



**FRIDAY 20 NOVEMBER 2009**

**FULLER, SMITH & TURNER P.L.C.**

**Financial results for the 26 weeks ended 26 September 2009**

#### **Financial Performance**

- Revenue up 10% to £116.9 million (2008: £106.4 million<sup>1</sup>)
- Adjusted<sup>2</sup> profit before tax up 18% to £14.1 million (2008: £12.0 million)
- Profit before tax up 26% to £15.1 million (2008: £12.0 million)
- EBITDA<sup>3</sup> up 9% to £22.7 million (2008: £20.9 million)
- Adjusted earnings per share<sup>4</sup> up 17% at 17.95p (2008: 15.29p)
- Basic earnings per share<sup>5</sup> up 46% at 19.21p (2008: 13.13p)
- Increased interim dividend<sup>5</sup> of 4.50p comprising two elements – underlying 5% growth from 2.85p to 3.00p and 1.50p rebasing

#### **Corporate Progress**

- Managed Pubs and Hotels like for like sales up 2.8%, reflecting the strength of our premium offer
- Managed Pubs and Hotels profits up 20%, including contribution from 11 excellent pubs acquired in the last 12 months
- Tenanted like for like profits down 3%
- Own Beer volumes up 3%
- Beer Company profits up 15%
- Net Debt<sup>6</sup> / EBITDA 2.4 times on a pro forma<sup>7</sup> basis

Commenting on the results, Michael Turner, Chairman of Fuller's, said:

"I am pleased to report a very strong set of results for the first half of our financial year in what has been another challenging period for the industry. In defiance of the recession, we have grown profits through an excellent performance of the core business, further boosted by the incremental contribution of acquired pubs together with reduced costs of borrowing. Adjusted profits before tax (excluding exceptional items) increased by 18% to £14.1 million (2008: £12.0 million), with adjusted earnings per share up 17% to 17.95p (2008: 15.29p)."

"Our Managed Pubs and Hotels, the largest part of our business, achieved a 2.8% increase in like for like sales, with good weather in the South East of England meaning our rural pubs enjoyed better trading conditions than in the last two summers."

"Our first half performance has defied the recession but it has been boosted by factors that may not repeat or may even reverse: incremental earnings from acquisitions, record low interest rates, a pay freeze and better weather. We remain cautious about the outlook for the UK economy and we expect our second half to be significantly tougher than the first. Starting with VAT rising by 2.5% on 1 January 2010, taxes and interest rates must rise and the economic climate is likely to remain challenging for some considerable time.

We are well placed to meet these challenges ahead with strong brands, well-controlled costs and delightful, well-invested, pubs that serve outstanding cask ale and delicious food."

- 1 2008 revenue is restated to include all excise duty
- 2 Adjusted profit measures exclude exceptional items
- 3 Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment and amortisation
- 4 Calculated using adjusted profits after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share
- 5 Calculated on a 40p ordinary share
- 6 Net debt comprises cash and short term deposits, bank loans, loan notes, debenture stock and preference shares
- 7 Calculated using EBITDA for a 52 week period, adjusted as appropriate for the 11 pubs acquired in the period

**- Ends -**

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**Notes to Editors**

For an official photograph, please e-mail [photo@fullers.co.uk](mailto:photo@fullers.co.uk) and one will automatically be sent by return on receipt of your e-mail.

*Copies of this statement, the Half Year Statement and results presentation will be available on the Company's website, [www.fullers.co.uk](http://www.fullers.co.uk).*

Attached:

Chairman's Statement

Unaudited Condensed Group Income Statement

Unaudited Condensed Group Statement of Comprehensive Income

Unaudited Condensed Group Balance Sheet

Unaudited Condensed Group Statement of Changes in Equity

Unaudited Condensed Group Cash Flow Statement

Notes to the Financial Statements

**FULLER, SMITH & TURNER P.L.C.**  
**HALF YEAR RESULTS FOR THE 26 WEEKS ENDED**  
**26 SEPTEMBER 2009**

**CHAIRMAN'S STATEMENT**

*Whatever You Do, Take Pride*

**INTRODUCTION**

I am pleased to report a very strong set of results for the first half of our financial year in what has been another challenging period for the industry. In defiance of the recession, we have grown profits through an excellent performance of the core business, further boosted by the incremental contribution of acquired pubs together with reduced costs of borrowing. Adjusted profits before tax (excluding exceptional items) increased by 18% to £14.1 million (2008: £12.0 million), with adjusted earnings per share up 17% to 17.95p (2008: 15.29p).

Our strategy remains fundamentally unchanged. We have a long term focus, and a culture of style not fashion. We have a passion for quality and all our brands have a premium position. We have not borrowed excessively and have a large freehold estate. We are continuing to invest in and to expand our business.

Revenue rose by 10% to £116.9 million (2008 (restated): £106.4 million), helped by the 11 managed pubs which we have acquired in the last 12 months.

EBITDA increased by 9% to £22.7 million (2008: £20.9 million). Cash generated from operating activities rose to £23.8 million (2008: £20.8 million). Net cash outflow from investing activities increased to £29.7 million (2008: £6.5 million) including £25.3 million spent during the period on the acquisition of seven iconic London pubs.

Our Managed Pubs and Hotels, the largest part of our business, achieved a 2.8% increase in like for like sales, with good weather in the South East of England meaning our rural pubs enjoyed better trading conditions than in the last two summers. Augmented by the acquisition of new pubs, revenue increased by 12% to £71.6 million (2008: £63.7 million). Pre-exceptional operating profits increased by 20% to £9.5 million (2008: £7.9 million).

Our Tenanted Inns also performed well given the economic climate. Like for like profits declined by 3% as revenues increased by 2% to £13.3 million (2008: £13.1 million) and pre-exceptional operating profits declined by 2% from £5.1 million to £5.0 million.

The Fuller's Beer Company continues to outperform the UK beer market. A 3% increase in Own Beer volumes saw revenue grow by 9% to £49.4 million (2008 (restated): £45.5 million) and operating profits grew by 15% to £3.9 million (2008: £3.4 million). London Pride, our flagship brand, remains the UK's leading premium ale and is supported by an excellent portfolio of other beers.

## **FINANCIAL PERFORMANCE**

Our balance sheet remains in good health and I am pleased to report that the Group's net debt has increased by only £12.5 million since the year end to £106.7 million (2008: £90.1 million) despite £31.8 million of capital investment in the period, £25.3 million of which was for pub acquisitions. We had £10.0 million undrawn committed banking facilities at the end of the period and an overdraft facility of a further £10.0 million.

Our strong cash generation together with the contribution from the new pubs has meant that, on an annualised basis, and including on a pro forma basis the annualised profits of the newly acquired pubs, the ratio of Net Debt to EBITDA, which reached 2.8 times following the pub purchases, has fallen back to 2.4 times (2008: 2.2 times) at the end of the period. Net finance costs of £2.9 million (2008: £3.2 million) reduced by 9%, reflecting the lower cost of borrowings, despite an absolute increase in borrowings. 41% (2008: 16%) of the Group's borrowings are now at what are currently record low variable rates, largely as a result of the purchase of the new pubs being funded this way and our interest cover has risen to 5.9 times for the period (2008: 4.8 times).

