



**STRICTLY EMBARGOED
UNTIL 7AM FRIDAY 7 JUNE 2013**

FULLER, SMITH & TURNER P.L.C.

Financial results for the 52 weeks ended 30 March 2013

Financial Performance

- Revenue up 7% to £271.5 million (2012: £253.0 million)
- Adjusted profit before tax¹ up 5% to £31.7 million (2012: £30.3 million)
- Adjusted earnings per share² up 8% to 43.07p (2012: 39.82p)
- EBITDA³ up 7% to £51.2 million (2012: £47.8 million)
- Profit before tax (including exceptional items) of £35.2 million (2012: £28.8 million)
- Basic earnings per share⁴ 52.59p (2012: 42.13p)
- Final dividend up 10% to 8.35p (2012: 7.60p)
- Net debt to EBITDA⁵ 2.6 times (2012: 2.7 times)

Corporate Progress

- Managed Pubs and Hotels total sales up 9%, like for like sales up 2.1% and profits⁶ up 6%
- Agreement signed to open "London's Pride", the only airside pub within the new Terminal 2 at London's Heathrow Airport in 2014
- Tenanted Inns profits⁶ up 18%, like for like profits up 1% and average EBITDA per pub up 9%
- New Beer Company strategy in execution:
 - "Made of London" advertising campaign now live, telling the true stories of London Pride's unique history, provenance and relationship with London
 - Elegant new 500ml bottle launched, with all labels redesigned and updated
 - Launch of Frontier, our new wave craft lager, brewed over 42 days for a more memorable flavour
 - Entry into the premium cider market through acquisition of Cornish Orchards Limited for £3.8m (completed 4 June 2013)
- For the nine weeks to 1 June 2013, Managed Pubs and Hotels like for like sales up 7.0%

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

¹ Adjusted profit is the profit before tax excluding exceptional items.

² 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.

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

⁴ Calculated on a 40p ordinary share

⁵ Pro forma net debt to EBITDA is adjusted as appropriate for the pubs acquired or disposed of in the period.

⁶ Operating profit before exceptional items.

“I am pleased to announce a strong performance by the Group, driven by our pub acquisitions and developments. Our adjusted earnings per share rose by an impressive 8% to 43.07p (2012: 39.82p) and the recommended total dividend also increased 8%, delivering real value to our shareholders.”

“We are excited to be implementing our new Beer Company strategy which features a number of initiatives. We have just launched our latest product innovation, Frontier, a new wave craft lager brewed over 42 days and unpasteurised to satisfy discerning drinkers looking for more flavour. We have also entered into the premium cider market through the recent acquisition of Cornish Orchards and their flagship brand, Cornish Gold, a truly delicious, quality craft cider made from freshly pressed apples.”

“Trading for the current year has started positively and like for like sales in our Managed Pubs and Hotels were up 7.0%. We look forward to the prospect of a year less blighted by the weather in which consumers are inspired to enjoy the summer in the great British pub, or even better, in that pub’s garden.”

Ends

For further information please contact:

Fuller, Smith & Turner P.L.C.

Press Office: 0208 996 2048 / 2135
07824 815366

Email: pr@fullers.co.uk

College Hill

Paul Downes 07900 244888
Justine Warren 07785 555692

Copies of this statement, the Half Year Report and results presentation will be available on the Company’s website, www.fullers.co.uk. The presentation will be available from 12.00 pm on 7 June 2013.

FULLER, SMITH & TURNER P.L.C.

FINANCIAL RESULTS FOR THE 52 WEEKS ENDED 30 MARCH 2013

CHAIRMAN'S STATEMENT

HIGHLIGHTS

I am pleased to announce a strong performance by the Group, driven by our pub acquisitions and developments. We commenced the roll out of our new Beer Company strategy towards the end of the year, which features many exciting initiatives including a new wave craft lager and entry into the premium cider market.

Revenues rose by 7% to £271.5 million (2012: £253.0 million) and adjusted profit before tax grew by 5% to £31.7 million (2012: £30.3 million). Our adjusted earnings per share rose by 8% to 43.07p (2012: 39.82p).

Managed Pubs and Hotels total revenues increased by 9% and like for like sales were up 2.1%. Operating profits⁷ grew 6% despite being subject to a record number of closed weeks as we undertook a substantial level of refurbishment across our estate, including some of our recent acquisitions. During the year we purchased two prominent freehold managed houses in the centre of Bath.

Tenanted Inns operating profit⁷ growth of 18% was driven by a strong contribution from the 2012 acquisitions, together with like for like profits, which were up 1%. We added a further two high quality sites to our Tenanted Inns division during the year and average EBITDA per pub rose by 9%.

Total beer volumes in the Fuller's Beer Company were level with last year, as was EBITDA. However, an increased depreciation charge in the first full year following the significant investment in new tank capacity last year has resulted in operating profits⁷ reducing by 3%.

In March we were delighted to be voted the "Company of the Year" at the PLC Awards. This accolade recognises Fuller's as a company that takes a long term view and has achieved consistent success not only in the growth of our share price, but in laying the foundations for continued prosperity.

The international spotlight has been focussed on London over the last two years, with the Royal wedding, the Queen's Diamond Jubilee and the Olympic Games. These have been wonderful events, through which the nation has celebrated all things British. In particular, I would like to congratulate the London Organising Committee for the Olympic Games on delivering an outstanding success with the London 2012 Games. The legacy of this tremendous promotion of 'brand London' will benefit us for many years to come, both in our iconic London pubs and through our award winning ales which are now enjoyed in some 68 countries around the world.

⁷ Operating profit before exceptional items

DIVIDEND

The Board recommends that a final dividend of 8.35p per 40p “A” and “C” ordinary share and 0.835p per 4p “B” ordinary share be paid on 29 July 2013 to shareholders on the share register as at 28 June 2013. This is a 10% increase on last year’s final dividend. The total dividend per share of 13.70p per 40p “A” and “C” ordinary share and 1.370p per 4p “B” ordinary share represents an 8% increase on last year and will be covered more than three times by adjusted earnings per share.

PEOPLE

The success of the Group is founded upon the dedication and enthusiasm of its many staff. I would like to take this opportunity to thank every one of them for their continuing hard work, without which our good performance this year would not have been possible.

With effect from 1st July, I am delighted that Simon Emeny, currently Group Managing Director, will assume the post of Chief Executive of the Company. Simon personifies all the values that have made this Company strong and he combines this with enormous energy and clear conviction. This is embodied by his vision to create and operate the most stylish pubs and hotels whilst brewing Britain’s most coveted premium brands for discerning customers both at home and abroad.

I look forward to working closely with Simon in the future and watching Fuller’s grow and prosper under his leadership.

FULLER’S INNS

The Fuller’s Inns business comprises two divisions. Managed Pubs and Hotels are operated by Fuller’s employees and include 177 pubs and hotels. The Tenanted Inns division has 209 pubs, where the individual pubs are run by self-employed entrepreneurs, who work in partnership with us, selling our beer and operating under the Fuller’s brand.

