)		
£10.9m	£7.3m	£3.6m

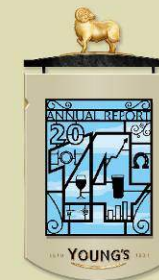
Revenue highlights



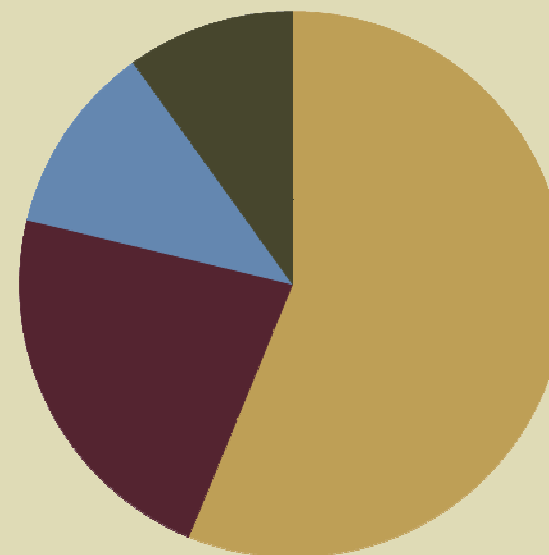
- **Drink mix 65.3% (2013: 65.6%):**
 - Revenue up 6.5% LFL
 - Wine sales growing in tandem with food
 - Harnessing craft ale revival, a natural fit with our customer profile and heritage
- **Food mix 29.1% (2013: 28.5%):**
 - Revenue up 10.1% LFL
 - Quality seasonal British products locally sourced and prepared in-house
 - Engaging: third Annual Scotch Egg Challenge at the Ship (Wandsworth) created an online sensation
- **Accommodation mix 5.1% (2013: 5.2%):**
 - RevPAR up 5.6% at £52.02
 - New rooms opened or about to open
 - 17 at the Dog & Fox (Wimbledon Village)
 - 13 at the Orange Tree (Richmond)
 - An extra 13 rooms at the Windmill (Clapham Common)
 - Soon to be 20 hotels with 443 bedrooms (2013: 397)

	LFL	Total	Mix
Drink	+6.5%	+11.3%	65.3%
Food	+10.1%	+14.5%	29.1%
Accommodation	+8.9%	+8.9%	5.1%
Other			0.5%
Total	+7.5%	+11.9%	100.0%

Drink mix



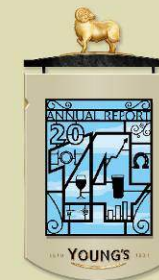
- Market leading product portfolio, growing across all categories
- Beer & Cider:
 - Dominates, making up 56.2% of mix
 - Craft beer growing strongly assisted by Dogfish Head DNA
 - New fresh identity for Young's brands
 - Young's London Stout, a traditionally crafted, sweeter beer great for the London market
- Wine:
 - Wine sales were up 9.0%, sparkling, rose and white wine leading the way, assisted by the good summer weather
- Spirits:
 - Sales up 8.9%, with all major spirits in growth and Gin providing strongest performance (up 21.6%)



■ Beer ■ Wine ■ Spirits ■ Other

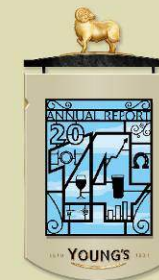
	Beer	Wine	Spirits	Other
2014	56.2%	22.6%	11.3%	9.9%
2013	56.9%	22.1%	11.1%	10.0%
Growth	5.3%	9.0%	8.9%	5.2%

Accommodation



	2011	2012	2013	2014
Hotels	17	17	18	18
Rooms	370	380	397	400
Average room rate	£65.82	£71.17	£71.78	£72.74
Occupancy	67.0%	68.6%	68.6%	71.5%
RevPAR	£44.11	£48.85	£49.26	£52.02

Young's - capital investments





MANAGED HOUSES – GERONIMO

2014

AT THE HEART OF THE COMMUNITY

Geronimo

- 35 pubs performing well against strong comparatives:
 - Revenue up 3.4%
 - LFL revenue up 4.3%
 - LFL without the Cow up 6.2%
 - Improving LFL operating margin up 2.0%pts
 - LFL operating profit up by 16.4%
- Proactive estate management with capex of £4.0m:
 - Largest investments were at the Bull's Head (Barnes), Elgin (Notting Hill), and the King's Head (Winchmore Hill)
 - Further investment in Club Rooms, now in 19 Geronimo pubs
- Continue to develop/evolve unique style:
 - Marketing and creative all in house
 - Design led business