Our main banking facilities are due for repayment in November 2010 and, based on an active dialogue with banks both inside and outside the current banking group, we remain confident of our ability to refinance them in due course. The margin we will have to pay to the banks may rise above the 0.5% we are currently paying, as may our blended cost of finance from the rate of 4.1% at the balance sheet date, as interest rates increase in future.

Exceptional items comprised profits on the disposal of non core properties of £1.0 million.

Tax has been provided for at an effective rate of 29.1% (2008: 29.2%) on adjusted profits. The overall effective tax rate for the period is 29.1% (2008: 39.2%). The prior period expense included a one off charge of £1.2 million relating to the phased withdrawal of industrial buildings allowances.

In addition to the 18% increase in adjusted profit before tax, the combined effects of the exceptional items and the prior year one off tax expense caused basic earnings per share to increase by 46% to 19.21p (2008: 13.13p)

During the period we have not bought back any shares for treasury (2008: 447,000 'A' ordinary 40p shares repurchased for £1.8 million). 169,000 'A' ordinary 40p shares were purchased for £0.8 million by the Trustees of the Share Incentive Plan and LTIP Trustees to cover future issuance (2008: 97,000 for £0.4 million).

## **DIVIDEND**

In approving a rebased interim dividend payment of 4.50p (2008: 2.85p) per 40p 'A' and 'C' ordinary share and 0.450p (2008: 0.285p) per 4p 'B' ordinary share, the Board has increased the proportion of the total dividend paid as an interim dividend. Last year the interim dividend represented less than 30% of the total dividend and this has been gradually reducing over a long period of time. The underlying increase is 5% to 3.00p

per 40p 'A' and 'C' ordinary share, but we are in addition bringing forward 1.50p per 40p 'A' and 'C' ordinary share of the final dividend to make an interim payment of 4.50p. There will be a corresponding 1.50p reduction in the final dividend.

The interim dividend will be paid on Monday 4 January 2010 to shareholders on the share register as at Friday 11 December 2009.

## **FULLER'S INNS**

Fuller's Inns operates both Managed Pubs and Hotels and Tenanted Inns and for the first time we are reporting their results separately.

Our key operational measure for Managed Pubs and Hotels is like for like sales and for the 26 week period these grew by 2.8%. Our key operational measure for Tenanted Inns is like for like profits and for the 26 week period, these declined by 3% which we believe is an industry leading result.

During the period, we acquired seven managed pubs from Punch Taverns at a cost of £25.3 million. All of these iconic pubs are in Central London and six of them are in the West End, an area where Fuller's has previously considered itself to be under represented.

One pub which no longer met our criteria was sold during the period and the estate stood at 365 properties on 26 September 2009. 162 were operated as Managed Pubs and Hotels and 203 were operated as Tenanted Inns.

### ***Managed Pubs and Hotels***

Revenues increased by 12% to £71.6 million (2008: £63.7 million), driven by the acquisition of new pubs, good weather and the reduction in VAT. Our 2.8% like for like sales growth has benefitted from these last two factors and also reflects the strength of our premium retail offer. Pre-exceptional operating profits increased by 20% to £9.5 million (2008: £7.9 million) with the first time contribution from 11 acquired pubs and improved summer weather again the largest drivers. EBITDA increased by 15% to £13.4 million (2008: £11.7 million), the difference being increased depreciation charges stemming from the continued investment in and improvement of our pubs.

The strongest growing segment in our Managed Pubs and Hotels continues to be cask ales where we grew revenue by 19%. Real ale is doing well generally in the UK and customers appear to be recognising that a Fuller's pub, with its broad range of award-winning beers, serving a perfect pint every time, is the best place to enjoy Britain's national drink.

Two thirds of our Managed Pubs and Hotels are outside of Central London. These pubs are particularly seasonal and have, on the whole, performed well for us. Food and accommodation are a major element of the offer in these establishments and sales of the former, in particular, have driven this performance in the period.

Food sales, following organic growth and the acquisition of pubs with a strong existing mix, have increased by 18% and now represent 28% of revenue (2008: 27%), excluding the 12 pubs where food is provided by Thai franchisees. Accommodation revenue declined by 4% and now accounts for 6% of total revenue (2008: 8%). The change in sales mix is influenced by the new acquisitions which have only added two bedrooms to the estate. We now have 489 bedrooms across all the properties in the Managed estate.

The seven pubs that we acquired from Punch Taverns during the period, and the three pubs acquired from Mitchells & Butlers in February 2009, have all traded well through the summer. As a group, they enjoy a higher proportion of food sales and are probably more seasonal than the average Fuller's pub. The "back of house" was integrated within days and we are now in the process of bringing the best of Fuller's to the customer, while ensuring we preserve what is special about these pubs. Initial investments have also been behind the customer facing areas, with particular attention being focussed on kitchens and improving the cellars for our beer. Two of the houses are now signed as Fuller's pubs and the rest will follow during the second half of the year. The 11 pubs acquired in the last 12 months are:

*Acquired November 2008*

The Bear and Swan, Chew Magna, Somerset

*Acquired February 2009*

The Anglers, Teddington

The Flask, Highgate

The Red Lion, Mayfair

*Acquired April 2009*

The Scarsdale Tavern, Kensington

The Hereford Arms, Gloucester Road

The Swan, Hyde Park

Ye Olde Mitre, Hatton Garden

The Queen's Head, Brook Green

The Red Lion, Westminster

*Acquired May 2009*

The Round House, Covent Garden

We increased our capital spending across the Managed Estate compared to last year and we also spent more on repairs and maintenance than in the corresponding period. Amongst the investments we made were major projects at the Hampshire Hog at Clanfield, The Princess Royal at Farnham, and the Crown & Sceptre in Shepherds Bush. We believe that the investments we make across the estate will continue to widen the quality gap between ourselves and the competition.

The Pilgrim Inn near Southampton reopened at the start of the period following a major refurbishment including a bedroom extension and we are pleased with its trading during the period. The pub now has 14 boutique bedrooms. Sales have grown 99%, driven by accommodation, but also boosting Food and Drinks sales by 41% and 102% respectively.

## ***Tenanted Inns***

Revenues increased by 2% to £13.3 million (2008: £13.1 million). The sales of drinks to Tenanted Inns increased with Own Beer volumes showing good growth. Rental income declined by 1%, as inflation linked rents were reduced.

Operating profits declined by 2% from £5.1 million to £5.0 million, whilst EBITDA remained level at £5.8m underlining the impact of capital investment made in recent years. Like for like profits were down by 3%.

The success of our Tenanted business is closely linked to the success of our Tenants. We seek to support our Tenants with actions that help them run better pubs than the competition. We work collaboratively and we are prepared to invest where appropriate. The reduction in reported profits is in line with the increased amounts of depreciation and repairs expenditure in the period.

Another important factor in our Tenanted Inns business has been the ever growing popularity of our Own Beers in these pubs. We work closely with our Tenants to ensure that they capitalise on this growing sector and provide rewards and incentives to encourage this. A key initiative remains our Master Cellarman award and only Tenants with the highest standards achieve this accolade.