Acquisitions and Development

Our acquisitions are carefully targeted towards prime locations in market towns with our target demographics, high footfall locations in transport hubs and iconic pubs in our home city of London. We seek out opportunities where we believe there is potential for growth and where adding the distinctive Fuller’s character and badge of operating excellence to the business will deliver that potential. We make significant investments both in our new acquisitions and within our existing estate where we have identified a site which will benefit from refurbishment and repositioning.

In the current year, two of the pubs acquired from Enterprise Inns in March 2012 have received a transformational refurbishment. At The Horse and Groom in Alresford, through careful restoration we have repositioned the pub to be in keeping with its surroundings and become the premium destination in its locality. The Ox Row, a 16th century pub on the market square in the medieval cathedral city of Salisbury, underwent a similar renovation in March 2013, retaining its original features with a refined finish, and creating a stylish dining room on the first floor which can accommodate 48 covers. Both pubs have now reopened as managed houses and are trading well.

We also invest in refurbishment projects that will deliver further growth in our existing estate. The Duke of Kent in Ealing was refurbished and repositioned as a premium dining destination in October 2012. Careful zoning of the pub and a major kitchen investment have helped to increase food sales by 70% at this site.

In March 2012 we opened the doors to The Parcel Yard, a newly constructed pub in a classic Grade I listed building set across two floors in the striking new King's Cross station concourse. The Parcel Yard has traded ahead of expectations and is now the largest retailer of cask ale in our estate. In addition, we are delighted to have recently signed an agreement with Heathrow Airport for a prominent airside pub in the new Terminal 2 to open in June 2014. This development is a natural evolution for the Company to capitalise upon our existing expertise trading in transport hubs such as London's Waterloo, King's Cross and Paddington stations. Located just eight miles from the brewery, "London's Pride" will showcase the story of Fuller's heritage in a modern setting within one of the world's busiest airports. At this exciting addition to our estate, passengers from home and abroad will be able to sample our array of beers and freshly prepared food or choose a plane picnic from our "Grab & Fly" range.

Managed Pubs and Hotels

Acquisitions and developments completed in the previous year contributed a full year of sales, increasing total revenues for Managed Pubs and Hotels by 9% to £170.1 million (2012: £155.7 million). Like for like sales in our Managed Pubs and Hotels grew 2.1%, led by accommodation up 8.2% which received a one-off benefit from the Olympic Games. Like for like drinks sales up 0.9% were most strongly impacted by the wettest summer and coldest March for a generation. Like for like food sales proved to be more resilient with an increase of 3.9%.

Operating profit before exceptional items increased 6% to £19.4 million (2012: £18.3 million). Operating margins decreased from 11.8% to 11.4%, due to inflation in utilities and business rates in excess of sales growth and the impact of closing and refurbishing a relatively high number of pubs during the year; a total of 73 closed weeks compares to 60 in the prior year. Further progress was achieved on payroll costs following the implementation of labour scheduling software in the last financial year and the benefits of this are expected to continue into 2014.

"Only at Fuller's"

Our strategy is to offer our customers a distinctive experience that makes a visit to a Fuller's pub a special and memorable occasion, setting us apart from our competitors. We do this by offering our unrivalled portfolio of brands, and freshly cooked food delivered in a stylish environment with engaging service.

Our pubs offer an unparalleled range of Fuller's own beers and other premium brands. Our handpicked selection of wines boasts many of which are exclusive to Fuller's in the UK. We have our own coffee brand "Brewer Street", served in eye catching crockery, with a coffee menu offering all the popular variants and indulgent snacks, such as our delicious rich chocolate brownie.

We endeavour to source local ingredients for all our dishes. Our beef and poultry have been exclusively British for over four years. We are taking this a step further by broadening our partnership with our Hampshire butcher, Owtons, to source all beef for our burgers from 40 named farms, with meat traceable back to an individual animal. When you breakfast in a Fuller's hotel, your black pudding will be Fuller's own, made for us by an award winning producer in Hampshire. The pigs that go into our unique pork and HSB sausages will be fed on the spent grain from our Brewery in Chiswick. Classic pub dishes are always available on our menus, executed consistently and to a high standard. By keeping flexibility in our supply chain to source fresh, seasonal and local produce, our chefs are able to exercise creative flair through individual menus tailored to the customers of each of our pubs.

Taking inspiration from our own beer collection we are excited to offer customers a number of appetising beer and food collaborations available only at Fuller's. Following on from the success of London Porter smoked salmon, a hot smoked version was introduced in May 2013. In November we launched Fuller's Black Cab Christmas pudding and the latest treat to grace the Fuller's table is the Fuller's Vintage Ale, date and molasses sticky toffee pudding. Over the coming summer Wild River smoked halibut and bread made from Fuller's own yeast will join this range.

People

Delivering our premium food offer is supported by continual training and development both in our kitchens and through supplementary training. During the year the first twenty-one junior chefs passed the British Institute of Innkeeping Awarding Body ("BIIB") accredited scholarship programme to become sous chefs or head chefs. Our team of classically trained Executive Chefs coach and advise individual chefs within the Company to set rigorous skill and food standards within our kitchens.

We place great importance on recruiting the right people, with a passion for providing good service and training them to equip them with the skills they need to excel and develop their careers within Fuller's. We are investing more than ever before in attracting and developing talent to our pubs through our graduate hospitality scheme and management trainee programme. Now in our third year of training staff on the Wine and Spirits Education Trust foundation programme, we have seen wine sales grow by 13% since we commenced this programme.

In December we launched a new e-learning platform to deliver certified training in health and safety, food hygiene, licensing and the Disability Discrimination Act. Since then, over 1,400 courses have been completed. This approach provides an efficient way to deliver information appropriate to job roles to a wide audience.

Connecting with customers

In May 2012 we launched new mobile-optimised websites for all pubs. Nearly one third of all visits to our websites are currently made from a mobile device and visits are increasingly driven by referrals from social networks.

A key objective of the new websites is to generate online bookings. 23% of online room sales are now made through Fuller's websites rather than agency websites. Online table bookings, available on the websites of around 60 selected pubs, also continue to grow, with online table bookings in March 2013 exceeding those taken in the peak trading month of December.

By the end of the year, the pub websites were receiving 42% more unique visitors than when first launched, and 24% more time was spent on each visit. Dwell time has been increased by the addition of Google Business Photos, to allow the user to take a virtual tour inside the pub, further promoting online bookings. These virtual tours are also available directly through the Google Streetview website and the Griffin Brewery in Chiswick has become the first brewery in the UK through which you can take a virtual tour on Google Streetview.

Tenanted Inns

Driven by the first full year of benefit from the 17 acquisitions in the prior year, the Tenanted Inns business grew revenues by 12% to £30.8 million (2012: £27.5 million). Like for like profits were up 1% and average EBITDA per pub increased 9%, culminating in operating profit before exceptional items 18% higher than last year at £12.2 million (2012: £10.3 million).

