



15 November 2007

INTERIM RESULTS
For the 26 weeks ended 29 September 2007

Financial highlights

Revenue	£63.9m	+11.9%
EBITDA*	£18.0m	+77.5%
Operating profit*	£12.1m	+72.1%
Profit before tax	£4.3m	+867.4%
Profit before tax*	£10.9m	+89.2%
Earnings per share*	69.47p	+105.8%
Interim dividend per share declared	24.00p	+33.3%

All of the results above are on continuing operations.

* Adjusted for exceptional items, premium on redemption of debenture, and discount of site proceeds.

Operating highlights

- Total managed house revenue +13.6% with operating profit +33.0%;
- Like for like managed house revenue +5.7% on same outlet basis and +1.9% on an uninvested basis;
- Food sales growth +23.9%, helping offset any possible effect of the smoking ban;
- One pub acquired for £3.5 million; with £4.9 million invested on existing pubs;
- Head office relocated and rationalised; and
- Completion of the previously announced sale of Buckhold Road site for £10.3 million and £58.7 million due on completion of unconditional brewery sale on 4 January 2008.

Stephen Goodyear, Chief Executive of Young's, commented:

"I am very pleased with our strong first half performance, which reflects the benefits from the substantial changes made to the company last year and has been achieved despite the twin challenges of the disappointing summer weather and the smoking ban.

"Trading in our pubs in the first six weeks of the second half to date has been resilient, with managed house sales up 8.7% and up 8.3% on a same outlet like for like basis (up 1.4% on an uninvested basis). There are clearly some continuing uncertainties facing the market generally, in particular how the smoking ban might affect trade over the colder winter months, although given the 'summer' we had this contrast may be less obvious. It has also still to be seen whether the summer's economic problems result in a dip in consumer confidence, which in turn could affect leisure spending.

"Despite these challenges, we believe Young's is in very good shape and we are confident in the outlook for the business for the year as a whole."

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INTERIM RESULTS

26 weeks to 29 September 2007

Interim statement

The business has delivered a strong first half performance, incorporating benefits from the substantial changes made to the company last year. With these strategic changes now completed, our focus in the period was on operational improvements and the continued drive to secure Young's position at the premium end of the pub sector.

The benefits of this strategy are evident in the results: revenues from continuing operations were up 11.9%, adjusted profits up 89.2% and adjusted earnings per share up 105.8% to 69.47p. This has led to another step change in the dividend, with the interim dividend being increased by a third to 24.00p per share. This dividend has now doubled over the last two years, a measure of the Board's determination to deliver increased shareholder value. It will be paid on 7 December 2007 to shareholders on the register on 23 November 2007.

Total basic earnings per share were 32.96p, significantly down on last year's earnings which were distorted by the one-off profit from the sale of the brewery and Buckhold Road sites.

Retail operations

Young's estate is positioned at the premium end of the pub market, focusing on the style, quality and individuality of each outlet, with a strong emphasis on food and service. By investing in high quality pub design, ambience, food and training and by ensuring a premium drinks offering, this consumer led strategy aims to deliver both absolute and like for like sales and profit growth.

Managed pubs

Revenue was up 13.6%, with like for like growth of 5.7% on a same outlet basis (up 1.9% on an uninvested basis). These figures mask some significant monthly variations, with a very strong start to the half offset by the poor summer weather. Operating profit for our managed division increased 33.0%.

A key driver of this performance has been the continued growth of food sales, a major part of our strategy to position Young's at the premium end of the pub sector and as a means to help combat the effects of the smoking ban. Food sales were up 23.9% and now represent 24.5% of revenue. The quality of our pubs and of our food offer has been highlighted in the press and this has been supported by excellent feedback from our customers.

The success of our recent redevelopments continues to support our premium strategy. The increase in EBITDA from the investment in major redevelopments in the comparable period (pubs that have now completed their first twelve months post development) delivered a 26.4% cash return. A further £4.3 million was invested in managed pub refurbishments in the first half, including major works at the Brewers Inn in Wandsworth, the Brook Green Hotel, the Bunch of Grapes at London Bridge, the Chequers in Walton on the Hill, the Clockhouse on Peckham Rye, the Crown in Chertsey, the Greyhound in Carshalton, the Halfway House in Earlsfield, the Spotted Horse in Putney and the Windmill on Clapham Common.