## **THE FULLER'S BEER COMPANY**

The Fuller's Beer Company had an excellent summer. Revenue rose by 9% to £49.4 million (2008 (restated): £45.5 million). Operating profits increased by 15% to £3.9 million (2008: £3.4 million) and EBITDA increased by 11% to £4.9 million (2008: £4.4 million). The increased profits were driven by total beer volume growth of 2% at good margins without a corresponding growth in operating costs which were held approximately level as a result of lower marketing costs, a pay freeze and the benefit of the restructuring made at the end of last year.

Total volumes of Own Beer sold across all trade channels rose by 3% to 109,500 barrels (2008: 106,200 barrels). UK volumes of our Own Beer increased by 3% in an ale market down 2%. We continue to grow our market share.

We grew our Export volumes by 7% as we opened up new markets and developed our existing ones. Exports represent 11% (2008: 11%) of our total brewed volume.

Our Foreign Beer volumes rose by 1% to 55,400 barrels against an On Trade lager market down 4%.

London Pride remains our leading brand and continues to grow market share reinforcing its position as the UK's number one premium ale. We have continued to support the brand with our key sponsorships of the English Golf Union and the London Marathon. We have also invested in an extensive poster and television advertising campaign for London Pride. *The Publican* this year asked the UK's Licensees to nominate the Cask Ale that they would choose to have on their bar if they had no choice restrictions and we were delighted that London Pride came out top.



During the recession, we have been able to buy substantially higher profile media space at excellent prices. Our television campaigns have focussed around Champions League, FA Cup and England football matches as well as high quality dramas. Despite this increased activity, dramatic falls in the rates we have paid meant that during the 26 week period we spent £0.2 million less than the corresponding period last year. We have continued our television advertising campaign into the second half of the year, will continue to step up our marketing activity generally and overall expect to spend more on marketing this year than we did last year.

Organic Honey Dew continues to grow quickly. It responds very positively to sampling and we continue to invest in such activities which this summer included events at Kew Gardens, Hampton Court and Wimbledon. There was also extensive poster and press advertising for the brand during July and August.

In April 2009, we launched Gales Seafarers Ale as a permanent fixture in our portfolio. This enhances the range of brands under the Gales label and strengthens our overall portfolio of brands. We make a donation to the leading maritime charity, Seafarers UK, for every barrel sold.

Our bottled beers won no less than eight medals at the recent International Beer Challenge Awards, more than any other UK brewer. This unprecedented success illustrates the strength in depth of our range of brands.

Since the beginning of the year we have been constructing our new distribution centre near the site of the former Gales Brewery in Horndean. Building work is almost complete and the new facility has excellent transport links and will bring logistical benefits and efficiency savings. We consolidated the telesales operation for the entire business in Horndean earlier this year and these employees in addition to those from the distribution operation will move to the Hampshire Depot when it opens in January 2010.

Our wine distribution business continues to grow and profits increased by 2%. Margins have suffered due to the weakness of sterling against the euro.

## **PEOPLE**

It is the continued hard work of our staff which has enabled Fuller's to deliver this set of strong results. We implemented a pay freeze this year for all staff not affected by the minimum wage and this decision has been an important contributor to these results. It will enable us to emerge from the recession stronger than we were at the beginning of it. I thank all of our employees for their hard work and dedication.

## **CURRENT TRADING AND PROSPECTS**

Like for like sales in our Managed Pubs and Hotels grew by 2.9% for the 33 weeks to 14 November 2009.

During the first half of the year we have continued to invest in both the fabric and the expansion of our existing estate and in the acquisition of new pubs. We expect to spend a total of £40 million on capital projects including committed pub acquisitions during this current year.

Our first half performance has defied the recession but it has been boosted by factors that may not repeat or may even reverse: incremental earnings from acquisitions, record low interest rates, a pay freeze and better weather. We remain cautious about the outlook for the UK economy and we expect our second half to be significantly tougher than the first. Starting with VAT rising by 2.5% on 1 January 2010, taxes and interest rates must rise and the economic climate is likely to remain challenging for some considerable time.

We are well placed to meet these challenges ahead with strong brands, well-controlled costs and delightful, well-invested, pubs that serve outstanding cask ale and delicious food.

The next Interim Management Statement will be issued on 4 February 2010.

Michael Turner  
Chairman  
20 November 2009

**FULLER, SMITH & TURNER P.L.C.**  
**FINANCIAL HIGHLIGHTS**  
**FOR THE 26 WEEKS ENDED 26 SEPTEMBER 2009**

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Change</i> <i>2009/2008</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Revenue</b> <sup>1</sup>	<b>116.9</b>	106.4	<b>10%</b>	210.0
<b>Adjusted profit</b> <sup>2</sup>	<b>14.1</b>	12.0	<b>18%</b>	22.8
<b>Profit before tax</b>	<b>15.1</b>	12.0	<b>26%</b>	14.4
<b>EBITDA</b> <sup>3</sup>	<b>22.7</b>	20.9	<b>9%</b>	40.2
<b>Adjusted earnings per share</b> <sup>4</sup>	<b>17.95p</b>	15.29p	<b>17%</b>	29.12p
<b>Basic earnings per share</b> <sup>5</sup>	<b>19.21p</b>	13.13p	<b>46%</b>	16.00p
<b>Dividend per share</b> <sup>5</sup>	<b>4.50p</b>	2.85p		9.85p
<b>Net debt</b> <sup>6</sup>	<b>106.7</b>	90.1		94.2
<b>Pro forma net debt / EBITDA</b> <sup>7</sup>	<b>2.4 times</b>	2.2 times		2.3 times

1 Revenue for the 26 weeks ended 27 September 2008 has been restated to include all excise duty as a result of the change in revenue accounting policy for the 52 weeks ended 28 March 2009 (note 1).

2 Adjusted profit is the profit before tax excluding exceptional items.

3 Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment and amortisation.

4 Calculated using adjusted profits after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share.

5 Calculated on a 40p ordinary share.

6 Net debt comprises cash and short term deposits, bank loans, loan notes, debenture stock and preference shares.

7 Net debt / EBITDA is calculated using EBITDA for a 52 week period, adjusted as appropriate for the 11 pubs acquired in the period.

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP INCOME STATEMENT**  
**FOR THE 26 WEEKS ENDED 26 SEPTEMBER 2009**

<i>Unaudited - 26 weeks ended</i>		<i>Before exceptional</i>	<i>Exceptional</i>	<i>Total</i>
<i>26 September 2009</i>	<i>Note</i>	<i>items</i>	<i>items</i>	<i>£m</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Revenue</b>	<b>2</b>	<b>116.9</b>	-	<b>116.9</b>
Operating costs		<u>(99.9)</u>	-	<u>(99.9)</u>
<b>Operating profit</b>		<b>17.0</b>	-	<b>17.0</b>
Profit on disposal of properties	<b>3</b>	-	<b>1.0</b>	<b>1.0</b>
Finance costs	<b>4</b>	<u>(2.9)</u>	-	<u>(2.9)</u>
<b>Profit before tax</b>		<b>14.1</b>	<b>1.0</b>	<b>15.1</b>
Taxation	<b>3,5</b>	<u>(4.1)</u>	<u>(0.3)</u>	<u>(4.4)</u>
<b>Profit for the period attributable to equity shareholders of the Parent Company</b>		<b>10.0</b>	<b>0.7</b>	<b>10.7</b>

