



Fuller, Smith and Turner PLC

Half Year Results
for the 26 weeks ended 25 September 2010



Michael Turner
Chairman



Agenda

- Strategy and Corporate Progress
- Financial Results
- Operations
- Prospects



Consistent Strategy

Fundamental objective to maximise shareholder returns by generating high quality, sustainable earnings

- Long term focus
- Culture of style not fashion
- Passion for quality
- Premium positioning
- Pride in our brands
- Continue to expand the business



Financial Highlights

- Revenue up 4% to £121.5m (2009: £116.9m)
- Adjusted* PBT up 11% to £15.7m (2009: £14.1m)
- PBT up 11% to £16.8m (2009: £15.1m)
- EBITDA* up 6% to £24.1m (2009: £22.7m)
- Adjusted* EPS up 11% to 19.96p (2009: 17.95p)
- Basic EPS up 23% to 23.70p (2009: 19.21p)
- Increased interim dividend up 6% to 4.75p[#]

* Excluding exceptional items

[#] Per 40p 'A' or 'C' ordinary share



Corporate Progress

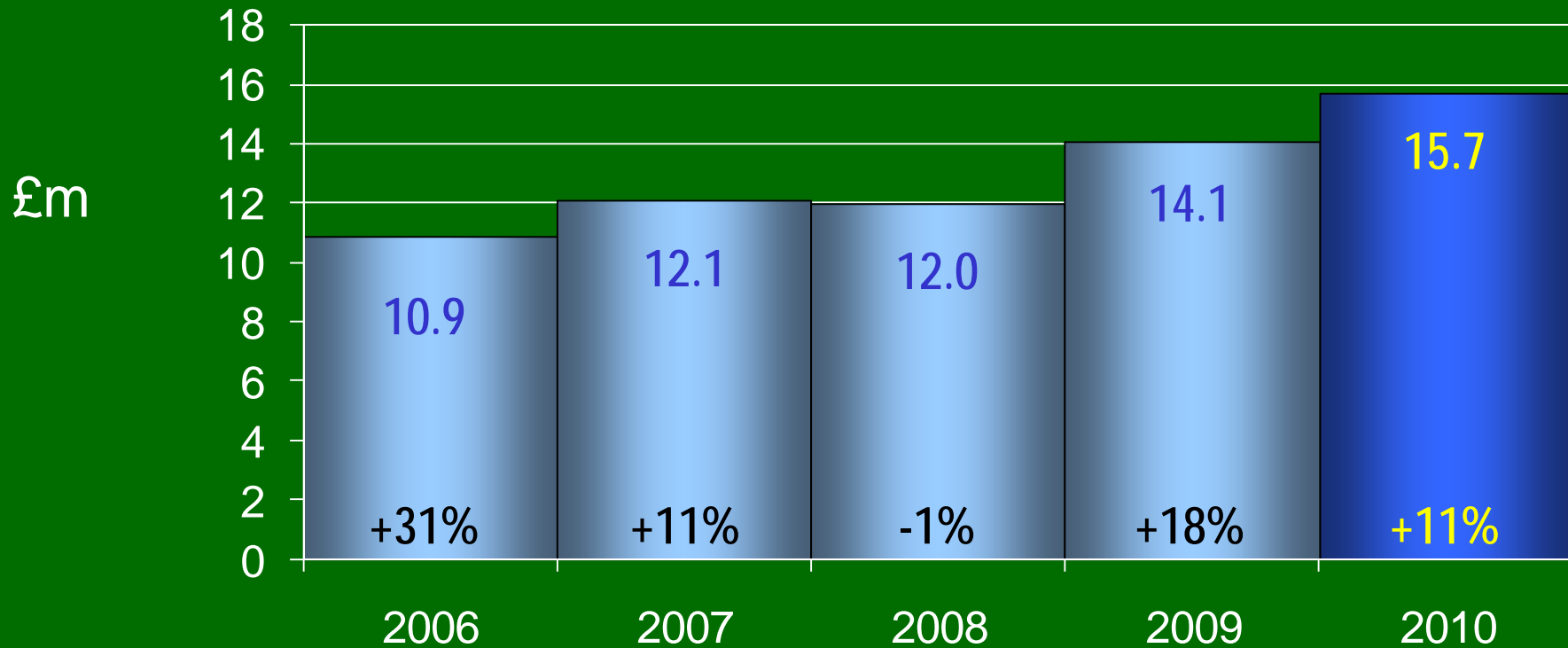
First Half

- Managed Pubs and Hotels LFL sales up 3.3%
- Managed Pubs and Hotels profits up 8%
- Tenanted Inns LFL profits up 1%
- Total Beer volumes up 1%
- Net debt / EBITDA reduced to 2.1 times*