We are half way through our five year investment plan to refurbish all our 359 hotel rooms. During the six months we refurbished 70 rooms. RevPar for all our hotel rooms (average room rate achieved multiplied by occupancy percentage) was up 14.0% at £42.59, supporting our investment decision.

Acquisitions remain a key part of our long term growth strategy but opportunities of the right quality at the right price have been limited. We acquired only one pub in the period, the Rose and Crown in Farnborough, which was bought in the last week of the period for £3.5 million. The eight pubs and the three Thames side developments acquired last year have been fully integrated into the managed estate. These are good investments which we believe will provide attractive returns over the longer term once we have been successful in repositioning the pubs under the Young's brand.

56 of our managed pubs now host their own websites, with over 800,000 hits during the period, an increase of more than 185% over last year, and the pub databases now manage over 100,000 individual e-mail addresses. During the course of the six months these venues sent out a combined total of more than five million e-mails to customers who have registered to receive news about Young's, its pubs, events and products. This provides cost effective marketing with a wide reach and is helping to drive customer visits. In addition to the individual pub websites, Young's has updated and re-launched its corporate website - www.youngs.co.uk.

This e-marketing drive is complemented by increased investment in consumer public relations, focusing on promoting and marketing our pubs generally and in particular after significant refurbishments. The profile of our estate has been raised significantly both in the national and local press.

Customer service remains a key point of differentiation for Young's with a doubling of training hours in the period and the benefits derived from a dedicated central training team complete with its own facilities at our new head office. Pub managers are incentivised on service levels and on their performance in our independently managed mystery drinker programme which provides feedback on all aspects of a pub's service quality from unannounced visits. Our managed pubs are now achieving average scores of 91%, compared with an industry norm of 84% and our own target based on a selection of premium London pubs and restaurants of 90%. Our aim is to improve these ratings still further.

Our managed estate comprised 112 trading sites at the end of the period of which 90 are freehold.

Tenanted and leased

Revenue was up 1.6%, with like for like growth up 0.8% on a same outlet basis (up 0.5% on an uninvested basis). Operating profit for our tenanted and leased division increased 35.9%.

The success of our mystery drinker programme has now been extended to include all of our tenanted and leased pubs as we work to maintain consistent standards across our entire pub estate.

The division benefited from a full six months' trade from the six pubs acquired last year and also from the Cock Inn in Maidstone, the Robin Hood in Sutton and the Ship Inn in East Grinstead which were transferred from management during the period. We have invested £0.6 million on refurbishments with major works underway at the Red Cow in Richmond, the Thatched House in Hammersmith, the Black Lion in Surbiton and the Half Moon in Putney.

We regularly review the balance of the estate between managed, tenanted and leased to ensure that we are adopting the most beneficial format and we will maintain our programme of investments in high returning projects across the existing pub estate.

The total number of tenancies and leases at the end of the half was 104 of which 87 are freehold.

Wells & Young's Brewing Company

Wells & Young's has now completed its first full year of trading. This has been a transitional year which included the challenge of integrating the Wells, Young's and Courage beers into the portfolio (to which we have received excellent consumer response) and combining the two workforces.

Revenue for the six months under review was £108.6 million. Profit, before charging £2.1 million of exceptional costs, was £3.0 million. Young's share of this profit in the period was £1.2 million. This was against a background of a difficult beer market with higher raw material and utility costs compounded by a poor summer. Wells & Young's sold 458,000 barrels in the six months, of which 255,000 were brewed in Bedford.

At the end of the period, the southern distribution was outsourced to KN Drinks Logistics. This will not only reduce costs but at the same time provide greater flexibility to exploit sales opportunities over a wider geographical area.

Investment and finance

We invested a total of £8.4 million in our estate in the period, including one new site, leaving group net debt at the end of the period at £94.5 million. Once adjusted for the remaining £58.7 million due from Minerva in January, this leaves an adjusted net debt position of £35.8 million. This is partly funded by a long dated £15.0 million RBS facility fixed at 6.1%. The remaining debt is at a variable rate.

