



FULLER SMITH & TURNER P.L.C.

Half Year Report
for the 26 weeks ended 29 September 2012





Corporate Progress

- Four pub acquisitions completed since April
- Managed Pubs and Hotels LFL sales up 1.6%
- Managed Pubs and Hotels profits¹ up 5%
- Tenanted Inns profits¹ up 19%
- Tenanted Inns LFL sales up 1%
- Total Beer volumes up 1%

Financial Highlights

for the 26 weeks ended 29 September 2012

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Change 2012/2011	Audited 52 weeks ended 31 March 2012 £m
Revenue	137.9	128.2	8%	253.0
Adjusted profit ²	17.1	16.5	4%	30.3
Adjusted earnings per share ³	23.14p	21.48p	8%	39.82p
EBITDA ⁴	26.9	25.0	8%	47.8
Dividend per share ⁵	5.35p	5.05p	6%	12.65p
Net debt ⁶	137.3	92.5		138.2
Pro forma net debt/EBITDA ⁷	2.7 times	1.9 times		2.7 times

¹ Operating profit before exceptional items. ² Adjusted profit is the profit before tax excluding exceptional items. Statutory profit before tax was £18.1 million (2011: £16.0 million). ³ Calculated using adjusted profit after tax and the same weighted average number of shares as for the basic earnings per share and using a 40p ordinary share. Basic earnings per share were 28.52p (2011: 23.07p). ⁴ Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment and amortisation. ⁵ Calculated on a 40p ordinary share. ⁶ Net debt comprises cash and short term deposits, bank overdraft, bank loans, debenture stock and preference shares. ⁷ Pro forma net debt/EBITDA is adjusted as appropriate for the pubs acquired or disposed of in the period.

Chairman's Statement



Michael Turner

Whatever You Do, Take Pride

HIGHLIGHTS

Despite what has been an extraordinary six months I am pleased to announce a strong set of results, driven by a very encouraging performance from the exciting acquisitions we have made over the past year and a half.

Our revenues rose by 8% to £137.9 million (2011: £128.2 million) and adjusted profit before tax (excluding exceptional items) increased by 4% to £17.1 million (2011: £16.5 million). Our adjusted earnings per share increased by 8% to 23.14p (2011: 21.48p).

⁸ Operating profit before exceptional items

Managed Pubs and Hotels have delivered a robust performance against the backdrop of a unique combination of events in London and the wettest summer in 100 years, with profits⁸ up 5% and like for like sales up 1.6%. The 13 Managed pubs purchased last year have seen considerable focus and investment in this period and their performance in recent months has been particularly encouraging. There is gathering momentum as these pubs climb towards their full trading potential.

Operating profit⁸ in our Tenanted Inns division increased by 19%. Growth was driven by the 17 pubs acquired last year and like for like profits increased 1%. Revenue rose by 15% and our operating margin was up by 1.5% as a result of our proven strategy of adding pubs at the top end of our estate.

The Fuller's Beer Company saw total beer volumes increase by 1%. EBITDA was level with last year however operating profit was down 7% due to increased depreciation from our significant investment in additional conditioning tanks to increase capacity for the Export and Off Trade channels last year. This additional capacity will facilitate anticipated growth over the coming years and is not yet fully utilised.

The British brewing and pub industry continues to contribute a disproportionate amount to government revenues as a result of excessive tax increases over the past five years. This short-sighted policy puts at risk the overwhelmingly positive impact the industry has on employment and local community life. The Group paid total taxes and other government levies of £114 million over the 12 months to September 2012, representing a staggering 36% of total Group



Chairman's Statement continued

revenues including VAT for the same period. I would urge the government to rethink this damaging policy in advance of the 2013 budget.

Continuing our consistent strategy of investing in high quality assets where they are available, we are delighted to have acquired a further four carefully selected pubs since the year end. The Windmill, Waterloo and The Grand Central, Brighton joined our Tenanted division during the first half and a further two excellent pubs in Bath, The Huntsman and The Crystal Palace, were acquired for our Managed estate on 1 November 2012.

DIVIDEND

The Board is pleased to approve an increase of 6% in the interim dividend to 5.35p (2011: 5.05p) per 40p 'A' and 'C' ordinary share and 0.535p (2011: 0.505p) per 4p 'B' ordinary share. This will be paid on 2 January 2013 to shareholders on the share register as at 7 December 2012.

FINANCIAL PERFORMANCE

The Group's net debt has decreased by £0.9 million in the first 26 weeks to £137.3 million, despite investing £7.5 million in development expenditure on pubs acquired during the last financial year and purchasing two pubs. We had £37 million undrawn committed banking facilities at the end of the period.

EBITDA increased by 8% to £26.9 million (2011: £25.0 million) with the ratio of net debt to EBITDA remaining at the year end position of 2.7 times (2011: 1.9 times). As a result, we continue to have flexibility to invest in future opportunities and since the period end

we have acquired an additional two pubs for a further £7.5 million.

Net exceptional credits before tax of £1.0 million comprised a profit on the disposal of non-core properties of £0.6 million, a net reversal of property impairment charges of £0.5 million and £0.1 million of non-cash gains in relation to financial instruments which are not effective for hedge accounting purposes, all offset by £0.2 million of acquisition costs expensed. After exceptional items, profit before tax was up 13% at £18.1 million (2011: £16.0 million). Tax on exceptional items was a credit of £2.0 million, including an exceptional non-cash deferred tax credit of £1.2 million relating to the further reduction in the UK corporation tax rate from 24% to 23% which will come into effect from 1 April 2013. Due to the total impact of these exceptional items, basic earnings per 'A' and 'C' ordinary share rose 24% to 28.52p (2011: 23.07p).

Net finance costs before exceptional items increased by 23% to £2.7 million (2011: £2.2 million) in line with our increased borrowings following the purchase of 30 pubs last year. We expect the blended cost of finance on our debt to be 4.2% for the full year.

The deficit on the defined benefit pension scheme reduced significantly from £19.1 million at the year end to £9.9 million. Asset values rose marginally whilst liabilities fell by £7.5 million, largely as a result of the fall in RPI and CPI and the increased implied yield on longer term corporate bonds.