Geronimo people and pubs

Classic



19 pubs

Social
destination

32% food

Wine 31.2% of
drink mix

Builder's Arms

Hubs



6 pubs

Eating and drinking
on the move

43% food

Wine 21.6% of
drink mix

Cow (Westfield)

City and WE



5 pubs

Around work
and events

21% food

Wine 26.0% of
drink mix

Oyster Shed

Music/theatre



5 pubs

Local and
big occasions

26% food

Wine 27.1% of
drink mix

Half Moon

The
Tribe



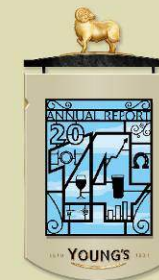
Senior
management
programme

The Academy

Cluster
Chefs

Wine
Diploma

Revenue highlights

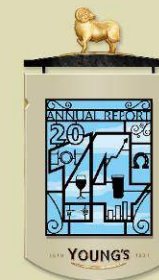


- **The lifestyle brand:**
 - Further growth in G Club database
 - New mobile responsive website
 - Personality through social media
 - 3 star accreditation from Sustainable Restaurant Association, the highest achievable
- **Drink mix 66.2% (2013: 64.0%):**
 - Revenue up 7.1% and 5.8% on a LFL basis
 - Vodka festival
- **Food mix 33.4% (2013: 33.3%):**
 - Pubstival
 - Origin of eateries
 - Dayboats, lobster and Dover sole
 - “Tasty Tuesdays” showcasing the best of British food
 - #AskRay digital foodie mini-series promotes chef expertise and has proved very popular on iTunes

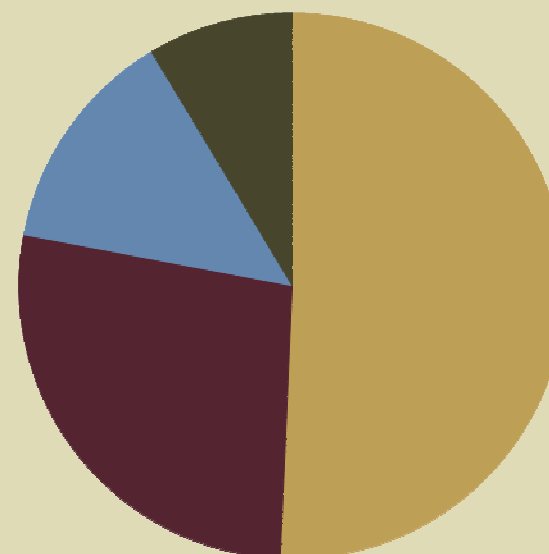
	LFL*	LFL	Total	Mix
Drink	+8.2%	+5.8%	+7.1%	66.2%
Food	+5.0%	+2.1%	+3.7%	33.4%
Other				0.4%
Total	+6.2%	+4.3%	+3.4%	100.0%

* LFL excludes the Cow, Westfield

Drink mix

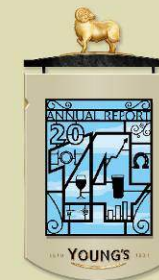


- Unique portfolio chosen for quality and appeal
- Beer & Cider:
 - Dominant and growing part of the mix
 - Innovative portfolio but confident enough to stock out of fashion mainstream brands as a point of difference
 - Ales (both cask and craft) in strong growth up 11.6%, benefitting from small creative brands from artisanal brewers
 - Celebrating ten years with Aspall and eight with Meantime
- Wine:
 - Wine sales grow 3.1% and remain an unusually high percentage of drinks mix
- Spirits:
 - Strong growth, up 11.0%
 - The home of the perfect G&T and V&T, served in their purest form, and not competing with cocktail bars



■ Beer ■ Wine ■ Spirits ■ Other

	Beer	Wine	Spirits	Other
2014	50.7%	27.3%	13.4%	8.6%
2013	50.5%	27.9%	12.7%	8.9%
Growth	5.8%	3.1%	11.0%	2.0%



