



09 August 2011

### **Disposal of 40% minority stake in Wells & Young's Brewing Company Limited**

Young & Co.'s Brewery, P.L.C. ("Young's" or the "Company") announces that it has today sold its 40% shareholding in Wells & Young's Brewing Company Limited ("Wells & Young's") to Charles Wells Ltd ("Charles Wells").

Wells & Young's was formed in 2006 following the merger of the Company's brewing operations with those of Charles Wells, with Charles Wells holding a majority 60% stake.

The consideration payable for the Company's shareholding is £15.1 million in cash. £5.1 million is payable in February 2012, with the remaining £10 million being payable in two equal amounts in February 2013 and February 2014. As at 4 April 2011 the net book value of Young's investment in Wells & Young's was £15.3 million.

The disposal allows Young's to increase its focus on its portfolio of managed and tenanted pubs in London and the South of England while at the same time allowing Wells & Young's to continue to develop new and existing brands. Young's will use the consideration from the transaction to invest in the further development of the Young's and Geronimo pub estates.

The existing, exclusive three-year rolling supply agreement with Wells & Young's for the supply of drink to the Company's pub estate has been amended. There are now two agreements: one for beers and ciders, the other for wines and spirits. Both are two-year rolling agreements but Young's cannot give notice of termination within first two years.

The Company's board of directors believes that the pricing of the supply agreements is in line with our existing and market rates and will not impact existing margins.

The licences granted to Wells & Young's in 2006 in respect of the Young's beer brands remain in place and Wells & Young's is fully committed to developing these brands.

In the 53 weeks to 4 April 2011, Wells & Young's contributed £2.6 million to the Company's total adjusted profit before tax. However, as previously announced, the ongoing profitability of the existing business will be impacted by the loss of the Corona licence.

Commenting on today's announcement, Young's Chief Executive, Stephen Goodyear said:

"This transaction is mutually beneficial for both Young's and Charles Wells. Young's is focused on investing in its premium pub estate whilst Wells & Young's is looking to invest in developing new and existing beer brands. We are pleased to retain good supply agreements and our customers will therefore continue to enjoy their customary array of quality cask ales and lagers throughout our estate."

**- Ends -**

#### **For further information, please contact:**

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