We are proud to provide what we believe to be one of the best packages in the marketplace, a statement which is borne out by the average tenure of our tenants exceeding six years - among the highest in the industry. Leading our offer is our premium portfolio of carefully crafted beer brands and hand-picked selection of wines. Tenants have access to food at group purchasing prices and free membership of the British Institute of Innkeeping ("BII"). Our experienced and BIIAB certified Business Development Managers provide advice to tenants on how to grow their business and we offer a number of training courses focussed on different aspects of running a successful pub. We are continually striving to improve the support we provide in all aspects of operations and compliance.

Our tenanted service agreement was launched in March 2012, providing a complete property compliance package at group purchasing prices. We targeted to sign up 100 tenants in the first year, but demand has exceeded this and 123 tenants are now participating in this scheme which helps our tenants to simplify some of their legal and regulatory obligations.

In April 2013 we launched an extranet for our tenants, a one-stop shop to help them manage their business. From this website Fuller's tenants can access compliance documents, financial and stock reports, menu and poster designs and a variety of useful information. The content design for the website was tenant-led and a number of forums were held with tenants to shape and inform the process. The initial launch has met the vast majority of their requirements and we are working to develop and enhance the site in order to meet the remaining needs.

Three years ago we were the first pub group to offer free WiFi to customers in our managed houses. This proved so popular that we have since had to increase the bandwidth to meet demand. During the year we were able to negotiate free WiFi for our tenants from O2, our group provider. As a result, all Fuller's pubs, managed and tenanted, now offer free WiFi. This is an important part of our overall package that allows our tenants to run a great pub and a competitive business.

THE FULLER'S BEER COMPANY

Total beer volumes were level with last year in the context of an ongoing challenging UK market for On Trade beer sales. Own beer volumes reduced 1% and foreign beer volumes increased 3%. Revenues increased by 4% to £113.6 million (2012: £109.1 million). EBITDA was level with last year at £11.7

million, but operating profit before exceptional items was 3% lower than last year at £8.7 million (2012: £9.0 million) due to the increased depreciation charge from the significant investment in additional tank capacity in 2012.

This investment was made to support high growth in the Off Trade and Export areas, which together now account for two in every five barrels sold. Export volumes in particular have grown 97% over the last five years. We focus on growing our core markets, but we also continue to explore new opportunities and now export to 68 countries around the world.

We welcome the recent abolition of the duty escalator on beer, however, successive duty rises above the rate of inflation over many years have taken a lasting toll on our industry. Beer volumes nationally are in decline under the burden of duty and we hope that the Chancellor will give further beer duty reductions to help the British Brewers, together with the British farmers who supply the Barley and the Hops, and the British pub industry of which we are all so proud. Collectively our industry employs almost a million people, and we contribute over £11 billion to the exchequer.

Beer Company Strategy

The UK and worldwide drinks markets are undergoing a period of change. The consumer is increasingly interested in craft products, with local provenance, quality and authenticity. Social media and digital technologies are tipping the competitive landscape towards these producers and away from the mass market giants. Fuller's is, and always has been, a craft producer and our strategy, which we began to rollout towards the end of the year, is to leverage this competitive advantage to grow our existing brands, develop new ones and expand into other craft segments.

Growing Brands

During 2013 we have been laying foundations for future growth through increasing brand equity and extending our portfolio. In April 2013 we began packaging beer into our newly designed bottles. The first redesign of the bottle for 19 years is elegant and distinctive and will enable us to stand out from the competition on shelves both at home and abroad. We have also redesigned every label to complement the new shape and to give all of our beer brands a more contemporary appeal.

Our new advertising campaign – “Made of London” will appear in newspapers and on websites and poster sites around London until July and again in September. “Made of London” engages consumers by telling the fascinating true stories of London Pride and the unique provenance, history and relationship our flagship beer brand has with London. Weaving the past and the present together allows consumers to discover the rich heritage of London's longest standing craft beer.

Developing new Brands

Our most exciting innovation is the launch of Frontier, a new wave craft lager. Pushing the traditional boundaries of lager brewing, this cutting edge beer has been hand-crafted over 42 days to explore new territories in taste. From the imagination of a passionate brewing team, drawing on over 160 years of brewing experience we have created a unique lager with a distinctive flavour. We combine old world malts with new world hops and carefully lager the beer for five weeks for a more memorable taste, with citrus and spicy notes. Frontier is served unpasteurised for additional freshness and so the consumer can enjoy the full flavour in its original splendour. This small batch craft lager will appeal to premium lager drinkers who are interested in a lager with real taste and authenticity. Initially Frontier will be seeded into 50 pubs around the country, allowing consumers to seek it out, before distribution is extended.

We proactively develop our portfolio of beers, providing variety and interest for consumers. We produce a large scale seasonal ale every month, reaching over 100 pubs. Seasonal cask ale volumes are growing 35% year on year, as our customers seek out something new and interesting. This spring we brewed "Brit Hop" featuring eight different British hops, including the award winning Admiral 2012, used for the first time by Fuller's. Seasonal beers that show greatest potential are extended into more permanent beers, with Wild River following the success of Bengal Lancer to become a permanent part of the bottled range.

Expanding into Other Craft Segments

- World Beer

In response to the increasing consumer demand for interesting beers with a genuine history and heritage, we are developing a portfolio of world class beers from around the globe exclusive to Fuller's as UK distributors. These beers are carefully sourced from brewers who share Fuller's passion for brewing and uncompromising quality and the beers are imported from their home brewery, not brewed under license.

The first beer in this range was Veltins, a Pilsner lager, brewed to the German purity law from 1516 and served in traditional Germanic handled glassware. Launched to market in July 2012, Veltins is on target to sell 2,000 barrels in its first year, from a growing distribution base. On 13th May 2013 we launched Chimay Gold draught, from the Chimay Abbey in Belgium, with over 150 years of heritage. This is an authentic Trappist beer, served in traditional two-thirds of a pint goblets, to be savoured and explored. This year is the first time this unfiltered and unpasteurised 4.8% keg beer has been available outside of Chimay Abbey and we are the exclusive UK importer.

- Premium Cider

On 4th June 2013 we purchased 100% of the share capital of Cornish Orchards Limited for £3.8 million. The consideration comprised £2.4 million of cash, £0.5 million of assumed liabilities and £0.9 million contingent consideration payable at a future date. Established in 1999, Cornish Orchards produces premium cider with genuine provenance, hand crafted from freshly pressed apples. The production facilities in Duloe, Cornwall are well invested with potential for further expansion on the site. The flagship brand, Cornish Gold is a refreshing, and truly delicious cider of uncompromising quality, making it a perfect fit with Fuller's outstanding ales. The premium cider market is a strong growth area, with healthy margins and the full award winning range of ciders and artisan soft drinks are ideal for our portfolio, and will provide the opportunity to drive incremental sales through our existing sales channels.

These unique additions to our portfolio allow us to offer a more extensive repertoire of drinks to our consumers.