* On the basis of a pro forma EBITDA of £45.0m for the 52 weeks to 25 September 2010



Adjusted Half Year Profits

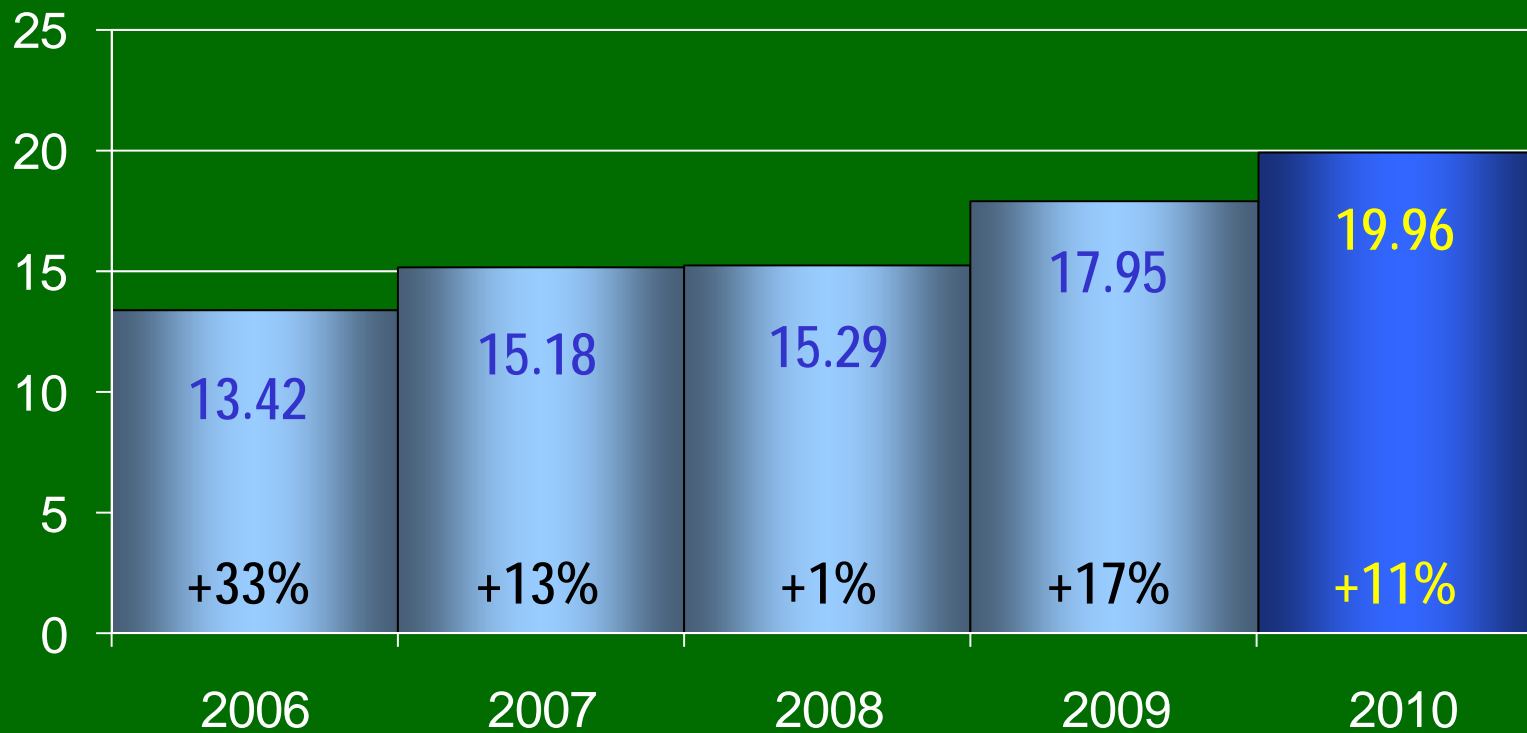


Adjusted profits are profits before tax excluding exceptional items



Adjusted Half Year EPS

Pence
per 40p
'A' or 'C'
share

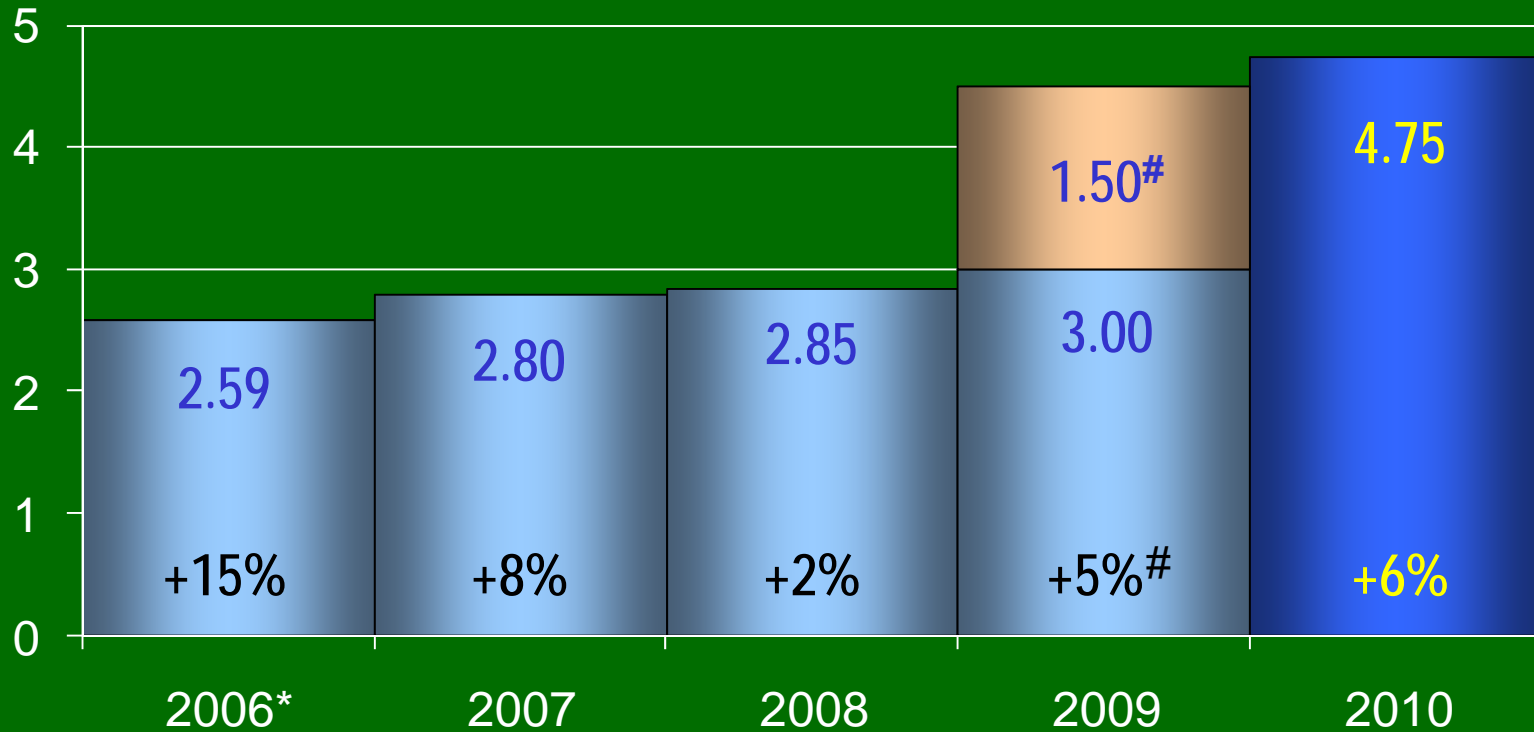


2006 adjusted for the five for two share split



Interim Dividend

Pence
per 40p
'A' or 'C'
share



2009 % increase ignores the 1.50p rebasing of the interim dividend

* 2006 adjusted for the five for two share split



James Douglas
Finance Director



Group Performance

	H1 2010 £m	H1 2009 £m	
Revenue	121.5	116.9	+4%
Operating costs*	(103.4)	(99.9)	+4%
Operating profit*	18.1	17.0	+6%
Net finance costs	(2.4)	(2.9)	-17%
Adjusted profit*	15.7	14.1	+11%
Depreciation	6.0	5.7	+5%
EBITDA*	24.1	22.7	+6%