<i>Unaudited Restated<sup>1</sup> - 26 weeks ended</i>		<i>Before exceptional</i>	<i>Exceptional</i>	<i>Total</i>
<i>27 September 2008</i>	<i>Note</i>	<i>items</i>	<i>items</i>	<i>£m</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Revenue</b>	<b>2</b>	<b>106.4</b>	-	<b>106.4</b>
Operating costs	<b>3</b>	<u>(91.2)</u>	-	<u>(91.2)</u>
<b>Operating profit</b>		<b>15.2</b>	-	<b>15.2</b>
Finance revenue	<b>4</b>	<b>0.2</b>	-	<b>0.2</b>
Finance costs	<b>4</b>	<u>(3.4)</u>	-	<u>(3.4)</u>
<b>Profit before tax</b>		<b>12.0</b>	-	<b>12.0</b>
Taxation	<b>3,5</b>	<u>(3.5)</u>	<u>(1.2)</u>	<u>(4.7)</u>
<b>Profit for the period attributable to equity shareholders of the Parent Company</b>		<b>8.5</b>	<b>(1.2)</b>	<b>7.3</b>

<sup>1</sup> Revenue and operating costs for the 26 weeks ended 27 September 2008 have been restated to include all excise duty in revenue and costs as a result of the change in revenue accounting policy for the 52 weeks ended 28 March 2009 (note 1).

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP INCOME STATEMENT (continued)**

<i>Audited - 52 weeks ended</i> 28 March 2009	<i>Note</i>	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
<b>Revenue</b>	2	210.0	-	210.0
Operating costs	3	(181.0)	(8.4)	(189.4)
<b>Operating profit</b>		29.0	(8.4)	20.6
Finance revenue	4	0.2	-	0.2
Finance costs	4	(6.4)	-	(6.4)
<b>Profit before tax</b>		22.8	(8.4)	14.4
Taxation	3,5	(6.6)	1.1	(5.5)
<b>Profit for the year attributable to equity shareholders of the Parent Company</b>		16.2	(7.3)	8.9

**EARNINGS PER SHARE**

		<i>Unaudited 26 weeks ended 26 September 2009 Pence</i>	<i>Unaudited 26 weeks ended 27 September 2008 Pence</i>	<i>Audited 52 weeks ended 28 March 2009 Pence</i>
<b>Per 40p 'A' and 'C' ordinary share</b>				
Basic	6	19.21	13.13	16.00
Diluted	6	18.90	12.96	15.83
Adjusted	6	17.95	15.29	29.12
Diluted adjusted	6	17.67	15.09	28.81
<b>Per 4p 'B' ordinary share</b>				
Basic	6	1.92	1.31	1.60
Diluted	6	1.89	1.30	1.58
Adjusted	6	1.79	1.53	2.91
Diluted adjusted	6	1.77	1.51	2.88

The results and earnings per share measures above are all in respect of continuing operations of the Group.

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 26 WEEKS ENDED 26 SEPTEMBER 2009**

		<i>Unaudited</i> 26 weeks ended 26 September 2009 £m	<i>Unaudited</i> 26 weeks ended 27 September 2008 £m	<i>Audited</i> 52 weeks ended 28 March 2009 £m
<b>Profit for the period</b>		<b>10.7</b>	7.3	8.9
Net gains/(losses) on valuation of financial assets and liabilities		<b>0.4</b>	0.1	(1.8)
Net actuarial losses on pension schemes	<i>10</i>	<b>(6.9)</b>	(0.4)	(3.5)
Tax on components of other comprehensive income	<i>5</i>	<b>1.8</b>	0.1	1.5
Other comprehensive loss for the period, net of tax		<b>(4.7)</b>	(0.2)	(3.8)
<b>Total comprehensive income for the period, net of tax, attributable to equity shareholders of the Parent Company</b>		<b>6.0</b>	7.1	5.1

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP BALANCE SHEET**  
**26 SEPTEMBER 2009**

		<i>Unaudited</i> <i>At 26 September</i> <b>2009</b>	<i>Unaudited</i> <i>At 27 September</i> <b>2008</b>	<i>Audited</i> <i>At 28 March</i> <b>2009</b>
	<i>Note</i>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Non-current assets</b>				
Goodwill		<b>24.1</b>	24.5	24.1
Property, plant and equipment	<b>8</b>	<b>344.0</b>	314.3	318.7
Investment properties		<b>8.3</b>	8.7	8.5
Financial assets		-	0.4	-
Other non-current assets		<b>0.5</b>	0.8	0.6
Deferred tax assets		<b>7.5</b>	3.4	5.0
<b>Total non-current assets</b>		<b>384.4</b>	352.1	356.9
<b>Current assets</b>				
Inventories		<b>6.6</b>	5.9	6.1
Trade and other receivables		<b>15.5</b>	17.9	16.0
Cash and short term deposits	<b>9</b>	<b>2.1</b>	6.6	0.9
<b>Total current assets</b>		<b>24.2</b>	30.4	23.0
<b>Current liabilities</b>				
Bank loans	<b>9</b>	<b>7.5</b>	7.5	7.5
Loan notes	<b>9</b>	<b>1.2</b>	1.6	1.3
Trade and other payables		<b>36.8</b>	34.4	33.6
Current tax payable		<b>5.8</b>	4.4	3.9
Provisions		<b>0.4</b>	0.2	0.4
<b>Total current liabilities</b>		<b>51.7</b>	48.1	46.7
<b>Non-current liabilities</b>				
Bank loans	<b>9</b>	<b>71.5</b>	59.0	57.7
Debenture stock	<b>9</b>	<b>27.0</b>	27.0	27.0
Preference shares	<b>9</b>	<b>1.6</b>	1.6	1.6
Provisions		<b>2.3</b>	1.7	2.4
Financial liabilities		<b>1.1</b>	-	1.5
Retirement benefit obligations	<b>10</b>	<b>15.2</b>	5.5	8.4
Deferred tax liabilities		<b>37.9</b>	39.8	37.6
<b>Total non-current liabilities</b>		<b>156.6</b>	134.6	136.2
<b>Net assets</b>		<b>200.3</b>	199.8	197.0
<b>Capital and reserves</b>				
Share capital		<b>22.8</b>	22.8	22.8
Share premium account		<b>4.8</b>	4.8	4.8
Capital redemption reserve		<b>3.1</b>	3.1	3.1
Own shares		<b>(5.0)</b>	(6.6)	(5.9)
Hedging reserve		<b>(0.8)</b>	0.3	(1.1)
Retained earnings		<b>175.4</b>	175.4	173.3
<b>Total shareholders' equity</b>		<b>200.3</b>	199.8	197.0