Tax has been provided for at an effective rate of 24.6% (2011: 26.7%) on adjusted profits. The

Chairman's Statement continued

overall effective tax rate for the period is 12.2% (2011: 18.8%) with both years benefitting from an exceptional deferred tax credit, relating to the next stage in the stepped reduction in the UK corporation tax rate which will be 23% from 1 April 2013.

During the period, 411,000 'A' ordinary shares were purchased by the Company for treasury at a total cost of £3.0 million. In addition, 87,000 'A' ordinary shares, 275,000 'B' ordinary shares and 4,000 'C' ordinary shares were purchased for £0.8 million by the Trustees of the Company's Share Incentive Plan and Long Term Incentive Plan to cover future issuance.

PEOPLE

The 2012 London Olympic Games posed a number of significant challenges for the operation of our pubs in affected areas and the distribution of beer across the capital city. The seamless continuation of smooth and efficient business operations throughout the summer was testament to the dedication and flexibility of our passionate staff. I would personally like to thank all of the Fuller's team for their constant enthusiasm and hard work during this extraordinary period.

CURRENT TRADING AND PROSPECTS

Over the 33 weeks to 17 November 2012 like for like sales in our Managed Pubs and Hotels increased by 2.1%, Tenanted Inns like for like profits were level and our total beer volumes were level. Trading in the last seven weeks should be viewed in the context of the "Indian summer" of October last year. We are looking forward to the months ahead and in particular the important Christmas trading period.

Total capital expenditure for the year is expected to be around £32 million, with any further pub acquisitions beyond the four completed to date being in addition to this. We have a number of major investments underway or planned in the second half of the year, although the closures required will be more comparable to prior periods than the first half. We will continue to pursue our selective acquisitions strategy as attractive opportunities arise.

Whilst the economic outlook remains uncertain, we are confident that the business is well placed for the future, with a healthy balance sheet and a successful long term strategy. The 2012 London Olympic Games showcased our vibrant capital city and generated fantastic goodwill and publicity around the world. We have no doubt that Fuller's historic London heritage and iconic brands will receive an enduring boost for many years to come from this unique summer.

The next Interim Management Statement will be issued on 24 January 2013.

Michael Turner
Chairman

23 November 2012



Group Managing Director's Review



FULLER'S INNS

Fuller's Inns operates both Managed Pubs and Hotels, where we manage the business ourselves, and Tenanted Inns, where we own the pub but it is typically run by a self-employed entrepreneur who sells our beers and operates under the Fuller's brand. At the period end we had 173 Managed Pubs and Hotels and 212 Tenanted Inns in the portfolio.

Acquisitions Strategy

In line with our long term strategy of enhancing the quality of our estate, increasing our London presence and expanding our reach into prosperous areas of the South East, we purchased 30 individually selected, high quality pubs last financial year.

Four of last year's acquisitions were sites with great development potential. After significant

closures allowing full refurbishment work to be done, these pubs were all launched in their new guises between March and April 2012. The Parcel Yard, King's Cross is already our highest volume cask ale pub and The White Swan Hotel, Stratford-upon-Avon has established an excellent reputation as a characterful, boutique hotel appealing to the premium tourist market. The Crown Inn, Bishop's Waltham has been successfully transformed into the local area's finest pub with rooms. Finally, The Tokenhouse, Moorgate is attracting higher income professionals following its redesign and has experienced a consistent uplift in trade since reopening.

Of the remaining nine Managed pubs acquired last year, we have completed several substantial refurbishments in the period. Indeed in our Managed Pubs and Hotels there were 52 weeks of pub closures compared with the more normal 21 weeks in the same period last year. At The Hand & Flower, Kensington Olympia we remodelled the bedrooms and transformed the function room areas. On reopening we have focused on increasing food, cask ale and wine sales, which is already boosting trade. The Market Stores, Reigate, is a traditional pub in the centre of a bustling market town, which was in need of sensitive modernisation and revitalisation. The recent re-launch has generated substantial local interest, with encouraging early trading results.

During the first half of the year, we added another two high footfall, freehold sites to our Tenanted division in September 2012 for £3.9 million: The Windmill, Waterloo and The Grand Central, Brighton. Most recently, on

Group Managing Director's Review *continued*

1 November we acquired two freehold pubs for £7.5 million for the Managed estate. The Huntsman and The Crystal Palace are both exceptional Grade II listed buildings in the heart of Bath's historic city centre and they consolidate our position in this affluent area.

Managed Pubs and Hotels

Like for like sales in our Managed Pubs and Hotels increased by 1.6% during the first six months, with contributions from the 13 pubs acquired last year helping to increase total revenues by 10%, from £78.6 million to £86.1 million. Operating profits before exceptional items rose by 5% to £10.9 million (2011: £10.4 million). EBITDA grew by 7% to £15.7 million (2011: £14.7 million).

Operating margins in the first half declined from 13.2% to 12.7% as a result of the increased number of closure days for refurbishment. Underlying margin was broadly level, with our focus on labour scheduling offsetting inflationary cost pressures elsewhere.

Investment in existing estate

In addition to £3.6 million of expenditure on the substantial redevelopment of pubs acquired last financial year, we have also continued our programme of investing in the existing estate to ensure our pubs are best positioned to serve our customers' needs. We have made significant investments in 12 pubs totalling £1.7 million. This has included improving the layout to drive food, ale and wine sales at both The Turk's Head, Twickenham and The Harrow, Blackfriars. We have invested in upgrading our accommodation to our successful boutique bedroom style at The Swan, Arundel and The Head of the River,

Oxford, which has supported an increase in average room rate at both locations. In addition, The Cross Keys, Hammersmith and The Antelope, Belgravia have both seen investment to enhance the internal decoration of these characterful London pubs and to realise the potential of supplementary trading areas.

Four Pillars

The "four pillars" at the heart of our Managed operations are outstanding cask conditioned ales, delicious food, great wines, and engaging service. The first six months of the year was an unusual trading period, influenced predominantly by the London 2012 Olympic Games with accommodation, food and drinks all delivering like for like sales growth of 10.8%, 2.2% and 0.5% respectively.