FINANCIAL PERFORMANCE

Group net debt decreased marginally from £138.2 million at the start of the year to £135.6 million as we re-invested cash generated from operations back into the business. The Group had £37.0 million undrawn committed loan facilities at the end of the year.

EBITDA increased by 7% to £51.2 million (2012: £47.8 million), bringing our pro forma net debt to EBITDA⁸ ratio to 2.6 times (2012: 2.7 times). This level of debt allows us continued flexibility to invest in future opportunities as they arise.

Net exceptional profits before tax of £3.5 million comprised £5.0 million profit on property disposals offset by £0.5 million of acquisition costs expensed and property impairment charges net of reversals of £1.0 million. After exceptional items, profit before tax was therefore £35.2 million (2012: £28.8 million). We further benefitted from an exceptional deferred tax credit of £1.8 million, primarily a credit of £1.2 million relating to the reduction in the UK corporation tax rate from 24% to 23% which came into effect on 1 April 2013, with the balance arising on property disposals and impairments. The total impact of these items meant that basic earnings per share was greater than the adjusted figure at 52.59p (2012: 42.13p).

Our capital spending of £29.6 million included the acquisition of four new pubs (exclusive of acquisition fees and stamp duty) – The Windmill, Waterloo and The Grand Central, Brighton in September 2012 and later in November, The Crystal Palace and Huntsman, two grade II listed properties in the centre of Bath. Capital expenditure last year was significantly higher at £74.7 million due to the acquisition of 30 new pubs and the substantial investment in a number of these sites. Targeted capital expenditure for the coming year of £31.5 million includes £8.4 million of committed pub acquisitions and £2.9 million of committed corporate acquisitions. Uncommitted acquisitions are not included in this figure.

The accounting deficit for defined benefit pensions has decreased by £6.1 million to £13.0 million (2012: £19.1 million). This was driven principally by the increase in the fair value of the plans' assets from £79.1m to £88.9m largely driven by the greater than expected returns on Equity investments and Corporate Bonds.

During the period 411,393 'A' ordinary 40p shares were repurchased into treasury for £2.9 million. In addition 86,500 'A' ordinary 40p shares, 696,752 'B' ordinary 4p shares and 4,935 'C' ordinary 40p shares were purchased for £1.1 million by or on behalf of the Trustees of the Share Incentive Plan and the LTIP Trustees to cover future issuance.

⁸ Pro forma net debt to EBITDA is adjusted as appropriate for the pubs acquired or disposed of in the period

CURRENT TRADING AND PROSPECTS

Over the nine weeks to 1 June 2013 like for like sales in our Managed Pubs and Hotels grew 7.0%, Tenanted Inns like for like profits were down 1% and total beer volumes were down 5%. It is worth noting that beer sales in week 9 last year were up 39% as pubs stocked up heavily in advance of the Diamond Jubilee weekend.

We are well positioned to respond to the continuing uncertainty in the economy over the coming year and will focus our activities towards our three strategic drivers for growth:

Distinctive Pub and Hotel Experience

- “Only at Fuller’s” - creating a distinctive experience through a portfolio of unique products and bespoke menus with local ingredients, delivered with engaging service in a welcoming and stylish environment.

Targeted Acquisition and Development

- Acquiring and developing sites in transport hubs and the heart of market towns and building our portfolio of iconic London pubs.
- Refurbishing and repositioning pubs and hotels to achieve their full potential.

Premium Brand Portfolio

- Innovating and investing to broaden our portfolio of high quality products with genuine craft credentials.
- Growing our brands by communicating these attributes to reinforce their premium positioning and extending our distribution within existing sales channels.

The next Interim Management Statement will be issued in advance of our AGM on 25 July 2013.

Michael Turner
Chairman
7 June 2013

FULLER, SMITH & TURNER P.L.C.
FINANCIAL HIGHLIGHTS
FOR THE 52 WEEKS ENDED 30 MARCH 2013

	<i>52 weeks ended</i> 30 March 2013 £m	<i>52 weeks ended</i> 31 March 2012 £m	Change
Revenue	271.5	253.0	7%
Adjusted profit ¹	31.7	30.3	5%
Profit before tax	35.2	28.8	22%
EBITDA ²	51.2	47.8	7%
Adjusted earnings per share ³	43.07	39.82p	8%
Basic earnings per share ⁴	52.59	42.13p	25%
Total annual dividend per share ⁴	13.70p	12.65p	8%
Net debt ⁵	135.6	138.2	
Pro forma net debt / EBITDA ⁶	2.6 times	2.7 times	

1. *Adjusted profit is the profit before tax excluding exceptional items. The Directors believe that this measure provides useful information for shareholders as to the internal measures of the performance of the Group.*
2. *Pre-exceptional earnings before interest, tax, depreciation, loss on disposal of plant and equipment and amortisation.*
3. *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.*
4. *Calculated on a 40p ordinary share.*
5. *Net debt comprises cash and short term deposits, bank overdraft, bank loans, debenture stock and preference shares.*
6. *Pro forma net debt/EBITDA is adjusted as appropriate for the pubs acquired or disposed of in the period.*

FULLER, SMITH & TURNER P.L.C.
CONDENSED GROUP INCOME STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2013

52 weeks ended 30 March 2013

	<i>Note</i>	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
Revenue	2	271.5	-	271.5
Operating costs	3	(234.5)	(1.5)	(236.0)
Operating profit		37.0	(1.5)	35.5
Profit on disposal of properties	3	-	5.0	5.0
Finance revenue	4	0.6	-	0.6
Finance costs	4	(5.9)	-	(5.9)
Profit before tax		31.7	3.5	35.2
Taxation	3,5	(7.7)	1.8	(5.9)
Profit for the year attributable to equity shareholders of the Parent Company		24.0	5.3	29.3

52 weeks ended 31 March 2012

	<i>Note</i>	<i>Before exceptional items £m</i>	<i>Exceptional items £m</i>	<i>Total £m</i>
Revenue	2	253.0	-	253.0
Operating costs	3	(218.1)	(1.9)	(220.0)
Operating profit		34.9	(1.9)	33.0
Profit on disposal of properties	3	-	0.6	0.6
Finance revenue	4	0.3	-	0.3
Finance costs	3,4	(4.9)	(0.2)	(5.1)
Profit before tax		30.3	(1.5)	28.8
Taxation	3,5	(7.9)	2.8	(5.1)
Profit for the year attributable to equity shareholders of the Parent Company		22.4	1.3	23.7

FULLER, SMITH & TURNER P.L.C.
EARNINGS PER SHARE

		<i>2013</i>	<i>2012</i>
		<i>Pence</i>	<i>Pence</i>
Per 40p 'A' and 'C' ordinary share			
Basic	6	52.59	42.13
Diluted	6	52.09	41.62
Adjusted	6	43.07	39.82
Diluted adjusted	6	42.67	39.34
Per 4p 'B' ordinary share			
Basic	6	5.26	4.21
Diluted	6	5.21	4.16
Adjusted	6	4.31	3.98
Diluted adjusted	6	4.27	3.93