**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 26 WEEKS ENDED 26 SEPTEMBER 2009**

	<i>Share capital</i> £m	<i>Share premium account</i> £m	<i>Capital redemption reserve</i> £m	<i>Own shares</i> £m	<i>Hedging reserve</i> £m	<i>Retained earnings</i> £m	<i>Total equity</i> £m
<b>Unaudited – 26 weeks ended</b>							
<b>26 September 2009</b>							
At 28 March 2009	22.8	4.8	3.1	(5.9)	(1.1)	173.3	197.0
<b>Total comprehensive income for the period</b>	-	-	-	-	0.3	5.7	6.0
Shares purchased to be held in ESOT or as treasury	-	-	-	(0.8)	-	-	(0.8)
Shares released from ESOT and treasury	-	-	-	1.7	-	(1.2)	0.5
Dividends (note 7)	-	-	-	-	-	(3.9)	(3.9)
Share-based payment charges	-	-	-	-	-	1.3	1.3
Tax credited directly to equity (note 5)	-	-	-	-	-	0.2	0.2
<b>At 26 September 2009</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(5.0)</b>	<b>(0.8)</b>	<b>175.4</b>	<b>200.3</b>
<b>Unaudited – 26 weeks ended</b>							
<b>27 September 2008</b>							
At 29 March 2008	22.8	4.8	3.1	(6.0)	0.2	172.8	197.7
<b>Total comprehensive income for the period</b>	-	-	-	-	0.1	7.0	7.1
Shares purchased to be held in ESOT or as treasury	-	-	-	(2.2)	-	-	(2.2)
Shares released from ESOT and treasury	-	-	-	1.6	-	(1.3)	0.3
Dividends (note 7)	-	-	-	-	-	(3.8)	(3.8)
Share-based payment charges	-	-	-	-	-	0.8	0.8
Tax charged directly to equity (note 5)	-	-	-	-	-	(0.1)	(0.1)
<b>At 27 September 2008</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(6.6)</b>	<b>0.3</b>	<b>175.4</b>	<b>199.8</b>
<b>Audited – 52 weeks ended</b>							
<b>28 March 2009</b>							
At 29 March 2008	22.8	4.8	3.1	(6.0)	0.2	172.8	197.7
<b>Total comprehensive income for the period</b>	-	-	-	-	(1.3)	6.4	5.1
Shares purchased to be held in ESOT or as treasury	-	-	-	(2.2)	-	-	(2.2)
Shares released from ESOT and treasury	-	-	-	2.3	-	(1.8)	0.5
Dividends (note 7)	-	-	-	-	-	(5.4)	(5.4)
Share-based payment charges	-	-	-	-	-	1.4	1.4
Tax charged directly to equity (note 5)	-	-	-	-	-	(0.1)	(0.1)
<b>At 28 March 2009</b>	<b>22.8</b>	<b>4.8</b>	<b>3.1</b>	<b>(5.9)</b>	<b>(1.1)</b>	<b>173.3</b>	<b>197.0</b>



**FULLER, SMITH & TURNER P.L.C.**  
**CONDENSED GROUP CASH FLOW STATEMENT**  
**FOR THE 26 WEEKS ENDED 26 SEPTEMBER 2009**

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>26 weeks ended</i>	<i>26 weeks ended</i>	<i>52 weeks ended</i>
	<i>26 September</i>	<i>27 September</i>	<i>28 March</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>
<i>Note</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Group profit before tax</b>	<b>15.1</b>	12.0	14.4
Net finance costs	<b>2.9</b>	3.2	6.2
Exceptional items	<b>(1.0)</b>	-	8.4
Depreciation	<b>5.7</b>	5.6	11.0
Loss on disposal of property, plant and equipment	-	0.1	0.2
Difference between pension charge and cash paid	<b>(0.6)</b>	(0.5)	(0.8)
Share-based payment charges	<b>1.3</b>	0.8	1.4
Change in trade and other receivables	<b>0.6</b>	(2.2)	-
Change in inventories	<b>(0.5)</b>	(0.1)	(0.3)
Change in trade and other payables	<b>3.0</b>	2.0	1.2
<b>Cash generated from operations</b>	<b>26.5</b>	20.9	41.7
Tax paid	<b>(2.7)</b>	(0.1)	(3.7)
<b>Cash generated from operating activities</b>	<b>23.8</b>	20.8	38.0
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	<b>(31.8)</b>	(6.9)	(24.2)
Sale of property, plant and equipment	<b>2.1</b>	0.2	0.5
Interest received	-	0.2	0.2
<b>Net cash outflow from investing activities</b>	<b>(29.7)</b>	(6.5)	(23.5)
<b>Cash flow from financing activities</b>			
Purchase of own shares to be held in ESOT or as treasury	<b>(0.8)</b>	(2.2)	(2.2)
Sale of own shares to option schemes	<b>0.5</b>	0.3	0.5
Interest paid	<b>(2.3)</b>	(3.1)	(6.0)
Preference dividends paid	<b>(0.1)</b>	(0.1)	(0.1)
Equity dividends paid	<b>(3.9)</b>	(3.8)	(5.4)
Drawdown of bank loans	<b>17.5</b>	-	2.5
Repayment of loan notes	<b>(0.1)</b>	(0.2)	(0.5)
Repayment of bank loans	<b>(3.7)</b>	(2.5)	(6.3)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>7.1</b>	(11.6)	(17.5)
<b>Net movement in cash and cash equivalents</b>	<b>1.2</b>	2.7	(3.0)
Cash and cash equivalents at the start of the period	<b>0.9</b>	3.9	3.9
<b>Cash and cash equivalents at the end of the period</b>	<b>2.1</b>	6.6	0.9

There were no significant non-cash transactions during any period.

**FULLER, SMITH & TURNER P.L.C.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. HALF YEAR REPORT**

**Basis of preparation**

These half year financial statements for the 26 weeks ended 26 September 2009, which are abridged and unaudited, have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and International Accounting Standard (IAS) 34, Interim Financial Reporting.

The half year financial statements were approved by the Directors on 20 November 2009.

This half year statement does not constitute full accounts as defined by Section 435 of the Companies Act 2006. The figures for the 52 weeks ended 28 March 2009 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 28 March 2009, including an unqualified auditors' report which did not make any statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

**Significant accounting policies**

The accounting policies adopted are consistent with those applied in the 52 weeks ended 28 March 2009, which are published as part of the accounts for that year and which are available from the Group's website, [www.fullers.co.uk](http://www.fullers.co.uk), except for the adoption of new Standards and Interpretations as of 29 March 2009. The new Standards which have had an impact on the accounting policies, financial position or performance of the Group are detailed below.

***Adoption of new Standards and Interpretations for period commencing 29 March 2009:***

**IFRS 2 Share-based Payment - Vesting Conditions and Cancellations**

This standard has been amended to clarify the definition of vesting conditions and cancellations. The adoption of this amendment required the Group to recalculate the cumulative share based payment expense for outstanding share scheme grants but this did not have a significant effect on the financial position or performance of the Group.

**IFRS 8 Operating Segments**

This standard requires disclosure on segments to be based on information presented to the Board. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group has reviewed its business segments and has now split the Fuller's Inns division into the Managed Pubs and Hotels and Tenanted Inns business segments and as such prior period information also shows the two segments separately. Additional disclosure on the segments is shown in note 2.

**IAS 1 Revised Presentation of Financial Statements**

This revised standard separates owner and non-owner changes in equity. The statement of changes in equity is now shown as a primary statement. The Group has chosen to present the new 'Statement of Comprehensive Income' as a linked statement to the Income Statement rather than as one single statement.