Our wide range of perfectly served, quality ales continues to be valued by our customers and our changing seasonal ales are increasingly popular, with Wild River, Summer Ale and Red Fox all performing strongly in the period. Our expert food team regularly work with the brewery to come up with tempting food tie-ins which add interest to our menus. This festive season customers may indulge in dishes including Black Cab Christmas pudding and London Porter smoked salmon.

The Wykeham Arms, Winchester is a good example of where our four pillars have taken an already successful pub to a new level. Recent investment in transforming its bedrooms has been supported by an increased emphasis on food and service. The pub now produces a seasonal menu of top quality dishes using locally-sourced ingredients, served by knowledgeable and enthusiastic staff. This



Group Managing Director's Review *continued*

focus has been rewarded with increased sales and greater profitability. We are delighted that The Wykeham Arms was recently awarded "Town Pub of the Year" by The Good Pub Guide 2013 and two AA Rosettes.

Our food ethos is to use high quality, fresh and where possible, locally sourced ingredients, cooked by chefs in our own kitchens. During the period we have created a new Head of Food role to lead food innovation across the business. We believe this new role will help to grow sales further and ensure our focus on quality is consistent throughout the estate, with increased sharing of best in class recipes, new techniques and quality taste testing. Alongside this we have recently created our own brand of coffee, "Brewer Street" which is a sweet and nutty blend of Fairtrade, organic and Rainforest Alliance certified beans to enhance our coffee offering.

The value of our staff in delivering engaging service has never been more apparent than in a six month period that has seen extraordinary peaks around the Olympic hot spots during August and continually fluctuating demand from unpredictable weather. We place great emphasis on ensuring our staff receive excellent training and are motivated to provide exceptional service to all customers. We also focus on ensuring our front of house staff can talk with confidence about the wide range of ales and wines which we serve.

During the last year we have appointed service coaches, carefully selected for their initiative, enthusiasm and ability to deliver exceptional service. These members of staff have been trained to enable them to develop these same skills in their peers. In October we held our second "Connection Week", an inspiring event for all our pubs where delivering engaging service is a key emphasis.

Accommodation

Our Managed Pubs and Hotels room sales continue to show strong underlying growth and were also augmented by the Olympic Games. Accommodation sales rose 10.8% on a like for like basis over the first six months. Although this unique event will not be repeated we have redeveloped 114 rooms since March, of which half were from recent acquisitions. As a result we

have upgraded 18% of our room estate in the period and are confident that the full benefit of this investment will be seen in the second half of the year.

Digital

We are encouraged by the increase in customer interest and bookings already generated following the launch of our new pubs and hotels websites in May 2012. There has been a 154% increase in visitors to Fuller's websites⁹ which have been shortlisted for a BIMA (British Interactive Media Association) award. Table covers booked online have

MANAGED PUBS AND HOTELS

Major period
of investment
with record
level of
transformational
projects completed.

⁹ Unique visitors in October 2012 compared to October 2011

Group Managing Director's Review continued

doubled in those pubs where we had an online facility before. Accommodation has also benefitted, with 87% more visitors to our hotel pages than a year ago⁹. We are confident that these sites will provide us with an excellent platform for further digital led initiatives, as they are designed for viewing on all mobile technology, with currently 23% of visitors accessing our pub sites from mobile devices.

We have provided free Wi-Fi for our customers since 2008, however the use of Wi-Fi connected devices in our pubs has grown to such an extent that we took the opportunity to upgrade our infrastructure to be able to provide an enhanced service and increase capacity by signing a new deal with O₂ in June 2012.

Tenanted Inns

Following first time contributions from a large proportion of the 17 acquisitions made last financial year, revenue in the Tenanted Inns business expanded by 15% to £15.7 million (2011: £13.7 million). Underlying trading was steady with like for like profits 1% higher than last year. Operating profit before exceptional items increased by 19% to £6.2 million (2011: £5.2 million) and the average EBITDA per pub grew by 8.3% as we saw the benefits from our strategy of continuously improving the overall quality of our estate.

Our philosophy has always been to work with our Tenants to seek opportunities to enhance

and expand their businesses. The strong performance of our Tenanted division throughout the tough economic conditions of the last five years demonstrates this mutually beneficial approach. We aim to establish and maintain an excellent working relationship with all our Tenants and we start this with an Open Day including tasting sessions and a brewery tour. In addition, we have recently introduced a mentoring programme which

aims to provide a support network for new Tenants. This starts before the commencement of a tenancy, giving prospective Tenants an authentic view on what to expect from running a Fuller's Tenanted pub before they sign up. We are delighted that existing Tenants are willing to give up their own time to mentor others and act as advocates for the Fuller's team. One result of this philosophy is that the average length of

tenure of our existing Tenants stands at an industry high of six and a half years.

The new Wi-Fi deal signed with O₂ is now available to our Tenants as well as our Managed pubs. This has been an extremely popular offer with over 150 Tenants asking to sign up in the first month. We have also had a high level of interest in our new service agreement launched in March 2012, with around 50% having signed up already. This complete property compliance package at Group purchasing prices frees up Tenants to focus on running their businesses.

TENANTED INNS
Average EBITDA
per pub has
risen 8%
since last year,
driven by
high quality
acquisitions.

⁹ Unique visitors in October 2012 compared to October 2011



Group Managing Director's Review continued

FULLER'S BEER COMPANY

The Fuller's Beer Company operates a single brewery in Chiswick, London, where we brew all of our own beers. In addition to our own range, we also distribute beer, cider, wine, spirits and soft drinks manufactured by other producers.

During the first half The Fuller's Beer Company saw total beer volumes grow by 1%. Own beer volumes reduced 2%, whilst foreign beer volumes increased 5%. Revenue rose by 5% to £57.7 million (2011: £54.9 million), however the combined effect of damaging UK excise duty rises and depreciation arising from the significant investment made last year in additional conditioning tank capacity resulted in operating profit being 7% lower than last year at £4.3 million (2011: £4.6 million). Before depreciation, EBITDA was level with last year at £5.8 million.

The beer industry faces a number of challenges at present, with the Government continuing its policy of above inflation duty rises each year and the slow economic recovery, combined with austerity measures continuing to put pressure on consumer spending.

