

15 November 2019

Business Update and Trading Statement

Fuller, Smith & Turner P.L.C. ("Fuller's" or "the Company"), the premium pubs and hotels business, today provides the following update.

The business continues to trade well with total sales in our managed estate growing 5.2% and like for like sales growth of 2.3% for the 32 weeks to 9 November 2019, against strong comparatives for the corresponding period last year albeit with some margin erosion due to industry wide cost pressures.

As previously communicated, 2019 has been an unprecedented year of change for Fuller's following the disposal of the Brewing Business to Asahi; delivery of the Transitional Services Agreement ("TSA") associated with the sale; and migration to a new Enterprise Resource Planning system ("ERP").

As a result of the sale of the brewing business, underlying earnings of the retained business have been aligned accordingly and the vast majority of the central overheads reflecting Fuller's former integrated structure have been retained by the Company until the TSA agreement with Asahi comes to an end by May next year.

Whilst it was not underestimated that this would be a period of significant transition for the business, the costs associated with carrying the central overhead previously allocated to the Beer Company have transpired to be materially higher than expected, with additional resource required to assist the business through this complex separation period. In part, this has been impacted further by the migration to a new ERP system which has not yet delivered the expected benefits and additional costs have been incurred operating the system as a result.

It is anticipated that the current level of overhead will continue until the TSA agreement concludes by May 2020. Thereafter, the Company will be able to transition to a structure more appropriate for a focused premium pubs and hotels business.

As a result of the above, it is anticipated that profit performance for the full year ending 28 March 2020 will be broadly in line with the prior year on a comparable basis, resulting in adjusted profit before tax in the region of £31m.

Looking forward our strategy is clear and remains on track as we look to deliver our growth plans for the future as a focused premium pubs and hotels business. This has been evidenced most recently by our acquisition of Cotswold Inns and Hotels, comprising seven high quality, freehold country inns and hotels, together with two vibrant leasehold bars in Birmingham's city centre.

A more detailed update and further guidance will be provided at the Company's Half Year results on 12 December 2019.

Fuller's Chief Executive Simon Emeny said:

"This is a transitional year for the Company following the sale of the brewing business and subsequent separation of a highly integrated business. There have been many moving parts to navigate and we have incurred some greater than anticipated costs as a result which have had a short term impact on our financial performance. Whilst we are taking the action to address these, the impact of this will not be felt in the current financial year.

"Trading is good in light of exceptionally strong comparatives last year and the continued challenge of cost inflation facing our sector. Our strategy remains on track and we will continue to execute our growth ambitions and maximise the opportunities open to us as a focused pubs and hotel business."

This announcement contains inside information and the person responsible for making this announcement on behalf of Fuller's is Adam Councill, Group Finance Director.

For further information, please contact:

Fuller, Smith & Turner P.L.C.

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| Simon Emeny, Chief Executive | 020 8996 2000 |
| Adam Councill, Group Finance Director | 020 8996 2000 |
| Georgina Wald, Corporate Comms Manager | 020 8996 2198 / 07831 299801 |

Instinctif Partners

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| Justine Warren | 020 7457 2020 |
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Notes to Editors:

Fuller, Smith and Turner P.L.C. is a premium pub and hotel business. The Company runs 179 Tenanted pubs and 215 Managed Pubs and Hotels, with a focus on delicious fresh, home-cooked food, outstanding cask and craft ale, great wine and exceptional service. The Company also has 1028 boutique bedrooms in its Managed estate. The Fuller's pub estate stretches from Brighton to Birmingham and from Bristol to the Greenwich Peninsula, including 174 locations within the M25. In June 2018 Fuller's acquired Bel & The Dragon, comprising six stunning country inns (included in the pub numbers above), and the Company also owns The Stable, a craft cider and gourmet pizza restaurant business, which has 16 sites in England and Wales. In April 2019, Fuller's sold its brewing division to Asahi Europe Ltd. The Company subsequently announced the acquisition of Cotswold Inns and Hotels last month, comprising a collection of seven high quality, freehold country inns and hotels in the Cotswolds, together with two vibrant leasehold bars in Birmingham's city centre.