**IAS 23 Borrowing Costs (revised)**

This revised standard requires directly attributable borrowing costs in connection with the acquisition or construction of certain assets to be capitalised. Previously this was optional and the Group has expensed these costs when incurred, except where connected to longer term development projects. In accordance with the transitional requirements this has been adopted prospectively and therefore borrowing costs on qualifying assets have been capitalised from 29 March 2009.

## 1. HALF YEAR REPORT *(continued)*

### ***Change in accounting policy - 52 weeks ended 28 March 2009***

Revenue was previously measured at the fair value of consideration received or receivable, net of discounts, Excise Duty paid by the Group and VAT. The Directors reviewed the accounting policy in relation to the measurement of revenue during the 52 weeks ended 28 March 2009 and revised the policy so that no deduction is made in respect of Excise Duty. Previously the Group had deducted Excise Duty where it was responsible for paying it to HM Revenue & Customs and had included it only where a third party was responsible.

The Group considers that excise duties are not a sales-related tax as: the Group is exposed to the financial risk of non-recovery from its customers; the amount paid is levied on units of production rather than sales price; and there is no obligation to alter sales price in line with changes in duty. Excise Duty has therefore been treated as an operating cost and has not been deducted from revenue.

The Group believes that the revised policy provides more relevant information as to the Group's financial performance as the treatment of Excise Duty is now consistent for all of the Group's relevant sales. In accordance with IFRS, this change is applied retrospectively and the prior period figures are restated as if the amended policy had already been in place. As a result of this change, revenue for the 26 weeks ended 27 September 2008 has been increased by £12.0 million from £94.4 million to £106.4 million and operating costs are correspondingly increased by £12.0 million from £79.2 million to £91.2 million. There is no impact on operating profits or reserves for any period.

## 2. SEGMENTAL ANALYSIS

For management purposes, the Group's business segments are:

- Managed Pubs and Hotels, which comprises managed pubs and managed hotels;
- Tenanted Inns which comprises pubs operated by third parties under tenancy or lease agreements; and
- the Fuller's Beer Company, which comprises brewing and distribution of beer, wines and spirits.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation. Group financing, including finance costs and finance revenue, and taxation are managed on a Group basis.

<b><i>Unaudited - 26 weeks ended 26 September 2009</i></b>	<b><i>Managed Pubs and Hotels</i></b>	<b><i>Tenanted Inns</i></b>	<b><i>Fuller's Beer Company</i></b>	<b><i>Unallocated<sup>1</sup></i></b>	<b><i>Total</i></b>
	<b><i>£m</i></b>	<b><i>£m</i></b>	<b><i>£m</i></b>	<b><i>£m</i></b>	<b><i>£m</i></b>
Revenue					
Segment revenue	71.6	13.3	49.4	-	134.3
Inter-segment sales	-	-	(17.4)	-	(17.4)
<b>Revenue from third parties</b>	<b>71.6</b>	<b>13.3</b>	<b>32.0</b>	<b>-</b>	<b>116.9</b>
Operating profit	9.5	5.0	3.9	(1.4)	17.0
Profit on disposal of properties	1.0	-	-	-	1.0
<b>Segment result</b>	<b>10.5</b>	<b>5.0</b>	<b>3.9</b>	<b>(1.4)</b>	<b>18.0</b>
Net finance costs					(2.9)
<b>Profit before tax</b>					<b>15.1</b>

## 2. SEGMENTAL ANALYSIS (continued)

<i>Unaudited - 26 weeks ended 27 September 2008 (restated<sup>2,3</sup>)</i>	<i>Managed Pubs and Hotels</i>	<i>Tenanted Inns</i>	<i>Fuller's Beer Company</i>	<i>Unallocated<sup>1</sup></i>	<i>Total</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Revenue					
Segment revenue	63.7	13.1	45.5	-	122.3
Inter-segment sales	-	-	(15.9)	-	(15.9)
Revenue from third parties	63.7	13.1	29.6	-	106.4
Operating profit and segment result	7.9	5.1	3.4	(1.2)	15.2
Net finance costs					(3.2)
Profit before tax					12.0
<i>Audited - 52 weeks ended 28 March 2009 (restated<sup>3</sup>)</i>	<i>Managed Pubs and Hotels</i>	<i>Tenanted Inns</i>	<i>Fuller's Beer Company</i>	<i>Unallocated<sup>1</sup></i>	<i>Total</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Revenue					
Segment revenue	124.0	26.0	91.8	-	241.8
Inter-segment sales	-	-	(31.8)	-	(31.8)
Revenue from third parties	124.0	26.0	60.0	-	210.0
Operating profit before exceptional items	12.6	10.2	8.3	(2.1)	29.0
Operating exceptional items	(8.3)	-	(0.1)	-	(8.4)
Operating profit and segment result	4.3	10.2	8.2	(2.1)	20.6
Net finance costs					(6.2)
Profit before tax					14.4

<sup>1</sup> Unallocated expenses represent primarily the salary and costs of central management.

<sup>2</sup> Revenue for the 26 weeks ended 27 September 2008 has been restated as a result of the change in revenue accounting policy for the 52 weeks ended 28 March 2009 (note 1).

<sup>3</sup> Segmental analysis for the 26 weeks ended 27 September 2008 and the 52 weeks ended 28 March 2009 has been restated as a result of the adoption of IFRS8, Operating Segments, to show Managed Pubs and Hotels and Tenanted Inns as separate business segments (note 1).

### 3. EXCEPTIONAL ITEMS

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Amounts included in operating profit:</b>			
Impairment of properties	-	-	(6.9)
Impairment of goodwill	-	-	(0.4)
Onerous lease charge	-	-	(0.8)
Reorganisation costs	-	-	(0.3)
	-	-	(8.4)
Profit on disposal of properties	<b>1.0</b>	-	-
<b>Total exceptional items before tax</b>	<b>1.0</b>	-	<b>(8.4)</b>
<b>Exceptional tax:</b>			
Phased withdrawal of Industrial Buildings Allowances (note 5)	-	(1.2)	(1.2)
Profit on disposal of properties	<b>(0.3)</b>	-	-
Operating expenses	-	-	2.3
<b>Total exceptional tax</b>	<b>(0.3)</b>	(1.2)	1.1
<b>Total exceptional items</b>	<b>0.7</b>	(1.2)	<b>(7.3)</b>

The profit on disposal of properties of £1.0 million during the 26 weeks ended 26 September 2009 relates to the disposal of one licensed and two unlicensed properties.

The property impairment charge of £6.9 million during the 52 weeks ended 28 March 2009 relates to the £6.2 million write down of licensed properties and the £0.7 million write down of investment properties to their recoverable value.

The goodwill impairment charge of £0.4 million during the 52 weeks ended 28 March 2009 relates to the write down of goodwill in relation to the Jacomb Guinness cash-generating unit where the total asset values exceeded their value in use.

The onerous lease charge of £0.8 million during the 52 weeks ended 28 March 2009 relates to additional provisions made in respect of leasehold properties.

The reorganisation costs of £0.3 million during the 52 weeks ended 28 March 2009 were incurred within Managed Pubs and Hotels and the Fuller's Beer Company and relate principally to staff costs.