Nevertheless, there is a strong consumer trend for experimentation and alongside this is a growing interest in craft beer. We are well positioned to benefit from this as we have a highly skilled, knowledgeable and passionate

team of brewers and a flexible and sophisticated brewery, which can meet the demands of producing a wide range of ales. Our own experience is that our seasonal beers, which add variety on the bar, have been performing strongly. Wild River, which was a new seasonal ale for the summer, proved very popular and we intend to increase our seasonal range to exploit this opportunity. Our latest innovation, Traitors' Gate is a wonderfully

fragrant autumnal ale brewed with Australian Galaxy hops and has just been released as a limited edition.

Complementing the range of seasonal beers are our speciality brews, with this year's additions of Vintage Ale 2012, Brewer's Reserve No 4 and Past Masters Old Burton Extra appealing to both beer connoisseurs and enthusiasts alike.

London Pride remains the UK's leading premium cask

ale and there continue to be significant opportunities within the market, on which we will be focusing over the next 12 months. The latest London Pride marketing campaign focussed on our London provenance and was running throughout the Olympic period. The campaign included London taxis, riverboats and train station poster sites and was targeted to maximise exposure to the capital's additional Olympic Games visitors.

Our own beer volumes sold to supermarkets and multiple retailers increased 13% in the first half of the year. Fuller's range already has a

THE FULLER'S BEER COMPANY

The legacy of the London Olympics will have a long term benefit for our brands and our genuine London heritage.



Group Managing Director's Review *continued*

good presence in these outlets and there remains yet more opportunity in this important channel. The investment made in our brewery last year will allow us to increase our volumes of bottled beers in particular and we are therefore well placed to increase our share of this growing market.

Another important opportunity is our Export business, where following considerable expansion over the last five years, we are continuing to experience growth in both existing and new markets. Key to our successful track record in Export markets is Fuller's London heritage and the breadth of our beer portfolio.

Our wine sales continue to grow strongly in what remains a competitive environment. Our total wine volumes were up 4% on last year and for the first time we have sold over one million litres of wine in the first six months.

Simon Emeny

Group Managing Director

23 November 2012



Condensed Group Income Statement

for the 26 weeks ended 29 September 2012

		Unaudited – 26 weeks ended 29 September 2012		
	Note	Before exceptional items £m	Exceptional items £m	Total £m
Revenue	2	137.9	–	137.9
Operating costs	3	(118.1)	0.3	(117.8)
Operating profit		19.8	0.3	20.1
Profit on disposal of properties	3	–	0.6	0.6
Finance revenue	3, 4	0.3	0.1	0.4
Finance costs	3, 4	(3.0)	–	(3.0)
Profit before tax		17.1	1.0	18.1
Taxation	3, 5	(4.2)	2.0	(2.2)
Profit for the period attributable to equity shareholders of the Parent Company		12.9	3.0	15.9
Earnings per share per 40p 'A' and 'C' ordinary share				Pence
Basic	6			28.52
Diluted	6			28.18
Adjusted	6			23.14
Diluted adjusted	6			22.86
Earnings per share per 4p 'B' ordinary share				
Basic	6			2.85
Diluted	6			2.82
Adjusted	6			2.31
Diluted adjusted	6			2.29

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

Condensed Group Statement of Comprehensive Income

for the 26 weeks ended 29 September 2012

	Note	£m
Profit for the period		15.9
Net losses on valuation of financial assets and liabilities		(0.9)
Net actuarial gains/(losses) on pension scheme	10	8.6
Tax on components of other comprehensive income	5	(2.0)
Other comprehensive income/(loss) for the period, net of tax		5.7
Total comprehensive income for the period, net of tax, attributable to equity shareholders of the Parent Company		21.6

Unaudited – 26 weeks ended 1 October 2011			Audited 52 weeks ended 31 March 2012		
Before exceptional items £m	Exceptional items £m	Total £m	Before exceptional items £m	Exceptional items £m	Total £m
128.2	–	128.2	253.0	–	253.0
(109.5)	(0.9)	(110.4)	(218.1)	(1.9)	(220.0)
18.7	(0.9)	17.8	34.9	(1.9)	33.0
–	0.6	0.6	–	0.6	0.6
0.1	–	0.1	0.3	–	0.3
(2.3)	(0.2)	(2.5)	(4.9)	(0.2)	(5.1)
16.5	(0.5)	16.0	30.3	(1.5)	28.8
(4.4)	1.4	(3.0)	(7.9)	2.8	(5.1)
12.1	0.9	13.0	22.4	1.3	23.7
		Pence			Pence
		23.07			42.13
		22.76			41.62
		21.48			39.82
		21.19			39.34
		2.31			4.21
		2.28			4.16
		2.15			3.98
		2.12			3.93
		£m			£m
		13.0			23.7
		(2.4)			(2.6)
		(9.3)			(13.9)
		2.9			3.7
		(8.8)			(12.8)
		4.2			10.9



Condensed Group Balance Sheet

29 September 2012

		Unaudited At 29 September 2012	Unaudited At 1 October 2011	Audited At 31 March 2012
	Note	£m	£m	£m
Non-current assets				
Intangible assets		30.4	23.9	30.6
Property, plant and equipment	8	407.1	354.4	400.5
Investment properties		4.8	9.9	4.9
Derivative financial assets		–	0.1	–
Other non-current assets		0.3	1.1	0.3
Deferred tax assets		5.4	6.6	7.8
Total non-current assets		448.0	396.0	444.1
Current assets				
Inventories		8.8	7.1	10.5
Trade and other receivables		17.9	17.6	18.3
Cash and short term deposits	9	2.4	3.7	3.9
Total current assets		29.1	28.4	32.7
Assets classified as held for sale		–	0.3	5.3
Current liabilities				
Trade and other payables		40.1	36.4	47.2
Current tax payable		4.4	4.8	3.9
Provisions		0.5	0.3	0.5
Total current liabilities		45.0	41.5	51.6
Non-current liabilities				
Borrowings	9	139.7	96.2	142.1
Derivative financial liabilities		2.3	1.4	1.4
Retirement benefit obligations	10	9.9	15.1	19.1
Deferred tax liabilities		26.9	31.2	30.1
Provisions		2.5	2.0	2.5
Total non-current liabilities		181.3	145.9	195.2
Net assets		250.8	237.3	235.3
Capital and reserves				
Share capital		22.8	22.8	22.8
Share premium account		4.8	4.8	4.8
Capital redemption reserve		3.1	3.1	3.1
Own shares		(9.2)	(2.1)	(8.3)
Hedging reserve		(1.8)	(0.9)	(1.1)
Retained earnings		231.1	209.6	214.0
Total shareholders' equity		250.8	237.3	235.3