Pub developments/transfers

King's Head (Winchmore Hill)

Elgin (Notting Hill)

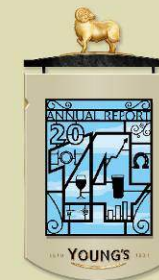
Adam & Eve (Fitzrovia)

Lord Palmerston (Dartmouth Park)

Bull's Head (Barnes)

£4.0m

Geronimo - the “lifestyle” brand



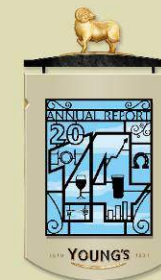


TENANCIES

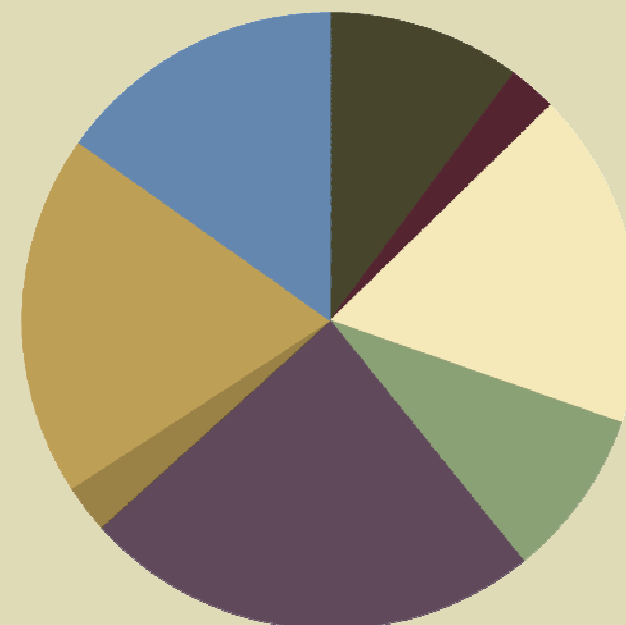
2014

AT THE HEART OF THE COMMUNITY

Tenanted operating highlights



- **Period of consolidation nears end:**
 - 79 pubs, based mainly in London and the south east
 - Tenanted division represents 5.4% of group revenue
 - Size of our tenanted division is nine pubs smaller than two years ago
 - Acquired three new tenancies in the summer: the Clapham North, New Inn (Ealing) and the Royal Oak (Bethnal Green)
 - Four managed houses transferring to tenanted division in the new financial year
- **Revenue was down 2.1% and operating profit was down 9.4% at £3.8m:**
 - As a consequence of our strategic initiatives, we are confident that our tenanted operation will return to growth in the new financial year.



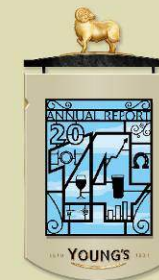
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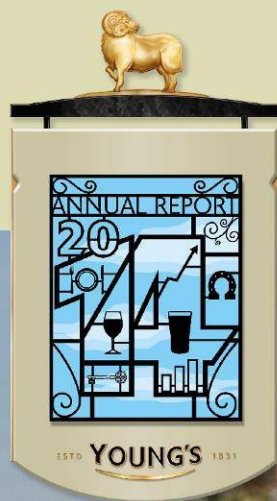


- A rebranding project designed to:
 - Give our tenanted division a clear identity
 - Change the way in which we market and communicate with our tenants
 - Build on the important partnership we cherish
 - Allow us to successfully recruit the best tenants as business partners for our pubs
- New website and a strengthened support team will be an integral part of this new identity



Tenanted





OUTLOOK AND PROSPECTS

2014

AT THE HEART OF THE COMMUNITY

Outlook and prospects

- Strong performance has continued into the new financial year:
 - Managed house revenue for the first seven weeks up 8.5% and by 7.2% on a LFL basis
- Full year benefit from:
 - Five new acquisitions
 - 43 recently developed bedrooms
 - Re-launched Bull's Head (Barnes) which will more than offset the loss of the Tin Goose
- Ambition and fire power to expand:
 - Targeting pubs in existing heartland, but now with more focus than before on cities and market towns in the south and south east
- Improving economy provides helpful tailwind
- Well positioned to continue to deliver superior shareholder returns