#### 4. FINANCE REVENUE AND FINANCE COSTS

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Interest receivable from:</b>			
Cash and cash equivalents	-	0.2	0.2
<b>Finance revenue</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>
<b>Interest expense arising on:</b>			
Financial liabilities at amortised cost – borrowings	<b>2.2</b>	3.0	5.7
Financial liabilities at amortised cost – preference shares	<b>0.1</b>	0.1	0.1
Total interest expense for financial liabilities	<b>2.3</b>	3.1	5.8
Finance charge on net pension liabilities	<b>0.5</b>	0.2	0.3
Unwinding of discounts on provisions	<b>0.1</b>	0.1	0.3
<b>Finance costs</b>	<b>2.9</b>	<b>3.4</b>	<b>6.4</b>

## 5. TAXATION

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Tax on profit on ordinary activities</b>			
Current income tax:			
Corporation tax	4.7	3.7	6.8
Total current income tax	<u>4.7</u>	<u>3.7</u>	<u>6.8</u>
Deferred tax:			
Origination and reversal of temporary differences	(0.3)	(0.2)	(2.5)
Charge due to withdrawal of Industrial Buildings Allowances	-	1.2	1.2
Total deferred tax	<u>(0.3)</u>	<u>1.0</u>	<u>(1.3)</u>
<b>Total tax charged in the Income Statement</b>	<b><u>4.4</u></b>	<b><u>4.7</u></b>	<b><u>5.5</u></b>
<b>Tax relating to items charged/(credited) to statement of comprehensive income</b>			
Deferred tax:			
Net gains/(losses) on valuation of financial assets and liabilities	0.1	-	(0.5)
Net actuarial losses on pension schemes	(1.9)	(0.1)	(1.0)
<b>Tax credit included in the Statement of Comprehensive Income</b>	<b><u>(1.8)</u></b>	<b><u>(0.1)</u></b>	<b><u>(1.5)</u></b>
<b>Tax relating to items (credited)/charged directly to equity</b>			
Deferred tax:			
Reduction in deferred tax liability due to indexation	-	(0.2)	-
Share-based payments	(0.1)	0.5	0.3
Current income tax:			
Share-based payments	(0.1)	(0.2)	(0.2)
<b>Tax (credit)/charge included in the Statement of Changes in Equity</b>	<b><u>(0.2)</u></b>	<b><u>0.1</u></b>	<b><u>0.1</u></b>

The taxation charge is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period.

During the 52 weeks ended 28 March 2009 a charge of £1.2 million was recognised as an exceptional cost due to the phased withdrawal of Industrial Buildings Allowances and reflects the loss of allowances in future periods.

## 6. EARNINGS PER SHARE

	<i>Unaudited</i> <b>26 weeks ended</b> <b>26 September</b> <b>2009</b> <b>£m</b>	<i>Unaudited</i> <b>26 weeks ended</b> <b>27 September</b> <b>2008</b> <b>£m</b>	<i>Audited</i> <b>52 weeks ended</b> <b>28 March</b> <b>2009</b> <b>£m</b>
Profit attributable to equity shareholders	<b>10.7</b>	7.3	8.9
Exceptional items net of tax	<b>(0.7)</b>	1.2	7.3
Adjusted earnings attributable to equity shareholders	<b>10.0</b>	8.5	16.2
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Weighted average share capital	<b>55,714,000</b>	55,593,000	55,624,000
Dilutive outstanding options	<b>891,000</b>	726,000	613,000
Diluted weighted average share capital	<b>56,605,000</b>	56,319,000	56,237,000
<b>40p 'A' and 'C' ordinary share</b>	<i>Pence</i>	<i>Pence</i>	<i>Pence</i>
Basic earnings per share	<b>19.21</b>	13.13	16.00
Diluted earnings per share	<b>18.90</b>	12.96	15.83
Adjusted earnings per share	<b>17.95</b>	15.29	29.12
Diluted adjusted earnings per share	<b>17.67</b>	15.09	28.81
<b>4p 'B' ordinary share</b>	<i>Pence</i>	<i>Pence</i>	<i>Pence</i>
Basic earnings per share	<b>1.92</b>	1.31	1.60
Diluted earnings per share	<b>1.89</b>	1.30	1.58
Adjusted earnings per share	<b>1.79</b>	1.53	2.91
Diluted adjusted earnings per share	<b>1.77</b>	1.51	2.88

For the purposes of calculating the number of shares to be used above, 'B' shares have been treated as one tenth of an 'A' or 'C' share. The earnings per share calculation is based on earnings from continuing operations and on the weighted average ordinary share capital which excludes shares held by trusts relating to employee share options and shares held in treasury of 1,270,416 (27 September 2008: 1,391,473 and 28 March 2009: 1,360,363).

Diluted earnings per share are calculated on the same earnings figure as for basic earnings per share, divided by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Adjusted earnings per share are calculated on profit before tax excluding exceptional items and on the same weighted average ordinary share capital as for the basic and diluted earnings per share.



## 7. DIVIDENDS

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Declared and paid during the period</b>			
Final dividend paid in the period	3.9	3.8	3.8
Interim dividend paid in the period	-	-	1.6
<b>Equity dividends paid on ordinary shares</b>	<b>3.9</b>	<b>3.8</b>	<b>5.4</b>
Dividends on cumulative preference shares (note 4)	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
	<i>Pence</i>	<i>Pence</i>	<i>Pence</i>
<b>Dividends per 40p 'A' and 'C' ordinary share declared in respect of the period</b>			
Interim	4.50	2.85	2.85
Final	-	-	7.00
	<b>4.50</b>	<b>2.85</b>	<b>9.85</b>

The pence figures are for the 40p 'A' and 'C' ordinary shares. The 4p 'B' ordinary shares carry dividend rights of one tenth of those applicable to the 40p 'A' ordinary shares. Own shares held in the Fuller, Smith & Turner P.L.C. Employee Share Trust 1998 do not qualify for dividends as the trustees have waived their rights. Dividends are also not paid on own shares held as treasury shares.

The directors have declared an interim dividend of 4.50p (2008: 2.85p) for the 40p 'A' ordinary shares and 40p 'C' ordinary shares, and 0.450p (2008: 0.285p) for the 4p 'B' ordinary shares, with a total estimated cost to the Company of £2.5 million (2008: £1.6 million).

## 8. PROPERTY, PLANT AND EQUIPMENT

	<i>Unaudited</i> <i>26 weeks ended</i> <i>26 September</i> <i>2009</i> <i>£m</i>	<i>Unaudited</i> <i>26 weeks ended</i> <i>27 September</i> <i>2008</i> <i>£m</i>	<i>Audited</i> <i>52 weeks ended</i> <i>28 March</i> <i>2009</i> <i>£m</i>
<b>Net book value at start of period</b>	<b>318.7</b>	<b>312.1</b>	<b>312.1</b>
Additions	31.8	6.3	22.8
Disposals	(0.8)	(0.3)	(0.8)
Transfer from assets held for sale	-	1.8	1.8
Impairment loss	-	-	(6.2)
Depreciation provided during the period	(5.7)	(5.6)	(11.0)
<b>Net book value at end of period</b>	<b>344.0</b>	<b>314.3</b>	<b>318.7</b>

During the 52 weeks ended 28 March 2009, the Group suffered an impairment loss of £6.2 million in respect of the write down of licensed properties purchased in recent years where their asset values exceeded either fair value less costs to sell or their value in use. The impairment losses were driven principally by high individual asset prices in the market at the point of acquisition based on anticipated higher growth rates than are now expected and changes in the local competitive environment in which the pubs are situated.