Condensed Group Statement of Changes in Equity

for the 26 weeks ended 29 September 2012

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total equity £m
Unaudited – 26 weeks ended 29 September 2012							
At 31 March 2012	22.8	4.8	3.1	(8.3)	(1.1)	214.0	235.3
Profit for the period	–	–	–	–	–	15.9	15.9
Other comprehensive income for the period	–	–	–	–	(0.7)	6.4	5.7
Total comprehensive income for the period	–	–	–	–	(0.7)	22.3	21.6
Shares purchased to be held in ESOT or as treasury	–	–	–	(3.8)	–	–	(3.8)
Shares released from ESOT and treasury	–	–	–	2.9	–	(2.5)	0.4
Dividends (note 7)	–	–	–	–	–	(4.2)	(4.2)
Share-based payment charges	–	–	–	–	–	1.0	1.0
Tax credited directly to equity (note 5)	–	–	–	–	–	0.5	0.5
At 29 September 2012	22.8	4.8	3.1	(9.2)	(1.8)	231.1	250.8
Unaudited – 26 weeks ended 1 October 2011							
At 2 April 2011	22.8	4.8	3.1	(3.1)	0.9	207.7	236.2
Profit for the period	–	–	–	–	–	13.0	13.0
Other comprehensive loss for the period	–	–	–	–	(1.8)	(7.0)	(8.8)
Total comprehensive income for the period	–	–	–	–	(1.8)	6.0	4.2
Shares purchased to be held in ESOT or as treasury	–	–	–	(1.3)	–	–	(1.3)
Shares released from ESOT and treasury	–	–	–	2.3	–	(1.5)	0.8
Dividends (note 7)	–	–	–	–	–	(4.0)	(4.0)
Share-based payment charges	–	–	–	–	–	1.0	1.0
Tax credited directly to equity (note 5)	–	–	–	–	–	0.4	0.4
At 1 October 2011	22.8	4.8	3.1	(2.1)	(0.9)	209.6	237.3
Audited – 52 weeks ended 31 March 2012							
At 2 April 2011	22.8	4.8	3.1	(3.1)	0.9	207.7	236.2
Profit for the period	–	–	–	–	–	23.7	23.7
Other comprehensive loss for the period	–	–	–	–	(2.0)	(10.8)	(12.8)
Total comprehensive income for the period	–	–	–	–	(2.0)	12.9	10.9
Shares purchased to be held in ESOT or as treasury	–	–	–	(8.5)	–	–	(8.5)
Shares released from ESOT and treasury	–	–	–	3.3	–	(2.3)	1.0
Dividends (note 7)	–	–	–	–	–	(6.8)	(6.8)
Share-based payment charges	–	–	–	–	–	1.9	1.9
Tax credited directly to equity (note 5)	–	–	–	–	–	0.6	0.6
At 31 March 2012	22.8	4.8	3.1	(8.3)	(1.1)	214.0	235.3



Condensed Group Cash Flow Statement

for the 26 weeks ended 29 September 2012

		Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
	Note			
Group profit before tax		18.1	16.0	28.8
Net finance costs before exceptional items		2.7	2.2	4.6
Exceptional items	3	(1.0)	0.5	1.5
Depreciation and amortisation		7.1	6.3	12.8
Loss on disposal of property, plant and equipment		–	–	0.1
		26.9	25.0	47.8
Difference between pension charge and cash paid		(0.3)	(0.5)	(0.9)
Share-based payment charges		1.0	1.0	1.9
Change in trade and other receivables		0.3	1.3	0.7
Change in inventories		1.7	1.7	(1.7)
Change in trade and other payables		(4.4)	(3.2)	4.9
Cash impact of operating exceptional items	3	(1.2)	(1.0)	(2.0)
Cash generated from operations		24.0	24.3	50.7
Tax paid		(3.8)	(4.4)	(8.7)
Cash generated from operating activities		20.2	19.9	42.0
Cash flow from investing activities				
Purchase of property, plant and equipment		(10.3)	(8.7)	(21.9)
Business combinations		(3.9)	(10.0)	(52.8)
Sale of property, plant and equipment		5.5	1.6	1.9
Net cash outflow from investing activities		(8.7)	(17.1)	(72.8)
Cash flow from financing activities				
Purchase of own shares		(3.8)	(1.3)	(8.5)
Receipts on release of own shares to option schemes		0.4	0.8	1.0
Interest paid		(2.6)	(2.0)	(4.4)
Preference dividends paid	7	(0.1)	(0.1)	(0.1)
Equity dividends paid	7	(4.2)	(4.0)	(6.8)
Drawdown of bank loans		–	4.0	50.0
Repayment of bank loans		(2.5)	–	–
Cost of refinancing		(0.2)	(0.2)	(0.2)
Net cash (outflow)/inflow from financing activities		(13.0)	(2.8)	31.0
Net movement in cash and cash equivalents	9	(1.5)	–	0.2
Cash and cash equivalents at the start of the period		3.9	3.7	3.7
Cash and cash equivalents at the end of the period	9	2.4	3.7	3.9

Cash and cash equivalents comprise cash and other short term highly liquid investments with a maturity of three months or less. There were no significant non-cash transactions during any period.

Notes to the Financial Statements

1. Half Year Report

Basis of preparation

These half year financial statements for the 26 weeks ended 29 September 2012, which are abridged and unaudited and have not been reviewed by the auditors, 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 23 November 2012.

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 31 March 2012 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 31 March 2012, 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.

On the basis of the strong cash flows generated by the business and the significant headroom available on the bank facilities the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Significant accounting policies

The accounting policies adopted are consistent with those applied in the 52 weeks ended 31 March 2012, which are published as part of the accounts for that year and which are available from the Group's website, www.fullers.co.uk.