* Excluding exceptional items

The current financial year will be 53 weeks to 2 April 2011



Managed Pubs and Hotels

Key Figures

	H1 2010	H1 2009	
LFL sales	+3.3%	+2.8%	
Revenue	£74.8m	£71.6m	+4%
Operating costs	£64.5m	£62.1m	+4%
Operating profit*	£10.3m	£9.5m	+8%
Operating margin	13.8%	13.3%	
Depreciation	£4.1m	£3.9m	
EBITDA*	£14.4m	£13.4m	+7%

* Excluding exceptional items



Tenanted Inns

Key Figures

	H1 2010	H1 2009	
LFL profits	+1%	-3%	
Revenue	£13.5m	£13.3m	+2%
Operating costs*	£8.4m	£8.3m	+1%
Operating profit*	£5.1m	£5.0m	+2%
Operating margin	37.8%	37.6%	
Depreciation	£0.8m	£0.8m	
EBITDA*	£5.9m	£5.8m	+2%

* Excluding exceptional items



Fuller's Beer Company

Key Figures

	H1 2010	H1 2009	
Total Beer volumes	+1%	+2%	
Revenue	£51.3m	£49.4m	+4%
Operating costs	£47.2m	£45.5m	+4%
Operating profit	£4.1m	£3.9m	+5%
Operating margin	8.0%	7.9%	
Depreciation	£1.1m	£1.0m	
EBITDA	£5.2m	£4.9m	+6%



Statutory Profit Reconciliation

	H1 2010	H1 2009	
	£m	£m	
Adjusted profit	15.7	14.1	+11%
Exceptional items	1.1	1.0	
Statutory profit before tax	16.8	15.7	+11%
Adjusted earnings per share	19.96p	17.95p	+11%
Basic earnings per share*	23.70p	19.21p	+23%
Effective tax rate on adjusted profits	28.7%	29.1%	

* H1 2010 benefits from a one off deferred tax credit of £1.3m due to the reduction in Corporation Tax Rate to 27% from 1 April 2011