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

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 30 MARCH 2013

		<i>52 weeks ended</i>	<i>52 weeks ended</i>
		<i>30 March</i>	<i>31 March</i>
		<i>2013</i>	<i>2012</i>
	<i>Note</i>	<i>£m</i>	<i>£m</i>
Profit for the year		29.3	23.7
Net losses on valuation of financial assets and liabilities		(0.9)	(2.6)
Net actuarial gains/(losses) on pension scheme	10	5.0	(13.9)
Tax on components of other comprehensive income	5	(1.2)	3.7
Other comprehensive income/(loss) for the year, net of tax		2.9	(12.8)
Total comprehensive income for the year, net of tax, attributable to equity shareholders of the Parent Company		32.2	10.9

FULLER, SMITH & TURNER P.L.C.
CONDENSED GROUP BALANCE SHEET
30 MARCH 2013

	<i>At 30 March</i>	<i>At 31 March</i>
	2013	2012
<i>Note</i>	<i>£m</i>	<i>£m</i>
Non-current assets		
Intangible assets	30.1	30.6
Property, plant and equipment	414.8	400.5
Investment properties	4.2	4.9
Other non-current assets	0.4	0.3
Deferred tax assets	6.1	7.8
Total non-current assets	455.6	444.1
Current assets		
Inventories	10.1	10.5
Trade and other receivables	18.3	18.3
Cash and short term deposits	4.3	3.9
Total current assets	32.7	32.7
Assets classified as held for sale	0.6	5.3
Current liabilities		
Trade and other payables	40.9	47.2
Current tax payable	3.8	3.9
Provisions	1.0	0.5
Total current liabilities	45.7	51.6
Non-current liabilities		
Borrowings	139.9	142.1
Derivative financial liabilities	2.4	1.4
Retirement benefit obligations	13.0	19.1
Deferred tax liabilities	26.7	30.1
Provisions	1.8	2.5
Total non-current liabilities	183.8	195.2
Net assets	259.4	235.3
Capital and reserves		
Share capital	22.8	22.8
Share premium account	4.8	4.8
Capital redemption reserve	3.1	3.1
Own shares	(8.7)	(8.3)
Hedging reserve	(1.8)	(1.1)
Retained earnings	239.2	214.0
Total shareholders' equity	259.4	235.3

FULLER, SMITH & TURNER P.L.C.
CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 30 MARCH 2013

	<i>Share capital</i>	<i>Share premium account</i>	<i>Capital redemp tion reserve</i>	<i>Own shares</i>	<i>Hedging reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
At 2 April 2011	22.8	4.8	3.1	(3.1)	0.9	207.7	236.2
Profit for the year	-	-	-	-	-	23.7	23.7
Other comprehensive loss for the year	-	-	-	-	(2.0)	(10.8)	(12.8)
Total comprehensive (loss)/income for the year	-	-	-	-	(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
Profit for the year	-	-	-	-	-	29.3	29.3
Other comprehensive (loss)/income for the year	-	-	-	-	(0.7)	3.6	2.9
Total comprehensive (loss)/income for the year	-	-	-	-	(0.7)	32.9	32.2
Shares purchased to be held in ESOT or as treasury	-	-	-	(4.0)	-	-	(4.0)
Shares released from ESOT and treasury	-	-	-	3.6	-	(3.1)	0.5
Dividends (note 7)	-	-	-	-	-	(7.2)	(7.2)
Share-based payment charges	-	-	-	-	-	1.9	1.9
Tax credited directly to equity (note 5)	-	-	-	-	-	0.7	0.7
At 30 March 2013	22.8	4.8	3.1	(8.7)	(1.8)	239.2	259.4

FULLER, SMITH & TURNER P.L.C.
CONDENSED GROUP CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 30 MARCH 2013

	<i>52 weeks ended</i> 30 March <i>2013</i>	<i>52 weeks ended</i> <i>31 March</i> <i>2012</i>
<i>Note</i>	<i>£m</i>	<i>£m</i>
Group profit before tax	35.2	28.8
Net finance costs before exceptional items	5.3	4.6
Exceptional items	3 (3.5)	1.5
Depreciation and amortisation	14.2	12.8
Loss on disposal of property, plant and equipment	-	0.1
	51.2	47.8
Difference between pension charge and cash paid	(0.5)	(0.9)
Share-based payment charges	1.9	1.9
Change in trade and other receivables	(0.2)	0.7
Change in inventories	0.4	(1.7)
Change in trade and other payables	(4.0)	4.9
Cash impact of operating exceptional items	3 (1.5)	(2.0)
Cash generated from operations	47.3	50.7
Tax paid	(8.1)	(8.7)
Cash generated from operating activities	39.2	42.0
Cash flow from investing activities		
Business combinations	(11.4)	(52.8)
Purchase of property, plant and equipment	(18.2)	(21.9)
Sale of property, plant and equipment	9.5	1.9
Net cash outflow from investing activities	(20.1)	(72.8)
Cash flow from financing activities		
Purchase of own shares	(4.0)	(8.5)
Receipts on release of own shares to option schemes	0.6	1.0
Interest paid	(5.3)	(4.4)
Preference dividends paid	7 (0.1)	(0.1)
Equity dividends paid	7 (7.2)	(6.8)
Drawdown of bank loans	-	50.0
Repayment of bank loans	(2.5)	-
Cost of refinancing and associated hedging	(0.2)	(0.2)
Net cash (outflow)/inflow from financing activities	(18.7)	31.0
Net movement in cash and cash equivalents	0.4	0.2
Cash and cash equivalents at the start of the year	3.9	3.7
Cash and cash equivalents at the end of the year	9 4.3	3.9

There were no significant non-cash transactions during either year.

FULLER, SMITH & TURNER P.L.C.
NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 30 MARCH 2013

1. PRELIMINARY STATEMENT

The consolidated financial statements of Fuller, Smith & Turner P.L.C. for the 52 weeks ended 30 March 2013 were authorised for issue by the Board of Directors on 7 June 2013.

This statement does not constitute statutory financial statements as defined by Section 435 of the Companies Act 2006. The financial information for the 52 weeks ended 30 March 2013 has been extracted from the statutory financial statements on which an unqualified audit opinion has been issued and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. Statutory financial statements 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.

The Group financial statements are presented in Sterling and all values are shown in millions of pounds (£m) rounded to the nearest hundred thousand pounds, except when otherwise indicated.

The accounting policies used have been applied consistently and are described in full in the statutory financial statements for the 52 weeks ended 30 March 2013, which will be mailed to shareholders on or before 27 June 2013 and delivered to the Registrar of Companies. The financial statements will also be available from the Company's registered office: Griffin Brewery, Chiswick Lane South, Chiswick, London W4 2QB, and on its website, from that date.

Basis of preparation – new accounting standards

The condensed financial information in this statement has been prepared in all material respects on the basis of the accounting policies set out in the Group's 2012 financial statements, and in accordance with applicable accounting standards.

2. SEGMENTAL ANALYSIS

For management purposes, the Group's operating 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 the brewing and distribution of beer, wines and spirits.