2. Segmental Analysis

Unaudited – 26 weeks ended 29 September 2012	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated ¹ £m	Total £m
Revenue					
Segment revenue	86.1	15.7	57.7	–	159.5
Inter-segment sales	–	–	(21.6)	–	(21.6)
Revenue from third parties	86.1	15.7	36.1	–	137.9
Segment result	10.9	6.2	4.3	(1.6)	19.8
Operating exceptional items					0.3
Operating profit					20.1
Profit on disposal of properties					0.6
Net finance costs					(2.6)
Profit before tax					18.1
Other segment information					
Capital expenditure:					
Property, plant and equipment	8.0	0.8	1.5	–	10.3
Business combinations	–	3.9	–	–	3.9
Depreciation and amortisation	4.8	0.8	1.5	–	7.1
Impairment of property	–	0.2	–	–	0.2
Reversal of impairment losses on property	(0.7)	–	–	–	(0.7)

¹ Unallocated expenses represent primarily the salary and costs of central management.



Notes to the Financial Statements continued

2. Segmental Analysis continued

	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated ¹ £m	Total £m
Unaudited – 26 weeks ended 1 October 2011					
Revenue					
Segment revenue	78.6	13.7	54.9	–	147.2
Inter-segment sales	–	–	(19.0)	–	(19.0)
Revenue from third parties	78.6	13.7	35.9	–	128.2
Segment result	10.4	5.2	4.6	(1.5)	18.7
Operating exceptional items					(0.9)
Operating profit					17.8
Profit on disposal of properties					0.6
Net finance costs					(2.4)
Profit before tax					16.0
Other segment information					
Capital expenditure:					
Property, plant and equipment	5.0	0.6	3.1	–	8.7
Business combinations	4.0	6.0	–	–	10.0
Depreciation and amortisation	4.3	0.8	1.2	–	6.3
Reversal of impairment losses on property	(0.1)	–	–	–	(0.1)
Audited – 52 weeks ended 31 March 2012					
Revenue					
Segment revenue	155.7	27.5	109.1	–	292.3
Inter-segment sales	–	–	(39.3)	–	(39.3)
Revenue from third parties	155.7	27.5	69.8	–	253.0
Segment result	18.3	10.3	9.0	(2.7)	34.9
Operating exceptional items					(1.9)
Operating profit					33.0
Profit on disposal of properties					0.6
Net finance costs					(4.8)
Profit before tax					28.8
Other segment information					
Capital expenditure:					
Property, plant and equipment	13.4	1.5	7.0	–	21.9
Business combinations	21.5	31.3	–	–	52.8
Depreciation and amortisation	8.5	1.6	2.7	–	12.8
Impairment of property	0.2	0.1	–	–	0.3
Reversal of impairment losses on property	(2.3)	–	–	–	(2.3)

¹ Unallocated expenses represent primarily the salary and costs of central management.

Notes to the Financial Statements continued

3. Exceptional Items

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Amounts included in operating profit:			
Reversal of impairment on property	0.7	0.1	2.3
Impairment of property	(0.2)	–	(0.3)
Acquisition costs	(0.2)	(1.0)	(3.0)
Onerous lease charges	–	–	(0.9)
Total exceptional items included in operating profit	0.3	(0.9)	(1.9)
Profit on disposal of properties	0.6	0.6	0.6
Exceptional finance revenue/(costs):			
Movement in fair value of financial instruments	0.1	(0.2)	(0.2)
Total exceptional finance revenue/(costs)	0.1	(0.2)	(0.2)
Total exceptional items before tax	1.0	(0.5)	(1.5)
Exceptional tax:			
Change in corporation tax rate (note 5)	1.2	1.3	2.5
Profit on disposal of properties	0.9	(0.2)	(0.1)
Other items	(0.1)	0.3	0.4
Total exceptional tax	2.0	1.4	2.8
Total exceptional items	3.0	0.9	1.3

The reversal of impairment credit of £0.7 million during the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: £0.1 million, 52 weeks ended 31 March 2012: £2.3 million) relates to the write back of previously impaired licensed properties to their recoverable value. The property impairment charge of £0.2 million during the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: £nil, 52 weeks ended 31 March 2012: £0.3 million) represents a write down of licensed properties to their recoverable value.

Acquisition costs of £0.2 million during the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: £1.0 million, 52 weeks ended 31 March 2012: £3.0 million) relate to transaction costs on pub acquisitions. Of these amounts £0.2 million during the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: £0.6 million, 52 weeks ended 31 March 2012: £2.6 million) relates to the purchase of pubs which qualify as business combinations. The additional costs of £0.4 million during the 26 weeks ended 1 October 2011 and 52 weeks ended 31 March 2012 were abortive transaction costs incurred during a proposed acquisition bid.

The onerous lease charge of £0.9 million during the 52 weeks ended 31 March 2012 relates to provisions made in respect of leasehold properties which are currently trading at a loss and which the Directors do not expect to become profitable in the future.

The profit on disposal of properties of £0.6 million during the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: £0.6 million, 52 weeks ended 31 March 2012: £0.6 million) relates to the disposal of two unlicensed properties (26 weeks ended 1 October 2011: five licensed and unlicensed, 52 weeks ended 31 March 2012: six licensed and unlicensed).



Notes to the Financial Statements continued

3. Exceptional Items continued

The movement in fair value of financial instruments of £0.1 million credit for the 26 weeks ended 29 September 2012 (26 weeks ended 1 October 2011: charge of £0.2 million, and 52 weeks ended 31 March 2012: charge of £0.2 million) relates to interest rate swaps and caps which, although considered effective in managing the interest rate risk of the Group's borrowings, do not meet the definition of an effective hedge for hedge accounting purposes.

The cash impact of operating exceptional items before tax for the 26 weeks ended 29 September 2012 was £1.2 million cash outflow (26 weeks ended 1 October 2011: £1.0 million cash outflow, 52 weeks ended March 2012: £2.0 million cash outflow).