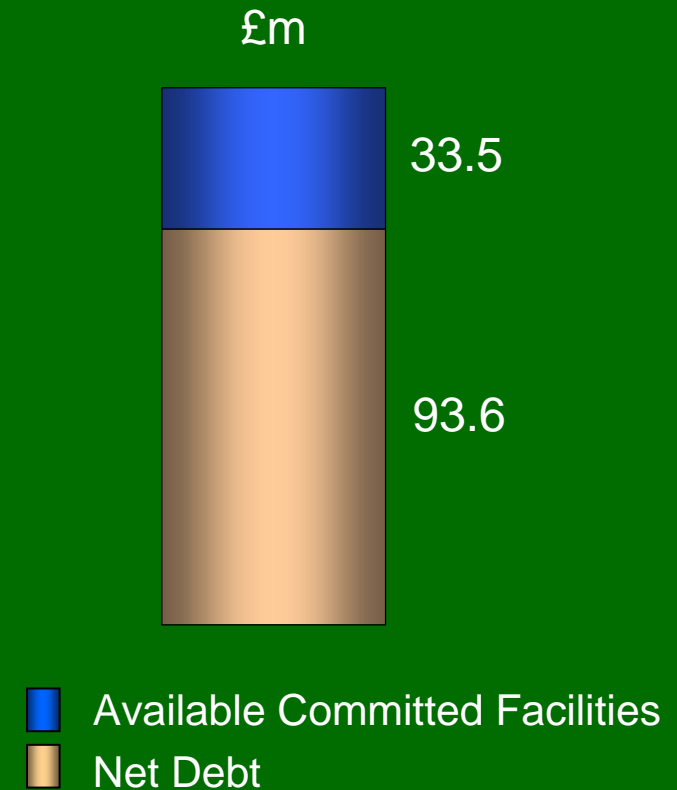
Generation and use of Cash

	H1 2010 £m	H1 2009 £m
EBITDA	24.1	22.7
Share based payment	1.1	1.3
Working capital / other	0.1	3.1
Pension	(0.2)	(0.6)
Interest and refinancing costs	(2.4)	(2.4)
Tax	(3.6)	(2.7)
Capex excluding pub acquisitions	(6.1)	(6.5)
Cash generated	13.0	14.9
Pub acquisitions	-	(25.3)
Property disposals	2.6	2.1
Dividends and share buy backs	(1.4)	(4.2)
Net debt repaid / (increased)	14.2	(12.5)



Borrowing Capacity

- £100m non amortising bank facility for five years to May 2015
- Freedom to add further funding for acquisitions
- Net debt / EBITDA less than 2.1
- More than £33m committed unused facilities at end of H1
- Of new bank debt: £40m fixed / £20m capped until 2015





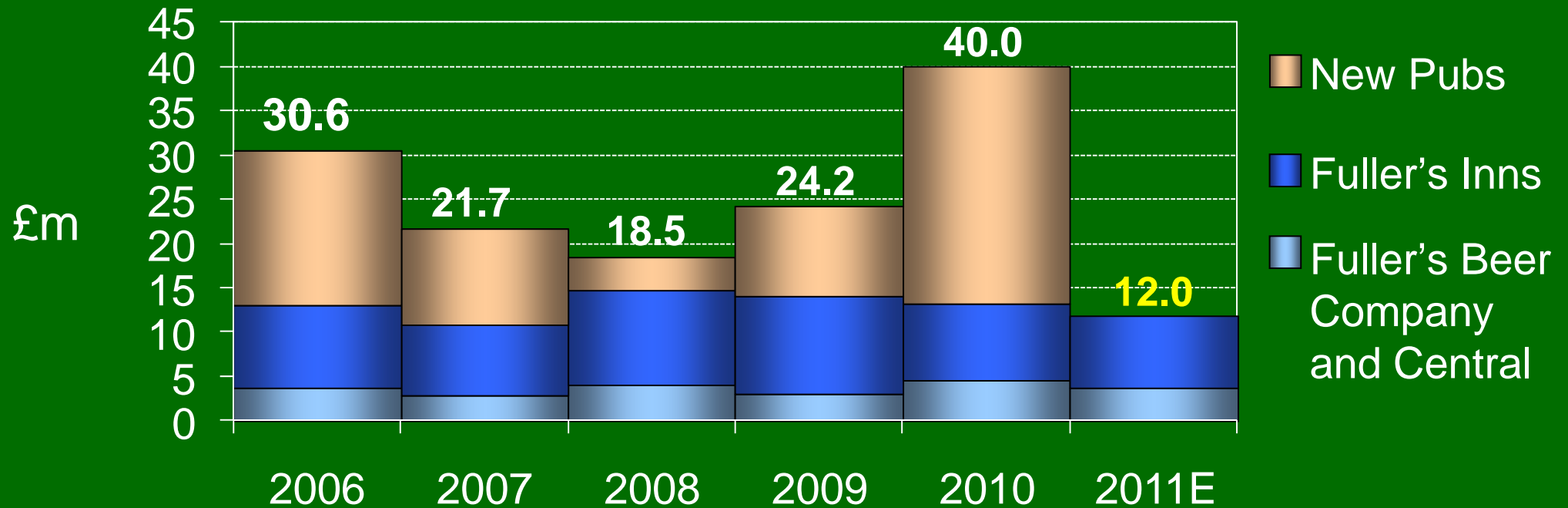
Analysis of Net Finance Costs

	H1 2010 £m	H1 2009 £m	Comment
Bank borrowings	1.0	1.1	£60m hedged
Debentures	1.1	1.1	Fixed rate
Preference shares	0.1	0.1	Fixed rate
Borrowing costs*	2.2	2.3	
Net interest on pension liabilities	0.1	0.5	AA bond rate
Lease discount unwind	0.1	0.1	Notional rate
Total net finance costs	2.4	2.9	