## 9. ANALYSIS OF NET DEBT

<i>Unaudited - 26 weeks ended</i> <i>26 September 2009</i>	<i>At 28 March</i> <i>2009</i>	<i>Cash flows</i>	<i>Non cash</i>	<i>At 26 September</i> <i>2009</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Cash and cash equivalents:</b>				
Cash and short term deposits	<b>0.9</b>	<b>1.2</b>	-	<b>2.1</b>
<b>Debt due within one year:</b>				
Bank loans	<b>(7.5)</b>	<b>3.7</b>	<b>(3.7)</b>	<b>(7.5)</b>
Loan notes	<b>(1.3)</b>	<b>0.1</b>	-	<b>(1.2)</b>
	<b>(8.8)</b>	<b>3.8</b>	<b>(3.7)</b>	<b>(8.7)</b>
<b>Debt due after one year:</b>				
Bank loans <sup>1</sup>	<b>(57.7)</b>	<b>(17.5)</b>	<b>3.7</b>	<b>(71.5)</b>
Debenture stock	<b>(27.0)</b>	-	-	<b>(27.0)</b>
Preference shares	<b>(1.6)</b>	-	-	<b>(1.6)</b>
	<b>(86.3)</b>	<b>(17.5)</b>	<b>3.7</b>	<b>(100.1)</b>
<b>Net debt</b>	<b>(94.2)</b>	<b>(12.5)</b>	-	<b>(106.7)</b>

<sup>1</sup> The bank loans maturing after more than one year are repayable during November 2010.

<i>Unaudited - 26 weeks ended</i> <i>27 September 2008</i>	<i>At 29 March</i> <i>2008</i>	<i>Cash flows</i>	<i>Non cash</i>	<i>At 27 September</i> <i>2008</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Cash and cash equivalents:				
Cash and short term deposits	3.9	2.7	-	6.6
<b>Debt due within one year:</b>				
Bank loans	(6.3)	2.5	(3.7)	(7.5)
Loan notes	(1.8)	0.2	-	(1.6)
	(8.1)	2.7	(3.7)	(9.1)
<b>Debt due after one year:</b>				
Bank loans	(62.7)	-	3.7	(59.0)
Debenture stock	(27.0)	-	-	(27.0)
Preference shares	(1.6)	-	-	(1.6)
	(91.3)	-	3.7	(87.6)
<b>Net debt</b>	<b>(95.5)</b>	<b>5.4</b>	-	<b>(90.1)</b>

## 9. ANALYSIS OF NET DEBT *(continued)*

<i>Audited - 52 weeks ended</i>	<i>At 29 March</i>			<i>At 28 March</i>
<i>28 March 2009</i>	<i>2008</i>	<i>Cash flows</i>	<i>Non cash</i>	<i>2009</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Cash and cash equivalents:				
Cash and short term deposits	3.9	(3.0)	-	0.9
Debt due within one year:				
Bank loans	(6.3)	6.3	(7.5)	(7.5)
Loan notes	(1.8)	0.5	-	(1.3)
	(8.1)	6.8	(7.5)	(8.8)
Debt due after one year:				
Bank loans	(62.7)	(2.5)	7.5	(57.7)
Debenture stock	(27.0)	-	-	(27.0)
Preference shares	(1.6)	-	-	(1.6)
	(91.3)	(2.5)	7.5	(86.3)
Net debt	(95.5)	1.3	-	(94.2)

## 10. RETIREMENT BENEFIT OBLIGATIONS

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>At 26 September</i>	<i>At 27 September</i>	<i>At 28 March</i>
	<i>2009</i>	<i>2008</i>	<i>2009</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan</b>			
Fair value of plan assets	65.5	57.3	52.1
Present value of scheme liabilities	(80.7)	(62.8)	(60.5)
<b>Deficit in scheme</b>	<b>(15.2)</b>	<b>(5.5)</b>	<b>(8.4)</b>

### Key financial assumptions used in the valuation of the scheme

Rate of increase in salaries	3.70%	3.90%	3.20%
Rate of increase in pensions in payment	3.20%	3.40%	2.70%
Discount rate	5.60%	6.90%	6.70%
Inflation assumption	3.20%	3.40%	2.70%

### Mortality assumptions

The mortality assumptions used in the valuation of the Plan as at 26 September 2009 are as set out in the financial statements for the 52 weeks ended 28 March 2009.

## 10. RETIREMENT BENEFIT OBLIGATIONS *(continued)*

	<i>Value at 26 September 2009 £m</i>	<i>Value at 27 September 2008 £m</i>	<i>Value at 28 March 2009 £m</i>
<b>Assets in the scheme</b>			
Bonds – Government	15.7	5.7	10.1
Bonds – Corporate	4.5	8.5	9.9
Equities	42.7	31.7	27.6
Property	0.5	0.8	0.7
Cash	1.1	9.8	3.0
Annuities	1.0	0.8	0.8
<b>Total market value of assets</b>	<b>65.5</b>	<b>57.3</b>	<b>52.1</b>
	<i>Unaudited 26 weeks ended 26 September 2009 £m</i>	<i>Unaudited 26 weeks ended 27 September 2008 £m</i>	<i>Audited 52 weeks ended 28 March 2009 £m</i>
<b>Movement in deficit during period</b>			
Deficit in scheme at beginning of the period	(8.4)	(5.4)	(5.4)
Movement in period:			
Current service cost	(0.5)	(0.7)	(1.4)
Contributions	1.1	1.2	2.2
Finance charge on net pension liabilities	(0.5)	(0.2)	(0.3)
Net actuarial losses	(6.9)	(0.4)	(3.5)
<b>Deficit in scheme at end of the period</b>	<b>(15.2)</b>	<b>(5.5)</b>	<b>(8.4)</b>

## 11. PRINCIPAL RISKS AND UNCERTAINTIES

Details of the risks and uncertainties which may affect the Company's performance in the next six months are set out in the financial statements for the 52 weeks ended 28 March 2009, which are available on the Fuller's website, [www.fullers.co.uk](http://www.fullers.co.uk). Principal among these risks and uncertainties is that the UK economy remains in recession; with unemployment forecast to rise and taxation rises already announced, consumer spending in the UK is likely to remain under pressure, particularly within the leisure industry. Other key risks also include the impact of new Government regulation, together with the risk that alcohol duties might increase further and our ongoing exposure to incidents which may damage the reputation of the Company or its brands, or our ability to supply our customers.

## 12. SHAREHOLDERS' INFORMATION

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 20 November 2009 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2010. For further details please contact the Company's registrars, Computershare on 0870 702 0003.

### **13. HALF YEAR REPORT**

Copies of the half year report are being sent to shareholders and will be available from the Company's registered office: Griffin Brewery, Chiswick, London W4 2QB and the Company's website [www.fullers.co.uk](http://www.fullers.co.uk).

### **14. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

By order of the Board

Michael Turner *Chairman*

James Douglas *Finance Director*

20 November 2009