

Circular to Shareholders

5 May 2005

Conversion of B Shares into A Shares, move to AIM and amendments to the Articles

The Board of Young & Co.'s Brewery, P.L.C. is today issuing a circular to shareholders which sets out proposals intended to simplify its share structure and which are expected to provide greater liquidity in the Company's voting shares. Key aspects of these proposals are:

- Conversion of the B Shares into A Shares, thereby creating a single class of A voting ordinary shares.
- Delisting the existing A Shares and Non-Voting Shares from the Official List and, following the Conversion, seeking admission for trading of the enlarged class of A Shares and the Non-Voting Shares on AIM.
- Making some necessary changes to the Articles consequent on the Conversion.

The Conversion and amendments to the Articles are subject to the approval of A Shareholders and B Shareholders which will be sought at an Extraordinary General Meeting to be held on 2 June 2005 at the offices of JPMorgan Cazenove.

The submission to the Extraordinary General Meeting of the resolutions to approve the Conversion and the amendments to the Articles requires the prior approval of B Shareholders which will be sought at a meeting of B Shareholders immediately prior to the Extraordinary General Meeting.

John Young, Chairman of Young's, commented:

"The growing success and popularity of AIM now presents us with a way of simplifying our share structure that we believe is in the best interests of shareholders as a whole. Each shareholder's percentage holding in the Company's issued share capital and voting rights at general meetings, in the case of voting shareholders, will remain unchanged. We believe that the greater liquidity offered by the enlarged class of voting shares, and the inheritance tax advantage of AIM, will be of benefit to our shareholders."

Copies of the circular will shortly be available for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at:

Document Viewing Facility, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Expected Timetable

Meeting of B Shareholders and EGM	2 June 2005
Last day of dealings on the Official List	4 July 2005
Commencement of dealings on AIM	5 July 2005

For further information:

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Young & Co.'s Brewery, P.L.C. (the "Company")

CONVERSION OF B SHARES INTO A SHARES, MOVE TO AIM AND AMENDMENTS TO THE ARTICLES

Introduction

The directors of the Company ("Directors") today announce their proposal that the Company should simplify its share structure by converting the 'B' ordinary shares of 50p each in the capital of the Company ("B Shares") into 'A' ordinary shares of 50p each in the capital of the Company ("A Shares"), thereby creating a single class of voting ordinary shares ("Conversion"). In conjunction with the Conversion, the Directors propose certain necessary amendments to the Company's articles of association ("Articles").

At a later date, and assuming they believe it appropriate, the Directors intend to submit a proposal to adopt new articles of association that are more in line with current best practice.

The Directors also propose the delisting of the existing A Shares and the non-voting ordinary shares of 50p each in the capital of the Company ("Non-Voting Shares") from the official list of the UK Listing Authority (" Official List") and, following the Conversion, the admission of the enlarged class of A Shares and the Non-Voting Shares to trading on AIM.

The Conversion and the amendments to the Articles (the "Proposals") are subject to the approval of the holders of A Shares ("A Shareholders") and the holders of B Shares ("B Shareholders") together at an Extraordinary General Meeting. The submission of the resolutions to approve the Proposals to the Extraordinary General Meeting requires the prior approval of B Shareholders which will be sought at a separate meeting of B Shareholders. The resolutions, if passed, will take effect immediately prior to the admission to AIM. If admission to AIM does not take place, the resolutions will not take effect.

A circular to shareholders with notices convening a separate meeting of B Shareholders and an Extraordinary General Meeting, both to be held on 2 June 2005, will be posted today.

Background to and reasons for transferring to AIM and the Proposals

Transferring to AIM

The conversion of B Shares into A Shares and the transfer of the A Shares and Non-Voting Shares from the Official List to AIM allows the simplification of the Company's share structure by creating a single class of voting ordinary shares, without, on the basis of the Directors' current understanding of tax law and practice, affecting the inheritance tax advantage currently enjoyed by individual holders of B Shares. A Shareholders and B Shareholders should benefit from greater liquidity as a result of the enlarged share class. Individuals who hold A Shares or Non-Voting Shares may, after two years, also benefit from the A Shares and Non-Voting Shares no longer normally being subject to inheritance tax.

AIM was launched by the London Stock Exchange in 1995. The market was and remains specifically designed for smaller companies and provides a simplified regulatory environment. The Directors believe that the Conversion and the transfer of the A Shares and Non-Voting Shares from the Official List to AIM can reduce ongoing costs and simplify administration requirements.

The obligations of an AIM company are similar to those of a company on the Official List with certain exceptions, of which the significant ones are referred to below. In addition, as the 9.5% debenture stock remains listed, the Company will still be required to comply with certain listing rules of the UK Listing Authority, including (with a few limited exceptions) those regarding continuing obligations, financial information, approval of circulars, the purchase of own securities and directors.