The Group's business is vertically integrated. The most important measure used to evaluate the performance of the business is adjusted profit, which is the profit before tax, adjusted for exceptional items. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit. More details of these segments are given in the Group Managing Director's Review. Segment performance is evaluated based on operating profit before exceptional items and is measured consistently with the operating profit before exceptional items in the consolidated financial statements.

Transfer prices between operating 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 operating segments. Those transfers are eliminated on consolidation. Group financing, including finance costs and revenue, and taxation are managed on a Group basis.

52 weeks ended 30 March 2013	Managed Pubs and Hotels £m	Tenanted Inns £m	The Fuller's Beer Company £m	Unallocated¹ £m	Total £m
Revenue					
Segment revenue	170.1	30.8	113.6	-	314.5
Inter-segment sales			(43.0)	-	(43.0)
Revenue from third parties	170.1	30.8	70.6	-	271.5
Segment result	19.4	12.2	8.7	(3.3)	37.0
Operating exceptional items					(1.5)
Operating profit					35.5
Profit on disposal of properties					5.0
Net finance costs					(5.3)
Profit before tax					35.2

2. SEGMENTAL ANALYSIS (continued)

52 weeks ended 31 March 2012	<i>Managed Pubs and Hotels £m</i>	<i>Tenanted Inns £m</i>	<i>The Fuller's Beer Company £m</i>	<i>Unallocated¹ £m</i>	<i>Total £m</i>
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

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

3. EXCEPTIONAL ITEMS

	52 weeks ended 30 March 2013 £m	52 weeks ended 31 March 2012 £m
Amounts included in operating profit:		
Acquisition costs	(0.5)	(3.0)
Impairment of property	(1.8)	(0.3)
Reversal of impairment on property	0.8	2.3
Onerous lease charges	-	(0.9)
Total exceptional items included in operating profit	(1.5)	(1.9)
Profit on disposal of properties	5.0	0.6
Exceptional finance costs:		
Movement in fair value of financial instruments	-	(0.2)
Total exceptional finance costs	-	(0.2)
Total exceptional items before tax	3.5	(1.5)
Exceptional tax:		
Change in corporation tax rate (see note 5)	1.2	2.5
Profit on disposal of properties	(0.1)	(0.1)
Other items	0.7	0.4
Total exceptional tax	1.8	2.8
Total exceptional items	5.3	1.3

3. EXCEPTIONAL ITEMS *(continued)*

Acquisition costs of £0.5 million during the 52 weeks ended 30 March 2013 (2012: £3.0 million) relate to transaction costs on pub acquisitions. Of these amounts £0.5 million during the 52 weeks ended 30 March 2013 (2012: £2.6 million) relates to the purchase of pubs which qualify as business combination. The additional costs of £0.4 million during the 52 weeks ended 31 March 2012 were abortive transaction costs incurred during a proposed acquisition bid.

The property impairment charge of £1.8 million during 52 weeks ended 30 March 2013 (2012: £0.3 million) represents a write down of licensed properties to their recoverable value. The reversal of impairment credit of £0.8 million during the 52 weeks ended 30 March 2013 (2012: £2.3 million) relates to the write back of previously impaired licensed properties to their recoverable value.

The net onerous lease charge of £0.9 million during the 52 weeks ended 31 March 2012 related 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 £5.0 million during the 52 weeks ended 30 March 2013 (2012: £0.6 million) relates to the disposal of five licensed and unlicensed properties (2012: six).

The movement in fair value of financial instruments of £0.2 million for the 52 weeks ended 31 March 2012 related 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 52 weeks ended 30 March 2013 was £1.5 million cash outflow (2012: £2.0 million cash outflow).

4. FINANCE REVENUE AND FINANCE COSTS

	<i>52 weeks ended 30 March 2013 £m</i>	<i>52 weeks ended 31 March 2012 £m</i>
Interest receivable from:		
Finance income on net pension liabilities	0.6	0.3
Finance revenue	0.6	0.3
Interest expense arising on:		
Financial liabilities at amortised cost – loans and debentures	5.5	4.6
Financial liabilities at amortised cost – preference shares	0.1	0.1
Total interest expense for financial liabilities	5.6	4.7
Unwinding of discounts on provisions	0.3	0.2
Total finance costs before exceptional items	5.9	4.9
Movement in fair value of financial instruments (note 3)	-	0.2
Finance costs	5.9	5.1

5. TAXATION

	<i>52 weeks ended 30 March 2013 £m</i>	<i>52 weeks ended 31 March 2012 £m</i>
Tax on profit on ordinary activities		
Current income tax:		
Corporation tax	8.6	8.2
Amounts over provided in previous years	(0.2)	-
Total current income tax	8.4	8.2
Deferred tax:		
Origination and reversal of temporary differences	(1.3)	(0.6)
Change in corporation tax rate	(1.2)	(2.5)
Total deferred tax	(2.5)	(3.1)
Total tax charged in the Income Statement	5.9	5.1
Tax relating to items charged/(credited) to the Statement of Comprehensive Income		
Deferred tax:		
Change in corporation tax rate	0.3	0.2
Net losses on valuation of financial assets and liabilities	(0.2)	(0.6)
Net actuarial gains/(losses) on pension scheme	1.1	(3.3)
Tax charge/(credit) included in the Statement of Comprehensive Income	1.2	(3.7)
Tax relating to items charged directly to equity		
Deferred tax:		
Reduction in deferred tax liability due to indexation	(0.5)	(0.5)
Share-based payments	0.1	0.1
Current tax:		
Share-based payments	(0.3)	(0.2)
Tax credit included in the Statement of Changes in Equity	(0.7)	(0.6)

During the period the Finance Act 2012 has received Royal Assent. The main impact is that the rate of UK corporation tax reduced 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 has reduced the size of both the Group's Balance Sheet deferred tax liability and deferred tax asset. The impact in the 52 weeks to 30 March 2013 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 were an exceptional credit to the Income Statement of £2.5 million, and a charge to the Statement of Comprehensive Income of £0.2 million.

Further reductions have been proposed, to reduce the rate to 21% and 20% on 1 April 2014 and 2015 respectively, however these changes have not yet been substantively enacted and the financial effects will only be recorded in future periods as legislation is introduced. The combined effect of these proposals on the net deferred tax liability at 30 March 2013 would be to reduce the liability by £2.7 million.

6. EARNINGS PER SHARE

	<i>52 weeks ended 30 March 2013 £m</i>	<i>52 weeks ended 31 March 2012 £m</i>
Profit attributable to equity shareholders	29.3	23.7
Exceptional items net of tax	(5.3)	(1.3)
Adjusted earnings attributable to equity shareholders	24.0	22.4
	<i>Number</i>	<i>Number</i>
Weighted average share capital	55,717,000	56,250,000
Dilutive outstanding options and share awards	534,000	695,000
Diluted weighted average share capital	56,251,000	56,945,000
	<i>Pence</i>	<i>Pence</i>
40p 'A' and 'C' ordinary share		
Basic earnings per share	52.59	42.13
Diluted earnings per share	52.09	41.62
Adjusted earnings per share	43.07	39.82
Diluted adjusted earnings per share	42.67	39.34
4p 'B' ordinary share		
Basic earnings per share	5.26	4.21
Diluted earnings per share	5.21	4.16
Adjusted earnings per share	4.31	3.98
Diluted adjusted earnings per share	4.27	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 1,267,808 (2012: 734,626).