4. Finance Revenue and Costs

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Interest receivable from:			
Finance income on net pension liabilities	0.3	0.1	0.3
Finance revenue before exceptional items	0.3	0.1	0.3
Movement in fair value of financial instruments (note 3)	0.1	–	–
Finance revenue	0.4	0.1	0.3
Interest expense arising on:			
Financial liabilities at amortised cost – loans and debentures	2.8	2.1	4.6
Financial liabilities at amortised cost – preference shares	0.1	0.1	0.1
Total interest expense for financial liabilities	2.9	2.2	4.7
Unwinding of discounts on provisions	0.1	0.1	0.2
Finance costs before exceptional items	3.0	2.3	4.9
Movement in fair value of financial instruments (note 3)	–	0.2	0.2
Finance costs	3.0	2.5	5.1

Notes to the Financial Statements continued

5. Taxation

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Tax on profit on ordinary activities			
Current income tax:			
Corporation tax	4.6	4.8	8.2
Total current income tax	4.6	4.8	8.2
Deferred tax:			
Origination and reversal of temporary differences	(1.2)	(0.5)	(0.6)
Change in corporation tax rate	(1.2)	(1.3)	(2.5)
Total deferred tax	(2.4)	(1.8)	(3.1)
Total tax charged in the Income Statement	2.2	3.0	5.1

Tax relating to items charged/credited to the Statement of Comprehensive Income

Deferred tax:			
Change in corporation tax rate	0.3	0.1	0.2
Net losses on valuation of financial assets and liabilities	(0.2)	(0.6)	(0.6)
Net actuarial gains/(losses) on pension scheme	1.9	(2.4)	(3.3)
Tax charge/(credit) included in the Statement of Comprehensive Income	2.0	(2.9)	(3.7)

Tax relating to items charged/credited directly to equity

Deferred tax:			
Reduction in deferred tax liability due to indexation	(0.2)	(0.4)	(0.5)
Share-based payments	-	0.1	0.1
Current tax:			
Share-based payments	(0.3)	(0.1)	(0.2)
Tax credit included in the Statement of Changes in Equity	(0.5)	(0.4)	(0.6)

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 period the Finance Act 2012 has received Royal Assent. The main impact is that the rate of UK corporation tax will reduce from 24% to 23% from 1 April 2013. To the extent that this rate change will affect the amount of future cash tax payments to be made by the Group, this reduces the size of both the Group's balance sheet deferred tax liability and deferred tax asset. The impact in the 26 weeks to 29 September 2012 is an exceptional credit to the income statement of £1.2 million, and a charge to the Statement of Comprehensive Income of £0.3 million. The impact of previous rate changes in the 52 weeks ended 31 March 2012 was an exceptional credit to the income statement of £2.5 million, and a charge to the Statement of Comprehensive Income of £0.2 million.

A further reduction has been proposed, to reduce the rate to 22% on 1 April 2014, however this change has not been substantively enacted and the financial effects will only be recorded in future periods as legislation is introduced.



Notes to the Financial Statements continued

6. Earnings Per Share

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Profit attributable to equity shareholders	15.9	13.0	23.7
Exceptional items net of tax	(3.0)	(0.9)	(1.3)
Adjusted earnings attributable to equity shareholders	12.9	12.1	22.4

	Number	Number	Number
Weighted average share capital	55,743,000	56,340,000	56,250,000
Dilutive outstanding options and share awards	681,000	775,000	695,000
Diluted weighted average share capital	56,424,000	57,115,000	56,945,000

	Pence	Pence	Pence
40p 'A' and 'C' ordinary share			
Basic earnings per share	28.52	23.07	42.13
Diluted earnings per share	28.18	22.76	41.62
Adjusted earnings per share	23.14	21.48	39.82
Diluted adjusted earnings per share	22.86	21.19	39.34

	Pence	Pence	Pence
4p 'B' ordinary share			
Basic earnings per share	2.85	2.31	4.21
Diluted earnings per share	2.82	2.28	4.16
Adjusted earnings per share	2.31	2.15	3.98
Diluted adjusted earnings per share	2.29	2.12	3.93

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 1,241,697 (1 October 2011: 644,439 and 31 March 2012: 734,626).

Diluted earnings per share are calculated using 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.



Notes to the Financial Statements continued

7. Dividends

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Declared and paid during the period			
Final dividend paid in the period	4.2	4.0	4.0
Interim dividend paid in the period	–	–	2.8
Equity dividends paid on ordinary shares	4.2	4.0	6.8
Dividends on cumulative preference shares (note 4)	0.1	0.1	0.1
	Pence	Pence	Pence
Dividends per 40p 'A' and 'C' ordinary share declared in respect of the period			
Interim	5.35	5.05	5.05
Final	–	–	7.60
	5.35	5.05	12.65

The pence figures above 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 employee share trusts 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 5.35p (2011: 5.05p) for the 40p 'A' ordinary shares and 40p 'C' ordinary shares, and 0.535p (2011: 0.505p) for the 4p 'B' ordinary shares, with a total estimated cost to the Company of £3.0 million (2011: £2.8 million).

8. Property, Plant and Equipment

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Net book value at start of period	400.5	342.8	342.8
Additions	9.4	9.5	23.7
Business combinations	3.9	9.2	45.5
Disposals	(0.2)	(0.6)	(1.0)
Transfer to assets held for sale/investment properties	(0.2)	(0.3)	–
Impairment reversals net of loss	0.5	0.1	2.0
Depreciation provided during the period	(6.8)	(6.3)	(12.5)
Net book value at end of period	407.1	354.4	400.5



Notes to the Financial Statements continued

8. Property, Plant and Equipment continued

During the 26 weeks ended 29 September 2012, the Group recognised a reversal of impairment credit of £0.7 million (26 weeks ended 1 October 2011: £0.1 million, 52 weeks ended 31 March 2012: £2.3 million) in respect of the write back of previously impaired licensed properties to their recoverable value and a charge of £0.2 million in respect of the write down of licensed properties to their recoverable value (26 weeks ended 1 October 2011: £nil, 52 weeks ended 31 March 2012: £0.3 million).