*2010/11 blended cost of borrowings estimated at 4.5% based on current rates



Annual Capital Expenditure



2011E represents the current estimate of capital expenditure for the 53 weeks to 2 April 2011 and includes no allowance for any new pub acquisitions which may be made in this period



Simon Emeny
Group Managing Director



Our Mission Statement

We aim to be the benchmark in retailing and brewing, delivering Quality, Service and Pride in everything we do





Fuller's Inns





Fuller's Inns

Our Strategy

- To continue to improve our premium offer
 - Outstanding cask ale
 - Great wines
 - Delicious food
 - Exemplary customer service
- Acquire more sites for Managed Pubs and Hotels
 - Prime locations and under developed opportunities
- Regularly refresh pubs to attract the more discerning customer
- Exploit accommodation opportunities
- To attract and develop talent at all levels
- Divest sites not meeting our brand criteria



Fuller's Inns

The London Factor

- The most resilient market place in the UK
 - Best growth prospects
 - Favourable demographics for pub operator
- Most visited UK city both internationally and domestic
- A premium city with a global attraction
- Iconic events lined up for 2010 to 2020





Fuller's Inns



March 2010

Disposals

September 2010

Managed Pubs
and Hotels

163

-

163

Tenanted Inns

203

(2)

201

366

(2)

364



Managed Pubs and Hotels

Trading Patterns

- LFL sales up 3.3%
 - Wet + 2.3%
 - Food + 4.2%
 - Accommodation + 11.4%
- Good early summer weather
- Food represents 29% of revenue* (2009: 28%)
- Rooms benefit from higher occupancy levels
- H1 2009 acquisitions fully invested and trading well

** Revenue adjusted to exclude sites where food is franchised out*



Tenanted Inns





Tenanted Inns

Our Priorities

- Targeted investments
- Initiatives targeted to
 - Improve customer experience
 - Improve Tenant profitability
- Provision of support for
 - Cask ale – Master Cellarman
 - Wine – Wine Champions
- RPI rent increases limited to 3% for 2010/11
- Like for like profits up 1% is again sector leading
- Dispose of non-core sites



The Fuller's Beer Company





The Fuller's Beer Company

Our Strategy and Our Goals

- London Pride to remain the UK's leading premium cask ale
- To have an unrivalled portfolio of beers with wide appeal
- To have diversified routes to market
 - Allows us to exploit all opportunities for growth
 - Minimises risk
- To own the premium market position delivering
 - High quality products
 - Exemplary service



The Fuller's Beer Company

Comparison with UK Market

	H1 2010 Fuller's UK Growth	H1 2010 UK Market Growth*	Comparison
Total Beer	-1%	-3%	+2%
Total Ale	-6%	-8%	+2%
Off Trade Ale	+8%	-5%	+13%
Cask Ale	-9%	-7%	-2%