In May 2007 the group redeemed a high coupon debenture at a premium. As noted in the annual report, this resulted in a £6.8 million loss. The redemption of this debenture considerably improves the group's financial flexibility.

Young's has substantial headroom for funding acquisitions and we continue to explore opportunities for appropriate acquisitions, though at present these are limited. We have an operating infrastructure and management team capable of managing such growth. In line with the Board's stated policy, investment opportunities will be measured against the benefits of returning capital to shareholders.

Certain items have been classified as exceptional in order to give shareholders a better understanding of the underlying trends in the business. These items include the £6.8 million costs resulting from the debenture redemption mentioned above and losses and provision for losses on sales of properties (£0.2 million). These costs are partly offset by the discount on site proceeds; this was an accounting charge made in the prior year which reverses this year. In addition, the results of Young's brewing and wholesaling operation have been separated out as a discontinued operation.

International Financial Reporting Standards

These are the first financial statements prepared under International Financial Reporting Standards and there have been a number of adjustments and restatements as a result. The detail behind these adjustments is in a separate document called the Restatement of Financial Information to International Financial Reporting Standards ("IFRS") which can be downloaded from the investor relations section of the group's website – www.youngs.co.uk. Photocopies are also available from the Company Secretary on request.

There is no material impact on the income statement as a result of IFRS. The major impacts of the new standards, as highlighted in the annual report, are on the group's balance sheet where the net assets have been restated for the effect of the deferred tax on our revalued property and the tax payable on the capital gain on the sale of the brewery and Buckhold Road sites. These liabilities would become payable only if the group were unable to invest the proceeds from the sale of these sites into replacement assets.

Outlook

We have delivered a strong first half performance, achieved despite the twin challenges of disappointing summer weather and any possible effects of the smoking ban. As expected, the first half benefited from the changes made to the business in October 2006 and therefore these are already included in our second half comparatives.

The second half also has a number of uncertainties. How the smoking ban might affect trade over the colder winter months remains to be seen (although given the 'summer' we have had, this contrast may be less obvious). It has also still to be seen whether the summer's economic problems result in a dip in consumer confidence, which in turn could affect leisure spending.

Despite these uncertainties, we believe we are in very good shape. Trading in our pubs in the first six weeks of the second half to date has been resilient with managed house sales up 8.7% and up 8.3% on a same outlet like for like basis (up 1.4% on an uninvested basis). We remain confident in the outlook for Young's for the year as a whole.

Interim report

On 23 November 2007, the Interim Report 2007 will be mailed to shareholders. From that date, copies of it will also be available on the investor relations section of the company's website – www.youngs.co.uk – and on request from the Company Secretary.

Independent review report to Young & Co.'s Brewery, P.L.C.

For the 26 weeks ended 29 September 2007

Introduction

We have been engaged by the company to review the financial information for the 26 weeks ended 29 September 2007 which comprises the Group Income Statement, Group Balance Sheet, Group Cash Flow Statement, Group Statement of Recognised Income and Expense, and the related notes 1 to 10. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange.

As disclosed in note 1, the next annual financial statements of the group will be prepared in accordance with those IFRSs adopted for use by the European Union.

The accounting policies are consistent with those that the directors intend to use in the next financial statements. There is, however, a possibility that the directors may determine that some changes to these policies are necessary when preparing the full annual financial statements for the first time in accordance with those IFRSs adopted for use by the European Union.

Review work performed

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies have been applied. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 26 weeks ended 29 September 2007.