9. Analysis of Net Debt

Unaudited – 26 weeks ended 29 September 2012	At 31 March	Cash flows	Non cash ¹	At 29 September
	2012			2012
	£m	£m	£m	£m
Cash and cash equivalents				
Cash and short term deposits	3.9	(1.5)	–	2.4
	3.9	(1.5)	–	2.4
Debt				
Bank loans	(114.7)	2.7	(0.3)	(112.3)
Debenture stock	(25.8)	–	–	(25.8)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(142.1)	2.7	(0.3)	(139.7)
Net debt	(138.2)	1.2	(0.3)	(137.3)

Unaudited – 26 weeks ended 1 October 2011	At 2 April	Cash flows	Non cash ¹	At 1 October
	2011			2011
	£m	£m	£m	£m
Cash and cash equivalents				
Cash and short term deposits	3.7	–	–	3.7
	3.7	–	–	3.7
Debt				
Bank loans	(64.8)	(3.8)	(0.2)	(68.8)
Debenture stock	(25.8)	–	–	(25.8)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(92.2)	(3.8)	(0.2)	(96.2)
Net debt	(88.5)	(3.8)	(0.2)	(92.5)

¹ Non cash movements relate to the amortisation of arrangement fees.

Notes to the Financial Statements continued

9. Analysis of Net Debt continued

Audited – 52 weeks ended 31 March 2012	At 2 April 2011 £m	Cash flows £m	Non cash ¹ £m	At 31 March 2012 £m
Cash and cash equivalents				
Cash and short term deposits	3.7	0.2	–	3.9
	3.7	0.2	–	3.9
Debt				
Bank loans	(64.8)	(49.8)	(0.1)	(114.7)
Debenture stock	(25.8)	–	–	(25.8)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(92.2)	(49.8)	(0.1)	(142.1)
Net debt	(88.5)	(49.6)	(0.1)	(138.2)

¹ Non cash movements relate to the amortisation of arrangement fees, offset by arrangement fees accrued.

10. Retirement Benefit Obligations

	Unaudited At 29 September 2012 £m	Unaudited At 1 October 2011 £m	Audited At 31 March 2012 £m
The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan			
Fair value of plan assets	80.8	73.3	79.1
Present value of scheme liabilities	(90.7)	(88.4)	(98.2)
Deficit in the scheme	(9.9)	(15.1)	(19.1)

Key financial assumptions used in the valuation of the scheme

Rate of increase in salaries	3.30%	3.70%	3.70%
Rate of increase in pensions in payment	2.80%	3.20%	3.20%
Discount rate	4.80%	5.10%	4.60%
Inflation assumption – RPI	2.80%	3.20%	3.20%
Inflation assumption – CPI	2.30%	2.70%	2.70%



Notes to the Financial Statements continued

10. Retirement Benefit Obligations continued

Mortality assumptions

The mortality assumptions used in the valuation of the Plan as at 29 September 2012 are as set out in the financial statements for the 52 weeks ended 31 March 2012.

	Unaudited At 29 September 2012 £m	Unaudited At 1 October 2011 £m	Audited At 31 March 2012 £m
Value of assets in the scheme			
Bonds – Corporate	17.5	15.9	16.3
Equities	35.1	31.0	34.9
Property	0.6	0.6	0.7
Absolute return fund	25.9	24.3	25.6
Cash	0.6	0.4	0.5
Annuities	1.1	1.1	1.1
Total market value of assets	80.8	73.3	79.1

	Unaudited 26 weeks ended 29 September 2012 £m	Unaudited 26 weeks ended 1 October 2011 £m	Audited 52 weeks ended 31 March 2012 £m
Movement in deficit during period			
Deficit in scheme at beginning of the period	(19.1)	(6.4)	(6.4)
Movement in period:			
Current service cost	(0.8)	(0.7)	(1.4)
Contributions	1.1	1.2	2.3
Finance income on net pension liabilities	0.3	0.1	0.3
Net actuarial gains/(losses)	8.6	(9.3)	(13.9)
Deficit in scheme at end of the period	(9.9)	(15.1)	(19.1)



Notes to the Financial Statements continued

11. Post Balance Sheet Event

On 1 November 2012 the Company acquired two pubs from Marston's for £7.5 million: The Crystal Palace and The Huntsman both in Bath, Somerset.

12. Principal Risks and Uncertainties

There has been no change since 31 March 2012 to the risk and uncertainties which may affect the Company's performance in the next six months, details of which are set out in the financial statements for the 52 weeks ended 31 March 2012, and are available on the Fuller's website, www.fullers.co.uk. In summary three different generic types of risk and uncertainty have been identified by the Directors.

- Regulatory risks encompass the risks to the business of increased regulation of the sale of alcohol, health and safety in the workplace and pensions.
- Economic and market conditions include the risk to the business due to the strength or otherwise of the economy, cost pressures, in particular from utilities, the risk of assigned leases reverting to the Group and changes in consumer trends.
- Operational risks such as damage to the Group's property, brands or reputation and reliance on information systems to operate efficiently on a daily basis.

Principal among these risks and uncertainties is the ongoing strength of the UK economy as it faces the possibility of prolonged weakness; with public spending cuts and taxation rises already taking effect, consumer spending in the UK remains under pressure, with the leisure industry particularly vulnerable. Other key risks include the impact of new Government regulation, particularly with regard to future policy on alcohol duties and Off-trade retail pricing, which may impact demand for our products, and our ongoing exposure to incidents which may damage the reputation of the Company or its brands, or our ability to supply our customers.

13. Shareholders' Information

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 23 November 2012 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2013. For further details please contact the Company's registrars, Computershare on 0870 889 4096.



Notes to the Financial Statements continued

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, namely:

- an indication of important events that have occurred during the first six months and their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- disclosure of material related party transactions in the first six months and any material changes to related party transactions.

The Directors of Fuller, Smith & Turner P.L.C. are listed on page 27.

By order of the Board

Michael Turner, *Chairman* **James Douglas**, *Finance Director*

23 November 2012



Directors and Advisers as at 23 November 2012

Directors

Michael Turner, FCA, *Chairman*

Simon Emery, *Group Managing Director*

James Douglas, ACA

Richard Fuller

Ian Bray

Jonathon Swaine

John Dunsmore*

Sir James Fuller, Bt.*

Lynn Fordham, CA*

Alastair Keri*

**Non Executive.*

President

Anthony Fuller, CBE

Secretary and Registered Office

Marie Gracie, FCIS

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Please note you can now advise Computershare of changes to your address or set up a dividend mandate online at www.computershare.com/investor/uk



Bradley Wiggins, winning the Olympic



time trial gold