* Source: BBPA



The Fuller's Beer Company

Beer Volumes

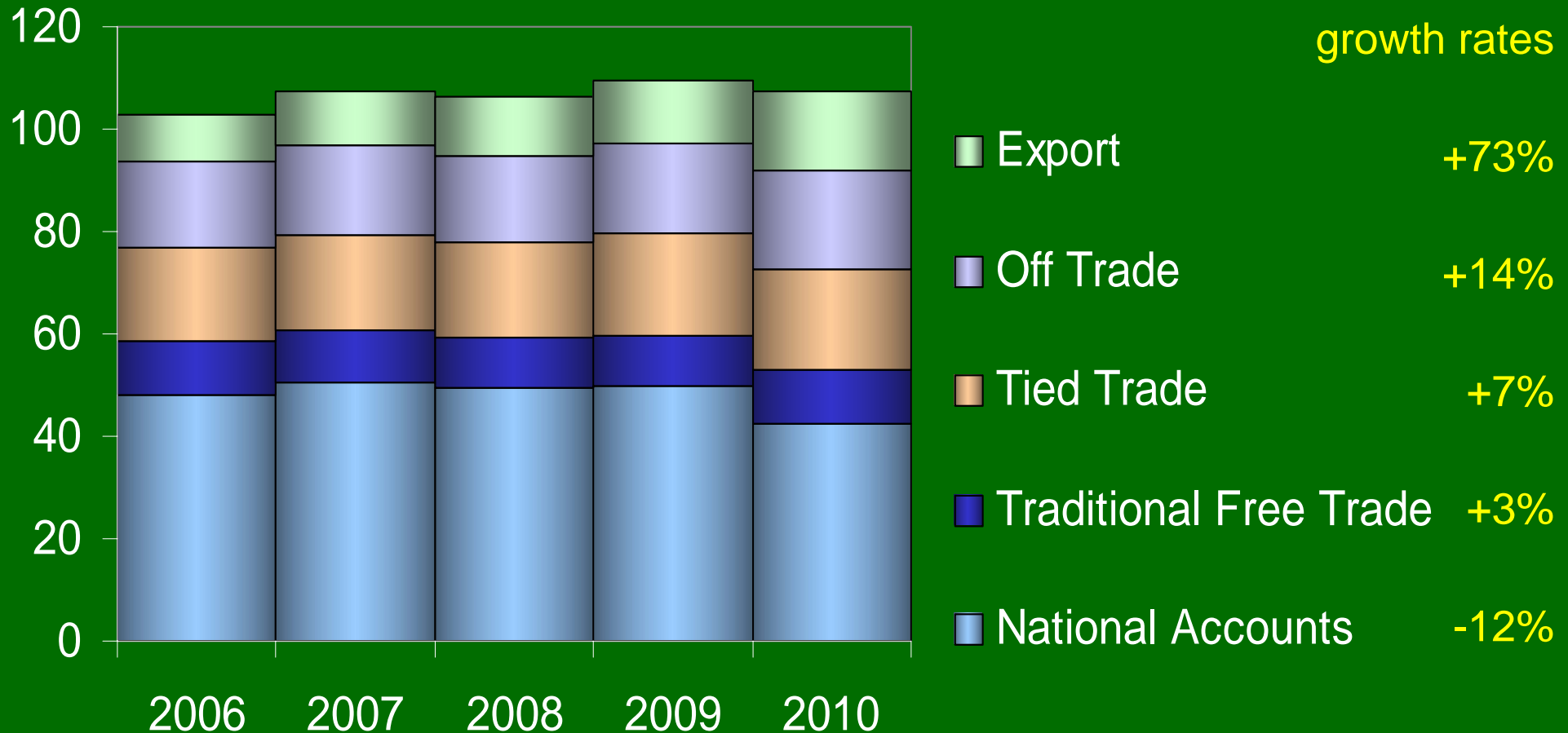
	H1 2010 '000 brls	H1 2009 '000 brls	
Own Beer			
Free On Trade	53.0	59.6	-11%
Fuller's Inns	19.6	19.9	-2%
Off Trade	19.1	17.7	+8%
Exports	15.4	12.3	+25%
Total Own Beer	107.1	109.5	-2%
Foreign Beer	59.0	55.4	+6%
Total Beer	166.1	164.9	+1%