Ernst & Young LLP

London, England
14 November 2007

Unaudited group income statement

For the 26 weeks ended 29 September 2007

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Continuing operations			
Revenue	63,885	57,101	114,602
Operating costs before exceptional items	(51,745)	(50,046)	(99,214)
Operating profit before exceptional items	12,140	7,055	15,388
Operating exceptional items (note 4)	(8)	(1,260)	(709)
Operating profit	12,132	5,795	14,679
Share of associate's profit before exceptional items and tax	1,210	–	83
Share of associate's exceptional items (note 4)	(852)	–	–
Share of associate's tax (expense)/credit (note 5)	(118)	–	21
Share of post tax and post minority result of associate	240	–	104
Non-operating exceptional items (note 4)	(225)	(183)	(444)
Profit before interest	12,147	5,612	14,339
Net finance costs	(3,094)	(2,197)	(5,184)
Premium on redemption of debenture (note 7)	(6,827)	–	–
Discount of site proceeds	1,480	(3,863)	(2,161)
Other finance income	628	896	1,731
Profit before tax	4,334	448	8,725
Taxation (note 5)	(324)	(1,815)	(3,919)
Profit/(loss) from continuing operations	4,010	(1,367)	4,806
Discontinued operation			
(Loss)/profit from discontinued operation (note 2)	(148)	34,060	31,441
Profit attributable to equity holders of parent	3,862	32,693	36,247
Earnings per 50p ordinary share from continuing operations (note 6)			
	Pence	Pence	Pence
Adjusted	69.47	33.75	69.97
Basic	34.23	(11.81)	41.41
Adjusted diluted	68.94	32.89	68.53
Diluted	33.97	(11.51)	40.56
Earnings per 50p ordinary share from continuing and discontinued operations (note 6)			
	Pence	Pence	Pence
Basic	32.96	282.54	312.33
Diluted	32.71	275.35	305.92

The comparative figures to 30 September 2006 and 31 March 2007 have been restated for the effects of IFRS.

Unaudited group balance sheet

At 29 September 2007

	At 29 Sept 07 £000	At 30 Sept 06 £000	At 31 Mar 07 £000
Non current assets			
Property, plant and equipment	226,906	218,013	223,425
Prepaid operating lease premiums	5,894	5,968	5,918
Investment in associate	23,930	22,508	22,458
Receivable from site disposal	–	55,236	–
Derivative financial instruments	329	–	179
Deferred tax	3,152	3,399	3,746
Retirement benefit	6,219	–	955
	266,430	305,124	256,681
Current assets			
Prepaid operating lease premiums	92	92	92
Assets classified as held for sale	1,513	666	348
Inventories	1,470	1,419	1,431
Receivable from site disposal	58,069	9,901	66,839
Trade and other receivables	6,300	11,000	4,697
Cash	–	–	999
	67,444	23,078	74,406
Total assets	333,874	328,202	331,087
Current liabilities			
Borrowings	(60,001)	(1,939)	(58,185)
Trade and other payables	(23,534)	(20,099)	(21,212)
Income tax payable	(1,413)	(66)	(2,171)
	(84,948)	(22,104)	(81,568)
Non current liabilities			
Borrowings	(34,519)	(100,675)	(44,295)
Derivative financial instruments	–	(264)	–
Provisions	(1,771)	(2,802)	(2,171)
Deferred tax	(35,316)	(36,382)	(33,920)
Retirement benefit obligations	–	(902)	–
	(71,606)	(141,025)	(80,386)
Total liabilities	(156,554)	(163,129)	(161,954)
Net assets	177,320	165,073	169,133
Capital and reserves			
Called-up share capital	6,028	6,028	6,028
Share premium account	1,274	1,285	1,274
Other reserves	2,181	1,623	2,071
Investment in own shares	(552)	(2,657)	(2,123)
Retained earnings	168,389	158,794	161,883
Total equity	177,320	165,073	169,133

The comparative figures at 30 September 2006 and 31 March 2007 have been restated for the effects of IFRS.

Unaudited group cash flow statement

For the 26 weeks ended 29 September 2007

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Operating activities			
Cash generated from operations (note 9)	18,533	9,527	27,821
Taxes paid	–	(1,500)	(2,706)
Net cash flow from operating activities	18,533	8,027	25,115
Investing activities			
Sale of brewery and Buckhold Road sites	10,250	–	–
Sales of other property, plant and equipment	908	49	468
Purchases of property, plant and equipment	(8,442)	(37,786)	(46,755)
Investment in associate	–	(10,000)	(10,000)
Restructuring costs	(3,603)	(4,389)	(6,896)
Net cash used in investing activities	(887)	(52,126)	(63,183)
Financing activities			
Interest received	82	108	3
Interest paid	(3,096)	(2,384)	(5,622)
Premium on redemption of debenture	(6,827)	–	–
Equity dividends paid	(2,269)	(1,498)	(3,589)
Proceeds from exercise of share options in the employee benefit trust	1,425	–	535
(Decrease)/increase in borrowings	(8,658)	46,226	47,851
Repayment of finance leases	(5)	(9)	(17)
Net cash flow from financing activities	(19,348)	42,443	39,161
(Decrease)/increase in cash	(1,702)	(1,656)	1,093
Cash at the beginning of the period	999	(94)	(94)
Cash at the period end	(703)	(1,750)	999