Diluted earnings per share amounts 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 year 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. An adjusted earnings per share measure has been included as the Directors consider that this measure better reflects the underlying earnings of the Group.

7. DIVIDENDS

	<i>52 weeks ended 30 March 2013 £m</i>	<i>52 weeks ended 31 March 2012 £m</i>
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for 2012: 7.60p (2011: 7.05p)	4.2	4.0
Interim dividend for 2013: 5.35p (2012: 5.05p)	3.0	2.8
Equity dividends paid	7.2	6.8
Dividends on cumulative preference shares (note 4)	0.1	0.1
Proposed for approval at the AGM		
Final dividend for 2013: 8.35p (2012: 7.60p)	4.7	4.2

The pence figures above are for the 40p 'A' ordinary shares and 40p '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.

8. PROPERTY, PLANT AND EQUIPMENT

	<i>Land & buildings £m</i>	<i>Plant, machinery & vehicles £m</i>	<i>Containers, fixtures & fittings £m</i>	<i>Total £m</i>
Cost				
At 2 April 2011	324.7	28.6	94.6	447.9
Additions	7.6	4.5	11.6	23.7
Acquisitions	44.7	0.1	0.7	45.5
Disposals	(2.1)	(0.5)	(2.7)	(5.3)
At 31 March 2012	374.9	32.7	104.2	511.8
Additions	4.9	1.0	11.7	17.6
Acquisitions	10.8	-	0.6	11.4
Disposals	(0.2)	(0.2)	(3.1)	(3.5)
Transfers to/from investment properties	0.4	-	-	0.4
At 30 March 2013	390.8	33.5	113.4	537.7
Depreciation and impairment				
At 2 April 2011	22.8	17.9	64.4	105.1
Provided during the year	2.0	1.7	8.8	12.5
Impairment reversals net of loss	(2.0)	-	-	(2.0)
Disposals	(1.3)	(0.5)	(2.5)	(4.3)
At 31 March 2012	21.5	19.1	70.7	111.3
Provided during the year	2.2	2.0	9.5	13.7
Impairment loss net of reversals	1.0	-	-	1.0
Disposals	-	(0.2)	(2.9)	(3.1)
At 30 March 2013	24.7	20.9	77.3	122.9
Net book value at 30 March 2013	366.1	12.6	36.1	414.8
Net book value at 31 March 2012	353.4	13.6	33.5	400.5
Net book value at 2 April 2011	301.9	10.7	30.2	342.8

During the 52 weeks ended 30 March 2013, the Group recognised an impairment loss of £1.8 million (2012: £0.3 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 changes in the local competitive environment in which the pubs are situated. Following an improvement in trading performance and an increase in the amounts of estimated future cash flows of certain previously impaired sites, reversals of £0.8 million were recognised during the 52 weeks ended 30 March 2013 (2012: £2.3 million).

9. ANALYSIS OF NET DEBT

52 weeks ended 30 March 2013	At 31 March	Cash flows	Non-cash¹	At 30 March
	2012			2013
	£m	£m	£m	£m
Cash and cash equivalents:				
Cash and short term deposits	3.9	0.4	-	4.3
	3.9	0.4	-	4.3
Debt:				
Bank loans	(114.7)	2.7	(0.5)	(112.5)
Debenture stock	(25.8)	-	-	(25.8)
Preference shares	(1.6)	-	-	(1.6)
	(142.1)	2.7	(0.5)	(139.9)
Net debt	(138.2)	3.1	(0.5)	(135.6)

52 weeks ended 31 March 2012	At 2 April	Cash flows	Non-cash¹	At 31 March
	2011			2012
	£m	£m	£m	£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)
	(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

	<i>At 30 March</i>	<i>At 31 March</i>
	2013	2012
	<i>£m</i>	<i>£m</i>
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	88.9	79.1
Present value of scheme liabilities	(101.9)	(98.2)
Deficit in the scheme	(13.0)	(19.1)

Key financial assumptions used in the valuation of the scheme

Rate of increase in salaries	3.80%	3.70%
Rate of increase in pensions in payment	3.30%	3.20%
Discount rate	4.60%	4.60%
Inflation assumption - RPI	3.30%	3.20%
Inflation assumption - CPI	2.60%	2.70%

Mortality assumptions

The mortality assumptions used in the 2013 valuation of the plan are set out below:

	<i>Years</i>	<i>Years</i>
Current pensioners (at 65) - males	21.0	21.0
Current pensioners (at 65) - females	23.5	23.5
Future pensioners (at 65) - males	22.0	22.0
Future pensioners (at 65) - females	24.4	24.4

10. RETIREMENT BENEFIT OBLIGATIONS (continued)

	<i>At 30 March</i>	<i>At 31 March</i>
	2013	2012
	<i>£m</i>	<i>£m</i>
Value of assets in the scheme		
Corporate Bonds	18.1	16.3
Equities	40.7	34.9
Absolute return fund	27.7	25.6
Property	0.6	0.7
Cash	0.6	0.5
Annuities	1.2	1.1
Total market value of assets	88.9	79.1

Movements in the fair value of scheme assets during the year

Fair value at beginning of the year	79.1	77.1
Expected return on scheme assets	5.1	4.9
Actuarial gain/(losses)	5.4	(2.5)
Employer contributions	1.4	1.6
Employer special contributions	0.7	0.7
Employee contributions	0.4	0.5
Benefits paid	(3.2)	(3.2)
Fair value at the end of the year	88.9	79.1

Movements in the present value of defined benefit obligations during the year

Present value of obligation at beginning of the year	(98.2)	(83.5)
Service cost	(1.6)	(1.4)
Interest cost	(4.5)	(4.6)
Employee contributions	(0.4)	(0.5)
Benefits paid	3.2	3.2
Actuarial losses	(0.4)	(11.4)
Present value of obligation at the end of the year	(101.9)	(98.2)

11. SHAREHOLDERS' INFORMATION

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 7 June 2013 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be November 2013. For further details please contact the Company's registrars, Computershare on 0870 889 4096.

12. PRINCIPAL RISKS AND UNCERTAINTIES

Regulatory Risks

Regulation of the Sale of Alcohol: Within our industry there is always the risk that the Government may change legislation in a manner that may adversely affect us. Notably, in the past five years UK alcohol excise duties have been increased by more than 45%. In the recent budget the Chancellor announced the abolition of the duty escalator on beer. Whilst this was a positive step we recognise that this remains a widely debated topic and an area that is open to future revision of government policy. In addition duty on other alcohol continues to rise annually at 2% above inflation. There is a risk that continued inflation busting duty increases may depress sales or further reduce margins in our industry.