The Fuller's Beer Company

Our Routes to Markets are Evolving

H1 Own Beer Volumes '000 brls

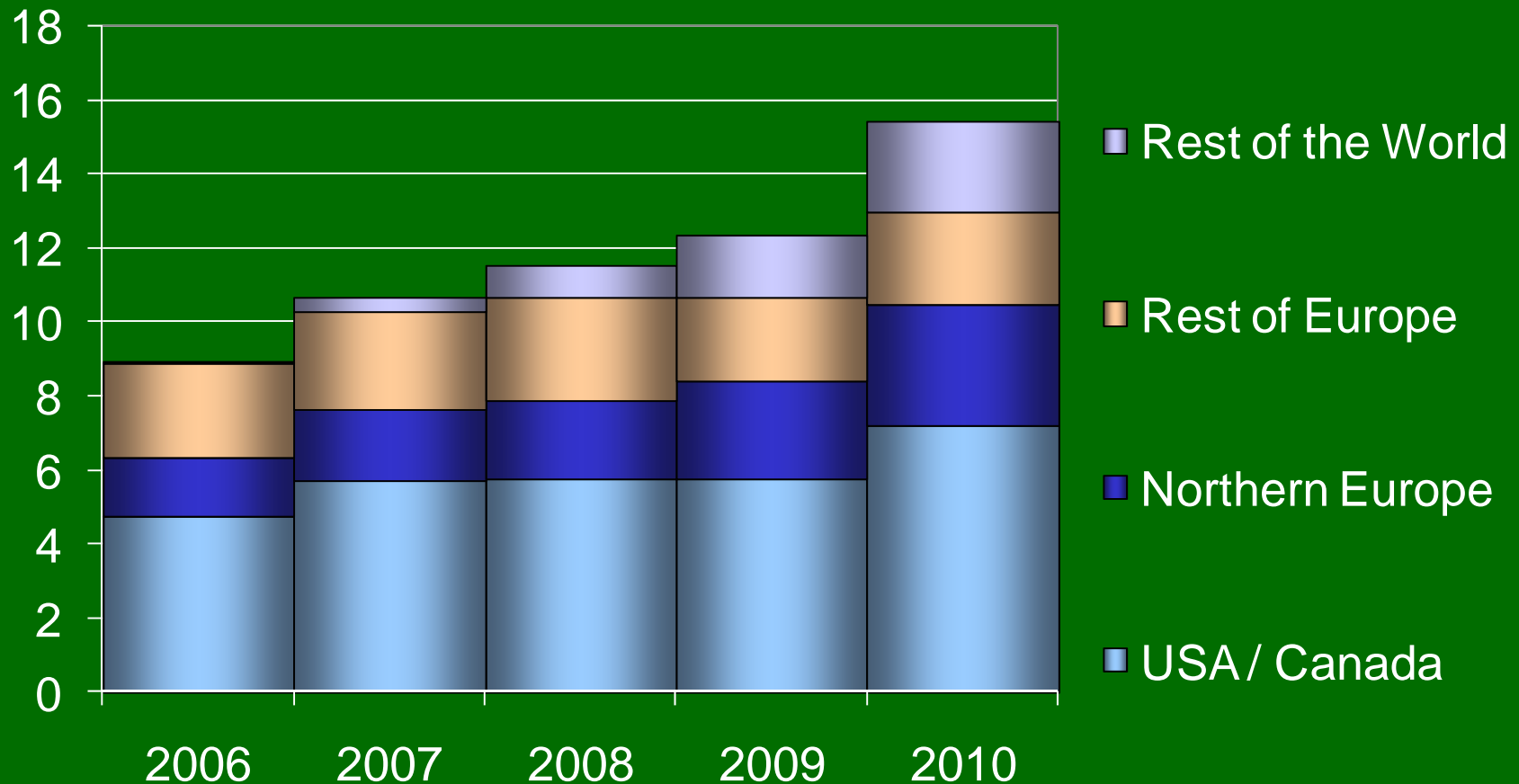




The Fuller's Beer Company

Our Export Growth

H1 Exported Volumes '000 brls





The Fuller's Beer Company Brands Portfolio

- Wide portfolio of premium brands
- Appealing to broad range of customer tastes
- New recruits and seasoned drinkers



- The UK's leading Premium Ale
- New advertising Autumn 2010
- Comprehensive promotions and sponsorship programme





Summary

- A strong set of results
 - Good early summer weather has benefitted trade
 - Benefit from maturity of 2009 acquisitions and projects
 - Accommodation sales have risen strongly
 - Tenanted performance remains best in sector
 - Beer Co successfully adapting to changing markets
 - High profile London Pride marketing investment in place

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FULLERSONLINE.COM



I've always said behind every great
pint of Pride, there's a great brewery.



WHATEVER YOU DO, TAKE

For more of James go to facebook.com/londonj



Prospects

- Managed LFL sales up 3.5% – for 33 weeks
- Second half likely to be tougher than the first
- Reduced exposure to spending cuts in South of England
- Ongoing investment in Estate sets the platform for growth
- New London Pride ad campaign recruiting new drinkers
- Strong brands and strong financial position
- Funds available to capitalise on opportunities

A great example of
British craftsmanship,
and I'm about to
make it disappear.



WHATEVER YOU DO, TAKE PRIDE.

See more of James May at [facebook.com/londonpride](https://www.facebook.com/londonpride)

The fuller flavour.



WWW.FULLERS.CO.UK
WWW.DRINKAWARE.CO.UK

WHATEVER YOU DO, TAKE PRIDE.