Group analysis of net debt

At 29 September 2007

	At 29 Sept 07 £000	At 30 Sept 06 £000	At 31 Mar 07 £000
Cash	–	–	999
Bank overdraft	(703)	(1,750)	–
Loan capital and finance leases	(93,817)	(100,864)	(102,480)
Net debt	(94,520)	(102,614)	(101,481)

The comparative figures to 30 September 2006 and 31 March 2007 have been restated for the effects of IFRS.

Unaudited group statement of recognised income and expense

For the 26 weeks ended 29 September 2007

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Income and expense recognised directly in equity			
Actuarial gain on retirement benefit schemes	3,968	2,169	3,539
Actuarial gain (net) on retirement benefit schemes – associate	1,232	–	–
Cashflow hedges: profits taken to equity	150	186	629
Deferred tax on other items taken directly to equity (note 5)	(967)	676	322
	4,383	3,031	4,490
Profit for the financial period	3,862	32,693	36,247
Total recognised income for the period	8,245	35,724	40,737

The comparative figures to 30 September 2006 and 31 March 2007 have been restated for the effects of IFRS.

Notes to the accounts

(1) Accounts

The interim financial statements were approved by the Board on 14 November 2007. They are unaudited, and do not constitute statutory accounts within the meaning of S.240 of the Companies Act 1985.

Statutory accounts for the 52 weeks ended 31 March 2007 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under S.237 of the Companies Act 1985.

Change in accounting policies

In accordance with the directive of the Council of the European Union, Young & Co.'s Brewery, P.L.C. has adopted International Financial Reporting Standards ('IFRS') this year, having previously applied UK generally accepted accounting principles ('UK GAAP'). These interim statements are the first that Young's has prepared under IFRS and they have been prepared in accordance with the IFRS accounting policies endorsed by the European Union that management expects to apply in the 2008 full year financial statements. These accounting policies are consistent with those adopted for the restatement of the 2007 financial information.

The restatement includes the consolidated financial information at 2 April 2006 (date of transition), for the 26 weeks ended 30 September 2006, and for the 52 weeks ended 31 March 2007. Both the restatement and a summary of significant accounting principles are available as a separate document on the company's website, www.youngs.co.uk.

This interim report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange, and in accordance with pronouncements on interim reporting issued by the Accounting Standards Board. As permitted, the interim report has not been prepared in accordance with IAS 34 'Interim Financial Reporting', which is not mandatory for UK Groups.

Impact of IFRS on prior period reporting

	26 weeks to 30 Sept 06		52 weeks to 31 Mar 07	
	Profit before tax*	Net assets	Profit before tax*	Net assets
	£000	£000	£000	£000
Reported under UK GAAP	5,774	195,334	12,023	199,538
Discontinued operation	(36)	–	(36)	–
Lease reclassifications	16	(318)	31	(317)
Income tax and deferred tax	–	(29,758)	–	(30,213)
Financial instruments	–	(185)	–	125
Reported under IFRS	5,754	165,073	12,018	169,133

* Continuing operations before exceptional items and discount of site proceeds.

Under IFRS, revenue, previously known as turnover, includes only the gross inflows of economic benefits received and receivable by the enterprise on its own account. Amounts collected on behalf of third parties such as excise duty (26 weeks to 30 September 2006: £5,533,000; 52 weeks to 31 March 2007: £5,533,000) are not economic benefits which flow to the enterprise and do not result in increases in equity. Therefore, they are excluded from revenue.

The classification and presentation of leased assets changes under IFRS. For leases categorised as operating leases under IFRS, any upfront lease premium amounts paid are treated as a prepayment and not as property, plant and equipment. Accordingly, any revaluation increment previously booked on operating leases is required to be reversed.