There are certain differences between the AIM and the Official List regulatory requirements including:

- For AIM companies, prior shareholder approval is only required for reverse-takeovers and disposals that result in a fundamental change of business (transactions that exceed 75% of various size tests, such as the ratio of the consideration of the transaction to the market capitalisation). Under the listing rules of the UK Listing Authority a broader range of transactions require shareholder approval.
- There is no requirement under the AIM rules for listing particulars or admission documents for further issues of securities, except as otherwise required by law or on admission of a new class of securities to trading.
- Under the AIM rules, a nominated adviser is required at all times and has ongoing responsibilities to both the Company and the London Stock Exchange.
- The Combined Code does not apply directly to AIM companies.

Since AIM opened in 1995, more than 1,600 companies have been admitted and more than £15 billion has been raised in total.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a price in shares between 8.00 a.m. and 4.30 p.m. on business days. The Directors believe that AIM has demonstrated that it can provide a liquid trading platform for shares.

The Company has a significant number of private shareholders. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the transfer to AIM, individuals who hold shares in the enlarged class of A Shares or individuals who hold Non-Voting Shares should, after two years, therefore enjoy similar inheritance tax advantages to those which should continue to be enjoyed by individuals who held B Shares.

The 9.5% debenture stock remains on the Official List and will be the Company's only main market listed security. As a result, business asset taper relief for capital gains tax purposes will not usually be available.

Shareholders or prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax advantages referred to above may be available to them. In particular, they should note that it is not possible to hold shares traded on AIM in PEPs or ISAs.

The comments on the tax implications described in this announcement are based on the Directors' current understanding of tax law and practice. They are not tailored to any individual circumstances in the interests of simplicity. Information on taxation is primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. The Directors cannot accept responsibility for any actions taken on the basis of this announcement alone. If you are in any doubt as to your tax position, you should consult your professional adviser.

The Conversion

The Company currently has three classes of ordinary shares, all of which rank equally for the purposes of participation in profits or assets, but the Non-Voting Shares do not confer the right to receive notice of or attend or vote at general meetings of the Company.

The Conversion simplifies the Company's share structure and is expected to provide B Shareholders with greater liquidity through ownership of A Shares that can be freely traded on a securities market. A Shareholders should also benefit from the greater liquidity of the enlarged share class and the equalisation of voting rights following the removal of the requirement to obtain approval of B Shareholders before, amongst other things, altering the Articles, certain issues of new ordinary shares, the winding up of the Company or its amalgamation with any other company or the transfer or disposal of the Company's undertaking (the "B Share Approval Right").

The Conversion would take effect immediately prior to Admission.

Conversion

The Conversion will create a single class of voting ordinary shares in the Company. B Shareholders at close of business on 4 July 2005 will have each B Share held by them redesignated as an A Share, ranking pari passu with and having the same rights under the Articles as the existing A Shares. Therefore, following the Conversion, the B Shareholders will hold:

one A Share in place of every B Share held.

As a result of the Conversion, the share capital of the Company will change as follows:

Prior to the Conversion	Issued shares	% of votes	Post the Conversion	Issued shares	% of votes
A Shares	3,141,400	43%	A Shares	7,266,000	100%
B Shares	4,124,600	57%	B Shares	-	-
Combined A Shares and B Shares	7,266,000	100%	Enlarged class of A Shares	7,266,000	100%
Non-Voting Shares	4,790,000	0%	Non-Voting Shares	4,790,000	0%

Following the Conversion, the Company's issued ordinary share capital will comprise 7,266,000 A Shares and 4,790,000 Non-Voting Shares. No new shares are being issued and each shareholder's percentage holding in the issued share capital and voting rights at general meetings (in the case of voting shareholders)

and participation in the profits, dividends and assets of the Company remains unchanged. As at the date of this announcement, no shares in the capital of the Company are held as treasury shares.

Transfer of trading to AIM

Conditional on the resolutions being approved at the EGM, the Company gives notice to cancel the listing of the A Shares and Non-Voting Shares on the Official List in the circular to shareholders and will apply to the London Stock Exchange for admission to AIM. It is anticipated that the listing and trading of the A Shares and Non-Voting Shares on the Official List will cease at close of business on 4 July 2005 being not less than 20 business days from the date of the circular to shareholders. Admission to AIM is expected to take place and dealings are expected to commence on AIM on 5 July 2005.

Amendments to the Articles

The Directors also propose that the Company should make some changes to the Articles. The changes being proposed are those necessary as a result of the Conversion. The changes involve:

- the deletion of the B Share Approval Right;
- the deletion of the requirement for each of the Directors to hold 1,000 B Shares and to vacate office if such shares are not held; and
- the amendment of the requirement that, to be quorate at general meetings of the Company, a certain proportion of B Shares must be represented at the meeting. After the Conversion, two A Shareholders, present in person or by proxy, will be a quorum.

The amendments to the Articles would take effect immediately prior to the admission to AIM.