In March 2013 the government also announced that it intends to introduce laws to set a minimum price per unit of alcohol by 2014 as well as a ban on Supermarkets from offering 'multi-buy' discounts. Similar attempts to introduce pricing measures in Scotland have so far been unsuccessful.

Beer Tie: Whilst the European Union has renewed the block exemption with regard to the Beer Tie until 2022, the Beer Tie continues to be the subject of much debate and scrutiny in the UK. In April 2013 the Business Secretary announced a consultation for a mandatory code of practice for the industry as well as the appointment of an independent adjudicator. The adjudicator will oversee practices within the industry with a view to transferring £100 million a year of value from pub companies to tenants. Currently the industry maintains a voluntary code of practice which is regularly reviewed and updated in consultation with numerous pub company's and industry groups. To ensure the transparency and openness of our Tied agreements, our own Tenanted Code of Practice, which is accredited by the British Institute of Innkeeping, is currently being aligned to the most recent industry code.

Current proposals are for the new mandatory code of practice to apply only to companies with over 500 pubs however there remains the risk that this threshold will be revised and may be imposed upon us. Such events would have a significant impact for a number of our customers and affect the profitability of our business. There continues to remain the risk that eventually the authorities will further interfere with the existing arrangements resulting in the abolition of the Beer Tie. This would necessitate changes to our business model, with higher property rents and lower prices for the supply of drinks being charged.

Health and Safety: The health and safety of the Group's employees and customers is a key concern to us. We report and investigate both accidents and near misses. In order to reduce the risk of kitchen fires in our Managed Pubs and Hotels we have automatic fire suppression systems in every kitchen. A Health and Safety Committee is in place in order to oversee the operation of the Group's health and safety policies and procedures, and to regularly update its training programme to ensure that all risks are identified and properly assessed and that relevant regulation is adhered to.

12. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Pensions: The Group operates several pension schemes including a defined benefit pension scheme and management continue to closely monitor developments in relation to pension scheme funding. Although the defined benefit scheme is now closed to new entrants, there remains a significant pension liability of £13 million on the Balance Sheet. There is therefore a risk to the Group that a change in legislation could impact cash flow by setting a minimum funding level that is above the Group's current contributions or by requiring higher contributions by a change to the basis of calculating the scheme deficit. The Group has a programme in place to reduce the deficit and made an additional contribution of £0.7 million in the period ended 30 March 2013. The Group has agreed with the trustees to review this additional contribution in July 2013 and it is expected that the value of the payment will increase.

Economic and Market Conditions

Strength of the Economy: We are exposed to the overall strength of the UK economy and its influence on consumer spending. The Group constantly invests in its key brands and ensures it takes advantage of the opportunities presented to encourage customers into its pubs. The weak economic recovery is being affected by high inflation, unemployment at its highest level since the early 1990's, and in real terms pay reductions. Combined, these factors are likely to reduce total UK consumer spending in the short term. Nonetheless, the outlook is better than the deep recession the UK has just endured and the Group traded well through that difficult period.

The Group maintains a high quality of operation and product in order to maintain its competitive position. However, the Group's pubs compete for consumers with a wide variety of other branded and non-branded pubs and restaurants as well as off-licences, supermarkets and other leisure outlets. We constantly review the position of our pubs in the market and consider that our differentiators and brands put the Group in the best possible position for the current marketplace.

Assigned Leases: The Group has in the past assigned a number of property leases to third parties. The Group no longer operates these properties and does not account for the rents due under the leases. There is a risk that, in the event of default on the rental payments by an assignee, the landlord would seek to recover the unpaid rents from the Group. The Group monitors the credit worthiness of the assignees, but ultimately the risk we face is a result of the third parties' performance, itself largely influenced by the economy.

Supply Chain Failure: Whilst we brew our own beer in Chiswick, our production process and our pubs rely on a number of third parties to provide continuity of supply. The quality and availability of these supplies are integral to our ability to operate. Suppliers are carefully selected with significant consideration given to the source and quality of the produce. The majority of our food is provided fresh and sourced from within the UK. We maintain close relationships with all our suppliers and where appropriate put in place long term supply contracts. Our food is delivered by a number of suppliers which avoids concentration in a sole supply arrangement. However, the weak economic climate increases the risk of a supplier failure, and therefore we monitor the credit worthiness of all our suppliers as well as continually review contingency plans in the event of a failure in supply.

12. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Cost Increases: Utilities and agricultural produce such as hops, malt and barley, as well as food produce are significant inputs for the Group and have been subject to considerable price increases in recent years. Further input cost increases could impact the Group's profitability. Management has in place arrangements with some of its key suppliers to secure supply and prices for the medium term (thereby also enabling the business to plan effectively), but such measures can do no more than delay cost increases should they be sustained.

Consumer Trends: In the UK, consumption of alcohol continues to be the subject of considerable social and political attention. Increasing public concern over alcohol related social problems, including underage drinking and health consequences associated with the misuse of alcohol, has contributed to declining sales of beer in the UK. The Group takes these issues seriously and continues to support the industry's campaigns on these issues and to market its products as premium beverages to be drunk in moderation in a social environment. More generally, management frequently carries out research amongst its customer groups to ensure it reacts to changing consumer preferences. Accommodation and food sales are an area of focus and are an increasing proportion of total sales, providing diversification protection against shifting consumer behaviour.

Operational Risks

Griffin Brewery Site: The Group's headquarters and sole brewing facility are based at the Griffin Brewery site in Chiswick. A disaster at this site would seriously disrupt operations. We take various measures to mitigate the impact of such an event. For example we store recipes and yeast off-site and have informal arrangements in place to use alternative facilities, but such measures cannot fully replicate the Chiswick operations.

Brands and Reputation: Fuller's has a wide portfolio of brands and has established an excellent reputation in the market. Principally, there is a risk that the Group's beer could become contaminated at source or outlet, which could damage the reputation of the brand and deter customers. The Group reduces product contamination risks to an acceptable level by ensuring that the business is operated to the highest standards by maintaining long term relationships with suppliers and by significant investment in security, quality control and cleansing, together with insurance coverage for product contamination. In addition, the Group runs an active and continuous training programme covering all aspects of the pub operations and provides its pubs with onsite technical support.

New Competitors: The entry of new competitors into our markets, a change in the level of marketing undertaken by them or in their pricing policies, consolidation of competitors and/or the introduction of new competing products or brands could have a material adverse impact on our market share, sales volumes, revenue and profits. We have an on-going programme of brand investment to maintain and enhance the market position of our products.

Information Technology: The Group is increasingly reliant on its information systems to operate on a daily basis and trading would be affected by any significant or prolonged failure of these systems. To minimise this risk the IT function has a range of facilities and controls in place to ensure that in the event of an issue normal operation would be restored quickly. These include a formal Disaster Recovery Plan, on-line replication of systems and data to a third party recovery facility and external support for hardware and software.