Under IFRS, deferred tax is recognised in respect of nearly all taxable temporary differences arising between the tax base and the accounting book value of balance sheet items (a balance sheet approach). This results in deferred tax being recognised on certain timing differences that would not have given rise to deferred tax under UK GAAP, including historic property revaluation gains, roll over capital gains tax relief claims, fair value gains on the exchange of assets for the associate, and share based payments.

(2) Discontinued operation

On 23 May 2006 the group announced the merger of its brewing, beer brands and wholesale operations with the brewing assets, beer brands and wholesale operations of Charles Wells Ltd to form a new brewing business called Wells & Young's Brewing Company Ltd.

On 3 August 2006, the group announced the disposal of the Ram Brewery site and the nearby Buckhold Road office and warehouse space in Wandsworth for a total cash consideration of £69 million.

The group's brewing, beer brands and wholesale operation has been treated as a discontinued operation in the current and prior periods.

The table below shows the results of the discontinued operation included in the income statement of the group:

	26 weeks to 29 Sept 07	26 weeks to 30 Sept 06	52 weeks to 31 Mar 07
	£000	£000	£000
Sales to external customers	–	6,501	6,501
Intra-group sales	–	10,533	10,533
Total revenue	–	17,034	17,034
Operating costs before exceptional items	–	(16,998)	(16,998)
Operating profit	–	36	36
Non-operating exceptional items			
Restructuring costs	(212)	(4,404)	(9,016)
Profit on sale of Wandsworth sites	–	46,608	46,608
Gain on exchange of assets for interest in associate	–	11,205	11,205
(Loss)/profit before tax	(212)	53,445	48,833
Taxation (note 5)	64	(19,385)	(17,392)
(Loss)/profit from discontinued operation	(148)	34,060	31,441

(3) Adjusted profit before tax and adjusted EBITDA*

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Profit before tax	4,334	448	8,725
Exceptional items	1,085	1,443	1,153
Premium on redemption of debenture	6,827	–	–
Discount on site proceeds	(1,480)	3,863	2,161
Share of associate's tax expense/(credit)	118	–	(21)
Adjusted profit before tax*	10,884	5,754	12,018
Depreciation of continuing operations – group	3,472	3,113	6,429
Depreciation – associate	634	–	679
Net finance costs – group	3,094	2,197	5,184
Net finance costs – associate	593	–	253
Other finance income	(628)	(896)	(1,731)
Adjusted EBITDA*	18,049	10,168	22,832

* Continuing operations before exceptional items, premium on redemption of debenture, and discount of site proceeds.

Alternative performance measures have been provided as the Board believes that they give a useful additional indication of underlying performance.

(4) Exceptional items

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
(a) Operating exceptional items			
Capital gains tax on ESOP allocated shares	(8)	(1,060)	(509)
Property valuation costs	–	(200)	(200)
	(8)	(1,260)	(709)
(b) Non-operating exceptional items			
Loss on sales of properties and investments	(4)	(183)	(444)
Provision for loss on sales of properties	(221)	–	–
Profit/(loss) on sales of property, plant and equipment	(225)	(183)	(444)
(c) Associate non-operating exceptional item			
Restructuring costs	(852)	–	–

(5) Tax (charge)/credit

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Income statement			
Continuing operations			
Group excluding associate			
Tax on profit on ordinary activities	(2,885)	(1,080)	(2,705)
Movements in deferred tax	(389)	(769)	(1,214)
Adjustment in deferred tax from 30% to 28%	902	–	–
Tax on non-operating exceptional items	–	34	–
Tax credit on premium on debenture redemption	2,048	–	–
	(324)	(1,815)	(3,919)
Associate			
Tax on profit on ordinary activities	(373)	–	21
Tax on non-operating exceptional items	255	–	–
	(118)	–	21
Discontinued operation			
Group excluding associate			
Tax on profit on ordinary activities	–	(10)	(10)
Movements in deferred tax	–	(1)	(1)
Tax on non-operating exceptional items	64	(19,374)	(17,381)
	64	(19,385)	(17,392)
Statement of recognised income and expense			
Movements in deferred tax	(1,171)	676	322
Adjustment in deferred tax from 30% to 28%	204	–	–
	(967)	676	322

(6) Earnings per 50p ordinary share

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
(a) Earnings			
Profit/(loss) from continuing operations	4,010	(1,367)	4,806
(Loss)/profit from discontinued operation	(148)	34,060	31,441
Profit attributable to equity holders of the parent	3,862	32,693	36,247
Profit/(loss) from continuing operations	4,010	(1,367)	4,806
Operating exceptional items, net of tax	8	1,260	709
Non-operating exceptional items, net of tax	225	149	444
Associate exceptional items, net of tax	597	–	–
Premium on redemption of debenture, net of tax	4,779	–	–
Discount of site proceeds	(1,480)	3,863	2,161
Adjusted earnings after tax from continuing operations	8,139	3,905	8,120
	Number	Number	Number
Weighted average number of ordinary shares in issue	11,716,342	11,570,927	11,605,450
Add: the notional exercise of the weighted average number of ordinary share options outstanding during the year	89,849	302,155	243,158
Diluted weighted average number of ordinary shares in issue	11,806,191	11,873,082	11,848,608
(b) Basic earnings per share			
	Pence	Pence	Pence
Basic from continuing operations	34.23	(11.81)	41.41
Effect of exceptional items, premium on redemption of debenture and discount of site proceeds	35.24	45.56	28.56
Adjusted from continuing operations	69.47	33.75	69.97
Basic from continuing operations	34.23	(11.81)	41.41
Basic from discontinued operation	(1.27)	294.35	270.92
Basic	32.96	282.54	312.33
(c) Diluted earnings per share			
	Pence	Pence	Pence
Diluted from continuing operations	33.97	(11.51)	40.56
Effect of exceptional items, premium on redemption of debenture and discount of site proceeds	34.97	44.40	27.97
Adjusted diluted from continuing operations	68.94	32.89	68.53
Diluted from continuing operations	33.97	(11.51)	40.56
Diluted from discontinued operation	(1.26)	286.86	265.36
Diluted	32.71	275.35	305.92

The weighted average number of shares in issue excludes the group's investment in its own shares. Adjusted earnings per share and adjusted diluted earnings per share are presented to eliminate the effect of the exceptional items on basic and diluted earnings per share.

(7) Premium on redemption of debenture

The 9.5% debenture stock, repayable at par on 14 September 2018, and secured by a floating charge over the company's assets and undertaking, was redeemed in advance on 21 May 2007. As a result of this repayment, the group has recognised a loss before tax of £6,827,000 in the income statement in the period.

(8) Ordinary dividends on equity shares

	26 weeks to 29 Sept 07 Pence	26 weeks to 30 Sept 06 Pence	52 weeks to 31 Mar 07 Pence
Final dividend	19.35	12.90	12.90
Interim dividend	–	–	18.00
	19.35	12.90	30.90

The trustee of the Ram Brewery Trust has waived its rights in respect of the dividends on the shares held in the trust on behalf of the directors' share option schemes.

(9) Net cash generated from operations

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Operating profit from continuing and discontinued operations	12,132	5,831	14,715
Depreciation	3,472	4,349	7,665
Employee benefit trust share allocations	786	204	744
Provision for capital gains tax on ESOP allocated shares	8	1,060	509
Share based payment	–	–	90
Movements in working capital			
Inventories	(39)	2,774	2,716
Receivables	(1,356)	(4,161)	2,485
Payables	3,530	(530)	(1,103)
Net cash generated from operations	18,533	9,527	27,821

(10) Reconciliation of movements in equity

	26 weeks to 29 Sept 07 £000	26 weeks to 30 Sept 06 £000	52 weeks to 31 Mar 07 £000
Total recognised income for the period	8,245	35,724	40,737
Dividends	(2,269)	(1,498)	(3,589)
Movement in own shares: Employee benefit trust allocations	2,211	204	1,279
Share based payment:			
Movement for the period	–	–	90
Deferred tax on movement	–	–	(27)
	8,187	34,430	38,490
Opening equity	169,133	130,643	130,643
Closing equity	177,320	165,073	169,133